

**CURRENT EVENTS
AND
ANALYSIS
(August 2019)**

Editor

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CURRENT EVENTS AND ANALYSIS

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ECONOMY

INDIAN MACRO ECONOMY:

Indian Economy Registers GDP Growth of 5 Per Cent, the Lowest in Six Years

- Indian Economy registered a Gross Domestic Product (GDP) rate of 5 per cent in the first quarter (April-June) of current financial year (2019-20) as per the data released on August 30, 2019 by the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation.
- 5 per cent growth is the slowest for the last six years (since 2013).
(In January-March quarter of 2013 (last quarter of 2012-13 financial year), the GDP registered a growth rate of 4.3 per cent.)
- The GDP growth was 5.8 per cent in January-March of 2019 (previous quarter) and 8 per cent of April-June 2018 (corresponding period of previous year).

Reasons for Slow GDP Growth are

- weak consumer demand (particularly in sectors like automobiles where the demand is weak and job losses are increasing),
- decreasing investments, and
- weak external demand.

The manufacturing sector registered just 0.6 per cent growth while Agriculture and allied activities registered a growth rate of 2 per cent.

Construction, Real estate, Trade, Transport and Communications also registered lower growth rates.

Measures Taken to Boost Growth:

Realising that GDP growth is declining, the Union Government announced the following measures recently to revive the Indian economy.

- Capital infusion of Rs. 70, 000 crores into public sector banks immediately to increase lendable resources of the banks and ensure greater credit disbursal,
- exemption of foreign portfolio investors and domestic investors from the ambit of enhanced surcharge (surcharge was enhanced in the Budget 2019-20 on those earning more than 2 crores per year),
- exemption from Angel Tax to start-ups registered with the Government,
- liberalisation of foreign investment rules in four sectors- coal mining, contract manufacturing, single-brand retail and Digital media (like allowing 100 per cent FDI in coal mining, contract manufacturing, etc.)
- lifting the ban on purchase of new vehicles for replacing all old vehicles by Government Departments and increasing depreciation from 15 per cent to 30 per cent on all vehicles,
- speeding of Government investments in infrastructure into which it had already committed to spend Rs. 100 lakh crores on infrastructure in the next five years.
- speeding up tax refunds to Micro, small and medium enterprises (MSMEs), and
- merging of public sector banks to create bigger banks which would lead to operational efficiencies and increased credit disbursal.
- The Reserve Bank of India (RBI) reduced the repo rate from 6.5 per cent (in February 2019) to 5.4 per cent (August 2019) to reduce the cost of borrowing.

RBI Annual Report 2018-19

The Reserve Bank of India (RBI) released its Annual Report 2018-19 on August 29, 2019.

Highlights:

- Growth is slowing down in several sectors like manufacturing, trade, hotels, transport, communications and broadcasting, construction; and agriculture.
- Lack of sufficient domestic demand and investment is holding back the growth in the Indian economy which in turn is due to lack of animal spirits among consumers and investors.
- High priority should be given to revive consumption demand and private investment during 2019-20.
- Government must give a big push for spending on infrastructure and implementation of much needed structural reforms in the areas of land, labour laws, taxation, and other legal reforms.

What does the term 'Animal Spirits' Mean?:

- The term Animal Spirits refers to the emotions and instincts that guide the behaviour of investors and consumers in a market economy.
- It was coined by British economist **John Maynard Keynes** in his 1936 book *The General Theory of Employment, Interest, and Money*, to explain the persistence of economic fluctuations under capitalism.
- Keynes argued that investment and consumption are often based on how people feel about the overall economy rather than on unbiased rational analysis of facts.
- However, critics have argued that while people are not perfectly rational, they are not completely guided by emotions either; hence, animal spirits cannot sufficiently explain economic cycles.

Government's Measures to Revive Indian Economy

On August 23, 2019, the Union Government announced a series of measures covering various sectors to revive slowing economy. Indian economy grew at a five-year low of 6.8% in 2019-19.

BANKING:

Liquidity Infusion:

- Government would infuse capital of Rs. 70,000 crore upfront (payment made in advance) into public sector banks.
- This move is aimed at boosting lending and improving liquidity situation. This will benefit Corporates, Retail borrowers, MSMEs, small traders, etc

Banks to Launch Repo Rate Linked loan Products:

1. Banks will launch repo rate and external benchmark-linked loan products.

This measure will lead to reduced easy monthly instalments (EMIs) for housing, vehicle and other retail loans.

Working capital loans for industry will also become cheaper.

2. Banks have also decided to pass on RBI rate cut benefits to borrowers through Marginal Cost of Fund based Lending Rate (MCLR) reduction.

The marginal cost of funds-based lending rate (MCLR) is the minimum interest rate that a bank can lend.

SURCHARGE WITHDRAWN:

- In the Budget 2019-20 (presented in July 2019), the surcharge on tax had been increased from 15 per cent to 25 per cent for all individuals whose taxable income is more than Rs. 2 crore and up to Rs. 5 crore. And for those whose taxable income is more than Rs. 5 crore, the surcharge had been increased from 15 per cent to 37 per cent.

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- The Budget proposal to hike surcharge had led to panic among foreign investors as they were also covered under the surcharge if they make gains of more than 2 crore from their investments in shares.

Due to this hike in surcharge, Foreign Portfolio Investors (investors in stock market) withdrew more than \$3.4 billion (Rs. 24,500 crore) from domestic equities in July and August 2019. The reason for withdrawal is they would have to pay more tax on their profits while paying short term capital gains tax and long term capital gains tax if they continue their investments in the country.

- When taxes are high, foreign portfolio investors shift their investments to countries where taxes are relatively lower.
- The massive capital outflows also put pressure on the rupee, which slumped to 72-level against the US dollar.

Expected Impact:

The withdrawal of surcharge is expected to

- reverse the outflows of foreign portfolio investment, and
- stop the depreciation of rupee.

ANGEL TAX FOR START-UPS WAIVED:

- Angel Tax provisions will not be applicable to start-ups registered with Department for Promotion of Industry and Internal Trade (DPIIT) under Union Commerce Ministry.
- Angel tax is levied on a privately-held company when it raises funds at a rate higher than its "fair valuation." Currently, India levies a 30% angel tax.
- Angel Tax is aimed at curbing money-laundering, but it also resulted in a large number of genuine start-ups receiving notices from the tax department.
- Removal of this Tax for start-ups is expected to encourage angel investments. Angel investors are wealthy individuals who invest at the early stages of startups to benefit from the innovative businesses of start-ups.

AUTOMOBILES:

1. To boost demand for automobiles which at present is witnessing decline in sales and job losses, the Government announced

lifting the ban on purchase of new vehicles for replacing all old vehicles by Government Departments increasing depreciation from 15 per cent to 30 per cent on all vehicles purchases till March 31, 2020, urging banks to make automobile loans cheaper, and increase credit availability to non-banking finance companies.

Advantage of Increasing Depreciation:

When the resale value comes down faster, it boosts the sales of second hand vehicles (used vehicles)

A higher depreciation rate will bring down the insurance premium from the second year.

Higher depreciation will allow businesses to claim higher business expenses and thus lead to more tax benefits.

2. The Government also clarified that both electric vehicles (EVs) and internal combustion vehicles (ICVs) (present cars) will continue to be registered. There is concern in the automobile industry that the Government may fully shift to electric vehicles (EVs) to check pollution and promote clean mobility.
3. All BS-IV vehicles (Bharat Stage IV is the Indian Standard for fuel emission norms) purchased upto March 2020 will remain operational for their entire period of registration. This was announced because from March 2020, only BS-VI vehicles would be sold in the country. BS-VI norms are being introduced to check pollution and there is a concern that BS-IV vehicles life span would be reduced.

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- However, the major **demand of automobile companies for reduction of Goods and Services Tax from 28 per cent to 18 per cent has not been agreed by the Government.** This is due to revenue implications as the Government would have to forgo revenue if the demand is met. Reduction in GST would reduce the revenues of the Government and Fiscal deficit of the Government would increase.

INFRASTRUCTURE:

- An inter-ministerial Task force would be formed by Department of Economic Affairs to finalise the pipeline of infrastructure projects. The Government has already committed to spend Rs. 100 lakh crores on infrastructure in the next five years.
- These projects would be monitored actively to accelerate capital expenditure and investments in the economy.
- This initiative is expected to boost growth and create jobs.

Corporate Bond Market:

- The Government also reiterated commitment to deepen the corporate bond market with a special focus on infrastructure and housing projects. This will boost debt flow to such projects.

SUPPORT TO NON BANKING FINANCE COMPANIES AND HOUSING FINANCE COMPANIES:

- The National Housing Bank (NHB) can now extend up to Rs 30,000 crore credit lines to Non Banking Financial Companies (NBFCs) engaged in housing finance, instead of Rs 10,000 crore at present.
- Lack of adequate liquidity has become a cause of concern in this sector due to an ongoing debt crisis among several large non-banking financial companies (NBFCs). This began in June 2018 after the IL&FS group defaulted on inter-corporate deposits and commercial papers (borrowings) worth about Rs 450 crore. Banks went cautious in lending to such entities.

MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES):

- Micro, small and medium enterprises (MSMEs) will get their pending goods and services tax (GST) refunds in 30 days.
- In future all GST refunds will be paid within 60 days from the date of application.
- Banks will implement a onetime settlement policy for MSMEs.

CORPORATE SOCIAL RESPONSIBILITY VIOLATION MADE A CIVIL OFFENCE:

- Violations of Corporate Social Responsibility (CSR) norms under the companies law will be treated only as a civil liability and not as a criminal offence.
- The companies Act, 2013 was amended in the budget session providing for penal provisions for non-compliance with Corporate Social Responsibility (CSR) requirements. The amendments provided for imprisonment of up to three years for executives of companies that broke CSR rules apart from fines of Rs. 50,000 to Rs. 25 lakh.
- All companies with a net worth of Rs 500 crore or more, turnover of Rs.1,000 crore or more or net profit of Rs 5 crore or more are required to spend 2% of their average profit of the previous three years on Corporate Social Responsibility (CSR) activities every year.
- According to the new CSR norms, under Section 135 of the Companies Act a company has to earmark a part of its profit as specified above for social activities and transfer all unspent amount to an escrow account if it is an ongoing project.
- This account will be opened by the company concerned in a bank and be called the unspent corporate social responsibility account.
- The CSR expenditure which remains unspent in three years would be transferred to any fund specified in Schedule VII of the Companies Act such as the Swachh Bharat Kosh, the Clean Ganga Fund, and the Prime Minister's Relief Fund.

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- According to government data of the total 21,337 companies liable for CSR, 9,753 companies did not report CSR activity in 2017-18.

ISSUE OF IT ORDERS, NOTICES, SUMMONS:

In order to address complaints of harassment on account of issue of notices, summons, orders, etc. by certain income-tax authorities following measures have been announced.

- After 1st October, 2019, all notices, summons, orders etc. by the income-tax authorities shall be issued through a centralized computer system and will contain a computer generated unique Document Identification Number.
- Any communication issued without computer-generated unique Document Identification Number shall be invalid in law.
- From 1st October, 2019, all notices will be disposed off within three months from the date of reply.

MONETARY POLICY:

Reserve Bank of India (RBI) Cuts Repo Rate by 0.35 Per Cent

- On August 07, 2019, the Reserve Bank of India (RBI)'s Monetary Policy Committee (MPC) **reduced repo rate** by 0.35 per cent **to 5.4 per cent** from 5.75 per cent.
- Repo rate is the rate at which banks borrow funds from the Reserve Bank against eligible collaterals.
- It is the fourth rate cut in a row by the RBI. RBI had cut the policy rate by 75 basis points prior to this, through three rate cuts of 25 bps each in February 2019, April 2019 and June 2019.
- From February 2019 till date, the RBI has cumulatively cut the repo rate by 110 bps (1.10 per cent).

Reasons for Reduction of Repo Rate?

- Economic growth is likely to slow down due to weakening demand both domestic and external.
- Inflation is also under control. Retail inflation, measured by Consumer Price Index (CPI), was 3.2 per cent in June 2019. This is below the RBI's target of 4 per cent.

Objective of Repo Rate Cut:

- Boosting private investment and consumption through reduced cost of credit which in turn would revive aggregate demand and lead to increased economic growth rate.

Is the Rate Cut passed on to Borrowers:

- The repo rate cut announced by the RBI is not being transmitted to the banking system fully.
- While the RBI reduced Repo rate by 75 basis points through three rate cuts (in February, April and June 2019), banks had lowered their benchmark lending rate (MCLR) by just 10-20 bps. Hence, a cut in repo rate does not immediately reduce their costs. This structural issue is likely to persist, and therefore cuts in the lending rates will happen with a lag.

Reasons:

- Weak deposit growth vis-à-vis credit growth. If lending rates are to be reduced, deposit rates also need to be reduced. In times of weak deposit growth, reducing deposit rates will reduce bank deposits.
- Banks source only a small portion of their funds from the repo window and rely significantly on longer term deposits.

Inflation:

- The RBI has retained its inflation projection at 3.1 per cent for Quarter 2 (July-September) of 2019-20.

GDP Growth:

- The Monetary Policy Committee (MPC) has revised downwards the projection of GDP growth to 6.9 per cent for 2019-20 against 7 per cent quoted in its June 2019 assessment.

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- Weakening of both domestic and external demand are the reasons for reduction of GDP growth estimates.

Liquidity to NBFCs:

- To help **Non Banking Financial Companies (NBFCs)** overcome liquidity issues, the RBI has decided to raise the limit of a bank's exposure to a single NBFC to 20 per cent of the Tier-I capital of a bank against 15 per cent now.

Tier 1 capital is the primary funding source of the bank. Tier 1 capital consists of shareholders' equity and retained earnings.

- In order to augment the flow of credit to priority sectors that contribute significantly to exports and employment, it has been decided to allow bank lending to registered NBFCs (other than MFIs) for on-lending to (i) agriculture (investment credit) up to Rs. 10 lakhs; (ii) Micro and Small Enterprises up to Rs. 20 lakhs; and (iii) housing up to Rs. 20 lakhs per borrower (up from Rs. 10 lakhs at present), to be classified as priority sector lending.

National Electronic Funds Transfer (NEFT):

- National Electronic Funds Transfer (NEFT) payment system operated by the Reserve Bank as a retail payment system will be made available on a 24x7 basis from December 2019.

Risk weight for consumer credit Reduced:

- The RBI also reduced the risk weight for consumer credit including personal loans, but excluding credit card receivables, to 100 per cent from 125 per cent or higher. Reduced risk weightage increases the lendable funds of the Banks.

Surplus Transfer:

Reserve Bank of India (RBI) to Transfer Rs. 1.76 Lakh Crores to the Government of India

On August 26, 2019, the RBI's central board approved the transfer of record Rs. 1.76 lakh crores to the government. This comprises of

- Rs. 1,23,414 crores of surplus for the year 2018-19, and
- Rs. 52,637 crores of excess risk provisions identified as per the the Bimal Jalan Committee on reviewing the Reserve Bank of India's (RBI) Extant (still existing) Economic Capital Framework.

This was suggested by Expert Committee to Review the Extant Economic Capital Framework of the RBI under the chairmanship of Dr. Bimal Jalan.

What is Economic Capital Framework?

- It is the methodology for determining the appropriate level of risk provisions to be made by the RBI.
- Section 47 of the Reserve Bank of India Act, 1934 deals with risk provisions.

Why the RBI needs to Maintain the Reserves?

- The RBI is responsible for monetary, financial and external stability. It is the monetary authority of the country as well as lender of last resort to Banks.
- Reserves are needed to act as a shield from the risks arising out of its operations.
- The central bank has three different funds that together comprise its reserves. These are the Currency and Gold Revaluation Account (CGRA), Contingency Fund (CF), and Asset Development Fund (ADF).
- Of these, the CGRA is by far the largest and makes up the significant bulk of the RBI's reserves. The fund, which in essence is made up of the gains on the revaluation of foreign exchange and gold, stood at Rs. 6.91 lakh crore as of financial year 2017-18. The CGRA has grown quite significantly since 2010, at a compounded annual growth rate of 25%.

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- The CF is the second biggest fund, amounting to Rs. 2.32 lakh crore in 2017-18. It is designed to meet contingencies from exchange rate operations and monetary policy decisions and is funded in large part from the RBI's profits.
 - The ADF makes up a much smaller share of the reserves
 - But, of late the RBI and the Finance Ministry have been at loggerheads over how much should be transferred to the Centre for a while. Hence, in November 2018 a committee under former RBI Governor Bimal Jalan was set up to look into the issue.

Details:

Rs. 1,23,414 crore of surplus Transfer:

- The Bimal Jalan Committee recommended continuing the the RBI's economic capital levels in the range of 24.5 per cent to 20 per cent of balance sheet
- The economic capital as on June 30, 2019 stood at 23.3 per cent of balance sheet. As financial resilience was within the desired range, the RBI decided to transfer the entire net income of Rs. 1,23,414 crore for the year 2018-19, of which an amount of Rs. 28,000 crore has already been paid as interim dividend, to the Government of India.

Rs. 52, 637 Crore transfer:

- Bimal Jalan Committee recommended that the risk provisioning for monetary and financial stability risk referred to as the Contingent Risk Buffer (CRB) should be maintained within a range of 6.5 per cent to 5.5 per cent of the RBI's balance sheet. (However, the Union Government wanted it to be maintained at 3 per cent.)
- The Central Board of RBI decided to maintain it at 5.5 per cent of balance sheet and transfer the resultant excess risk provisions of Rs 52,637 crore to the Government.

Benefits to the Government:

- The Union Budget 2019-20 estimated a Rs. 90,000 crore surplus transfer from RBI.
- The additional money transferred from RBI could be used by the Government to reduce its market borrowings. This would lead to availability of more funds to the private sector.
- It also provides option to the Government to pump additional investments in infrastructure which would create additional demand in various sectors (steel, cement, etc.) of the economy.

Recommendations of the Bimal Jalan Committee:

- The **Committee** reviewed the status, **need and justification of the various reserves, risk provisions and risk buffers** maintained by the RBI and **recommended their continuance.**
- It stated that the RBI forms the primary bulwark for monetary, financial and external stability.
- The Reserve Bank of India's (RBI's) balance sheet should be strong enough to support banks if there is a need to recapitalise them during a financial crisis.
- It also noted that **RBI's provisioning for monetary, financial and external stability risks** is the country's savings for a 'rainy day' (a monetary/ financial stability crisis) which has been consciously maintained with the RBI in view of its role as the Monetary Authority and the Lender of Last Resort.

Other Recommendations:

- The Committee recommended a review of the Economic Capital Framework every five years.
- However, in case of a significant change in the RBI's risks and operating environment, an intermediate review may be considered.
- An interim dividend to the government must only be made in exceptional circumstances.

Aligning RBI's Accounting Year with Government's Fiscal Year:

The Bimal Jalan Committee recommended aligning Accounting Year of RBI with the fiscal year of the government from financial year 2020-21 for the following reasons:

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- to provide better estimates of the projected surplus transfers to the Government for the financial year for budgeting purposes,
 - reduce the need for an interim dividend being paid by the RBI, and
 - bring about a greater cohesiveness in the monetary policy projections and reports published by the RBI which mostly use the fiscal year as the base.

At present, while the financial year of the Government is from April 1st to March 31st, the accounting year of RBI is from July 1st to June 30th.

BANKING:

10 Public Sector Banks to be Merged into 4 Entities

On August 30, 2019, the Union Government announced merging of 10 public sector banks into 4 entities.

Objective are

- enhancing operational efficiency,
- reducing cost of operations,
- enhancing credit growth in the country, and
- contributing to India becoming a \$5 trillion economy as building bigger banks by merging of banks will lead to banks with bigger size in terms of aggregate funds and business.

Details:

The 10 banks will be merged into following 4 entities. The Business size after merger and also their rank by size in the country after merger is given below.

Anchor bank	Amalgamating bank(s)	Business size	PSB rank by size
1. Punjab National Bank	Oriental Bank of Commerce & United Bank of India	Rs. 17.94 lakh crore	2nd largest in the country
2. Canara Bank	Syndicate Bank	Rs 15.20 lakh crore	4th largest in the country
3. Union Bank of India	Andhra Bank & Corporation Bank	Rs. 14.59 lakh crore	5th largest in the country
4. Indian Bank	Allahabad Bank	Rs. 8.08 lakh crore	7th largest in the country.

- The above banks were merged on the basis of similarities (software used by the merged banks is same) to facilitate smooth transition.
- Previously, the government has already merged State Bank of India with its affiliate banks, and Bank of Baroda with Vijaya Bank and Dena Bank.
- Following all these mergers, the number of public sector banks will be reduced to 12 from 27.

Benefits of Merger:

- Operational efficiency gains by avoiding bank network overlaps,
- better ability to raise resources from markets due to their bigger size,
- enhanced resources to increase credit,
- wider offerings to customers with enhanced customisation, and
- opportunity for strong national presence and global reach.

Other Reforms aimed at improving their efficiency and accountability of the Banks:

The Government also announced following reforms.

- To make the management accountable to the directors, the board committee of each nationalised bank will assess the performance of General Managers and above, including Managing Directors.
- Banks have also been allowed to recruit chief risk officers from the market, at market-linked compensation to attract the best available talent.
- To enable succession planning, the boards will decide on a system of Individual Development Plan for all senior executive positions.
- Only officers with at least two years of service left will be appointed to the post of General Manager and above.

Capital Infusion:

The Union Government also announced immediate capital infusion of Rs. 55, 250 crore into the Banks as given below. Capital infusion will increase the lendable resources of the banks and will lead to increased credit disbursements.

Bank	Amount Infused (in Rs. Crores)
Union Bank of India	11,700
Bank of Baroda	7,000
Canara Bank	6,500
Indian Bank	2,500
Indian Overseas Bank	3,800
Central Bank of India	3,300
UCO Bank	2,100
United Bank of India	1,600
Punjab & Sind Bank	750
Total	55,250

BALANCE OF PAYMENTS:

FDI:

Foreign Direct Investment (FDI) Norms Relaxed

- On August 29, 2019, the Union Government relaxed the Foreign Direct Investment (FDI) norms in the following sectors.
- Coal Mining,
- Contract manufacturing,
- Single Brand Retail Trading, and
- Digital Media

Objectives of FDI Relaxations:

- Facilitating Ease of Doing Business,
- attracting foreign investments, and
- creating more employment opportunities.

Details:**Coal Mining:**

- 100% FDI would be permitted under automatic route **for coal mining** including associated processing infrastructure (coal processing plants like coal washeries, crushing, coal handling, etc.)

Present Position:

- At present, 100% FDI under automatic route is allowed for coal & lignite mining for **only captive consumption** by power projects, iron & steel and cement units and other eligible activities
- 100% FDI under automatic route is also permitted for setting up coal processing plants like washeries subject to the condition that the company shall not mine coal and shall not sell washed coal or sized coal from its coal processing plants in the open market.

Contract Manufacturing:

- At present, 100% FDI is permitted under automatic route in manufacturing sector.
- There is no specific provision for Contract Manufacturing in the Policy.
- Contract manufacturing is the outsourcing of part of the manufacturing process of a product to another firm by the original manufacturer.
- In order to provide clarity on contract manufacturing, it has been decided to allow 100% FDI under automatic route in contract manufacturing in India as well.

Single Brand Retail Trading (SBRT):

- At present, Single Brand Retail Trading (SBRT) should procure 30% of value of goods from India if it has FDI more than 51%. (100 per cent FDI is allowed in Single Brand Retail Trading.)
- Local sourcing requirement can be met as an average during the first 5 years, and thereafter annually for the goods sold in India.

Changes:

- All procurements made from India by the Single Brand Retail Trading (SBRT) company for that single brand shall be counted towards local sourcing, irrespective of whether the goods procured are **sold in India** or **exported**.

Sales through e-commerce:

- At present, Single Brand Retail Trading (SBRT) Companies have to operate through brick and mortar stores before starting retail trading of that brand through e-commerce.
- Now, retail trading through online trade can also be undertaken prior to opening of brick and mortar stores, subject to the condition that the entity opens brick and mortar stores within 2 years from date of start of online retail.

Online sales will lead to creation of jobs in logistics, digital payments, customer care, etc.

Digital Media:

- At present, print media and news broadcast television companies in India have FDI caps of 26% and 49% respectively, while there have been no restrictions so far on foreign investors or entities running digital media ventures aimed at Indian consumers.
- Now, the Government decided to permit only 26% FDI under government route for uploading/ streaming of News & Current Affairs through Digital Media, on the lines of print media.
- This new policy on digital media is being seen as 'restrictive' as digital media did not have limits earlier. Companies already operating with 50% or 100% FDI will have to divest foreign equity in favour of domestic investor.

SOCIAL SECTOR:

Labour:

Wage Code Bill 2019 Passed by Parliament

Wage Code Bill 2019 has been approved by the Parliament as the Lok Sabha passed it on July 30, 2019, and the Rajya Sabha passed it on August 2, 2019.

Major Provisions in the Bill:

- The code on wages universalizes the provisions of minimum wages and timely payment of wages to all employees irrespective of the sector and wage ceiling.
- Many unorganised sector workers like agricultural workers, painters, persons working in restaurants and dhabas and chowkidars, who are, at present, outside the ambit of minimum wages, will get legislative protection of minimum wages with the passage of the Bill.
- With the Code on Wages, legislative protection through minimum wage has been increased from existing about 40% to 100% workforce.
- 50 crore unorganised sector workers across the country would be benefited.
- Besides, the bill will ensure that employees getting a monthly salary are paid by the 7th of the following month.
- Those working on a weekly basis will be paid on the last day of the week and daily wagers should get them on the same day.
- Government may specify the industrial or other establishment, where the wages are to be paid only by cheque or through digital or electronic mode or by crediting the wages in the bank account of the employee.
- The Bill provides for floor wage for different geographical areas so as to ensure that no State Government fixes the minimum wage below the floor wage notified for that area by the Central Government.
- In order to remove the arbitrariness and malpractices in inspection, it empowers the appropriate Government to appoint Inspectors-cum-Facilitators in the place of Inspectors.

Background:

- The labour ministry has decided to amalgamate 44 labour laws into **four** codes - on wages, industrial relations, social security, and safety, health and working conditions.
- Code on Wages is the first in a series of four labour codes proposed in the government's labour reform initiative.

AGRICULTURE:

Sugar Export Policy for 2019-20 Approved

On August 28, 2019, the Union Government approved sugar export policy for sugar season 2019-20

Highlights:

- Rs 6,268 crore would be provided as subsidy for sugar exports by the Union Government.
- 6 lakh metric tonnes (LMT) of sugar would be exported in 2019-20.
- The government will provide a lump sum subsidy of Rs 10,448 per metric tonne to sugar mills for the sugar season 2019-20,

Why Subsidy for Sugar Exports?

- At present, there is surplus production in the country.

There was surplus sugar production (more than needed for consumption within the country) in 2017-18 and 2018-19. 2019-20 is expected to commence with an opening stock of about 142 lakh metric tonnes (LMT) and season end stock are expected to be about 162 LMT.

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- Promoting exports through subsidies will liquidate some surplus sugar in the country.
 - Exports will also control the fall of sugar prices, to some extent, in the domestic market due to over supply.

Major states to be Benefitted are

- Uttar Pradesh, Maharashtra, Karnataka as these are major sugarcane producing states.

INFRASTRUCTURE:

Railways:

**High-speed Locomotive with a Top Speed of 180 kmph Indigenously
Manufactured by Indian Railways**

- On August 13, 2019, Railways minister Piyush Goyal announced that Indian Railways has indigenously designed and manufactured a high-speed locomotive which can travel at a speed of 180 kmph.
- High-speed locomotive will help in improving the efficiency of high-speed trains like Rajdhani Shatabdi and Duronto.
- The locomotive has been developed by Chittaranjan Locomotive Works (CLW) in West Bengal under the 'Make in India' initiative.
- The government, as part of Mission Raftaar, has set a target to improve the speed of high-speed trains in the country on important routes for faster movement of passenger and freight traffic.

RC REDDY IAS STUDY CIRCLE

NATIONAL POLITY

EXECUTIVE:

Independence Day Address:

Prime Minister's Independence Day Address

Prime Minister Narendra Modi addressed the Nation from the ramparts of the Red Fort on the 73rd Independence Day on August, 15, 2019 in which he shared his opinion on various issues and also explained the priorities of the Government. The Prime Minister

- promised to spend more than Rs. 3.5 lakh crores under 'Jal-Jeevan' Mission to provide water to every house,
- called for campaign on water conservation by making it a people's movement like Swacchh Bharat Abhiyan,
- stated that rapidly increasing population poses various new challenges for us and our future generations and urged people to opt for small families,
- stated that corruption and nepotism have damaged our country beyond imagination and the Government is trying to eliminate it by continuous use of technology,
- stated that those who create wealth (industrialists) for the country are also serving the country and they need to be recognised and encouraged, and
- announced the creation of post of Chief of Defence Staff to ensure better coordination among the army, air force and navy.

Details:

Tripple Talaq:

The Prime Minister stated that the Government had made law against Triple Talaq to protect the rights of our Muslim women. Many Islamic countries have also abolished this evil practice long ago.

Article 370 and 35 A:

- The Prime Minister stated that Article 370 of the Indian Constitution had aggravated separatism and gave birth to terrorism. It had encouraged dynastic rule and in a way strengthened the foundations of corruption and discrimination. Hence, provisions of Article 370 have been nullified.
- If Article 370 was so crucial then why did ruling parties not make it permanent in the last 70 years despite having a majority? Why was it kept temporary? If there was so much of conviction, you should have moved ahead and made it permanent. This means that you knew all along that the decision taken was not right. But you did not have the courage and the will to amend it. Concerns about political future kept coming up. For me, the country's future is everything, political future has no meaning.

'Jal-Jeevan' Mission:

- The Prime Minister stated that even after more than 70 years of Independence, almost half of the houses in India do not have access to drinking water within their houses.
- People have to struggle to get drinking water often traveling 2 to 5 km with load of water on their heads. A large part of their lives is spent in struggling for getting water from far away places.
- He promised to spend more than Rs. 3.5 lakh crores under 'Jal-Jeevan' Mission to provide water to every house.
- The central and the state governments will jointly work on this 'Jal-Jeevan' Mission.

Water Conservation:

- The Prime Minister also emphasised on water conservation.
- He stated that water conservation campaigns should be launched creating awareness in the common citizens about water so that they understand the importance of water.
- This campaign on water conservation should not just remain a government initiative. It should become a people's movement like Swacchh Bharat Abhiyan, the Prime Minister stated.

Need for Population Control:

- The Prime Minister stated that rapidly increasing population poses various new challenges for us and our future generations.
- He said that often Government thinks of political consequences when taking a stand on population control. But, such a stand comes at the cost of development of our country. He stated that, however, time has now come to take challenges head-on and so he decided to highlight the issue of population explosion in the country on the occasion of Independence day.
- He stated that those having small families can give their children good education, health care and take care of other needs.
- He stated that those having small families not only contribute to the welfare of their family but also to the good of the nation.
- He stated that the Central Government and state governments should also shoulder this responsibility for population control. If the population is not educated, not healthy, then neither the home nor the country can be happy, the Prime Minister stated. He also stated that before a child arrives into a family, parents should think whether they have prepared themselves to fulfil the needs of the child ? Or will they leave him/her dependent on the society?

Corruption:

- The Prime Minister stated that **corruption** and **nepotism** have **damaged** our **country beyond imagination** and entered into our lives like termites. We are continuously trying to weed them out. There have been successes also, but the disease is so deeply entrenched, the disease is so wide spread that we will have to keep putting in more efforts and that too at every level, not just at the government level, and we need to keep doing it continuously, the Prime Minister stated.
- He stated that all work cannot be done at one go, **bad habits are like chronic disease**. Sometimes it gets cured, but sometimes it relapses. Corruption too is a disease for which Government has taken many steps, **trying to eliminate it by continuous use of technology**. Efforts are being made to strengthen honesty and transparency at all levels, the Prime Minister stated.
- He also stated that he repeatedly exhorts the officials to work towards cutting down red tape and **reducing the involvement of the Government in the daily life of the common man**.
- He stated that the Government's ultimate objective is to achieve 'Ease of living', - where a common man does not have to go around himself to get Govt./Officials clearances.

Development Priorities:

- The Prime Minister stated that in the coming days about 1.5 lakh wellness centres and health centres will be set up in rural areas. One medical college will be set up for every three Lok Sabha constituencies. Houses for more than 2 crore poor people will be built. Drinking water would be supplied to 15 crore houses in rural areas, and 1.25 km roads in rural areas would be constructed . Each village would be provided with Broad Band connectivity and connected with optical fibre network. A network of more than 50000 new start-ups would be raised.

Wealth Creators Need to be Respected:

- The Prime Minister stated that in our country, there are wrong perceptions and beliefs about wealth creators (industrialists) and there is need to come out of this mindset.

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- He stated that those who create wealth for the country, are also serving the country and the need of the hour is to recognise and encourage the wealth creators of our nation. If wealth is not created, wealth cannot be distributed. Further, if wealth is not distributed we cannot uplift the poor sector of our society, the Prime Minister stated.

Chief of Defence Staff- CDS:

- The Prime Minister announced that post of Chief of Defence Staff would be created in Defence as the nature of war is changing and becoming technology driven. India cannot afford to have a “fragmented” approach. The new post would ensure better coordination among the army, air force and navy.
- While the three services chiefs will continue with their current tasks, the CDS would be the main point of advice for the defence ministry on procurement.
- The demand for having a Chief of Defence Staff (CDS) has been raised on multiple occasions by experts and veterans.

It was first made by the K. Subrahmanyam committee appointed after the Kargil conflict of 1999 to recommend higher military reforms. However, due to lack of consensus among services, it never moved forward.

JUDICIARY:

Parliament Passes Bill to Increase Number of Supreme Court Judges

- In August 2019, Parliament of India passed "The Supreme Court (Number of Judges) Amendment Bill, 2019" which seeks to increase the number of Supreme Court judges from the present 30 to 33 (excluding the Chief Justice of India). The Lok Sabha passed the Bill on August 5, 2019 while the Rajya Sabha passed it on August 7, 2019.
- Through the bill, Supreme Court (Number of Judges) Act, 1956 was amended.
- Under Article 124 of the Indian Constitution, the Parliament of India has the power to fix the number of Judges for the Supreme Court.

Reasons for Increasing the Strength of Supreme Court Judges:

- The pendency of cases in the Supreme Court of India has constantly been on the rise.
- As on the 1st day of June, 2019, there were 58669 cases pending in the Supreme Court.
- Inadequate strength of judges is leading to backlog of cases in the Supreme Court.
- Chief Justice of India is also unable to constitute five Judges Bench on a regular basis to hear cases involving substantial question of law involving interpretation of the Constitution.

Constitution of more benches to hear the above cases would result in constitution of less number of Division Benches for hearing of other civil and criminal matters pending with the Supreme Court. This would lead to delay in the disposal of civil and criminal cases pending with the Supreme Court.

STATES:

Jammu & Kashmir:

Provisions of Article 370 of the Indian Constitution Repealed; Jammu & Kashmir State Split into Two Union Territories

- On August 6, 2019, the President of India issued a declaration abrogating (repealing) of **all the provisions of Article 370 of the Constitution** which gave special status to Jammu and Kashmir.
- **Under Article 370** of the Indian Constitution, Jammu and Kashmir **enjoyed a special status**.
- **Indian constitution was not applicable** to the **State of Jammu and Kashmir** like for the rest of states of India.

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- Jammu and Kashmir had its own constitution and flag. It was adopted on November 17, 1956, and came into effect on 26th January 1957.

- **Indian Parliament** had **power only** to make laws only on the **following subjects** of the Indian Constitution : Defence, Communications and Foreign Affairs regarding Jammu and Kashmir.

But the Indian Constitution is an elaborate and extensive document which deals with various aspects like Citizenship, Fundamental Rights, Directive Principles of State Policy, etc.

Hence, a large section of Indian Constitution was not directly applicable to Jammu and Kashmir excepting Defence, Communications and Foreign Affairs.

To facilitate extension of Indian Constitution to Jammu and Kashmir, Article 370 also provided that other provisions of the constitution of India shall be extended to Jammu and Kashmir by issuing Presidential Orders on the recommendation of the Government of the Jammu and Kashmir.

- As per Article 370, for the first time, the President of India, on January 26, 1950 issued a Presidential Order namely Constitution (Application to Jammu and Kashmir) Order, 1950 extending the power to the Union Government to make laws on items in the Union List, representation of Jammu and Kashmir in Lok Sabha and Rajya Sabha, giving powers to Election Commission to hold elections to Parliament in Jammu and Kashmir, etc.
- Later, on May 14, 1954 issued an another Presidential Order namely Constitution (Application to Jammu and Kashmir) Order, 1954 to extend some provisions of the Indian Constitution to Jammu and Kashmir : Part 1 (dealing with the territory of Union Government), Part 2 (Citizenship), Part 3 (Fundamental Rights) etc.

Constitution (Application to Jammu and Kashmir) Presidential Order, 1954 was modified a number of times with the consent of the Government of Jammu and Kashmir to extend the provisions of the Indian Constitution to Jammu and Kashmir.

Article 35 A:

- Article 35 A was inserted into Appendix 1 of the Indian Constitution through a Presidential Order namely Constitution (Application to Jammu and Kashmir) Order, 1954.
- The **Constitution of India has only Article 35 (a) and Article 35 (b)** and the objectives of these are different from Article 35 A (written in capital letter) found in the Appendix 1 of the Indian Constitution. Article 35 A exclusively deals with Jammu and Kashmir and is found only in the Presidential Order of 1954 issued on May 14, 1954 through which it was inserted into Appendix 1 of Indian Constitution.

Significance of Article 35 A :

- Article 35A, issued under Constitution (Application to Jammu and Kashmir) Order, 1954, gives the Jammu & Kashmir Legislature full discretionary power to decide who the 'permanent residents' of the state are. It gives special rights and privileges to the permanent residents regarding **employment with the state government, acquisition of property in the state, settling in the state, and the right to scholarships and other forms of aid that the state government provides**. It also allows the state legislature to impose restrictions upon persons other than the permanent residents regarding the above benefits in employment, etc.

What was the Procedure followed to repeal all provisions of Article 370?

- Article 370 (3) has also a provision that President may, by public notification, declare that this entire article 370 shall cease to be operative if the Constituent Assembly of Jammu and Kashmir recommends.
- The Jammu and Kashmir Constituent Assembly no longer exists.
- To overcome this, the President of India on August 5, 2019, issued 'The Constitution (Application To Jammu And Kashmir) Order, 2019' adding section 4 to the Article 367 of the Indian Constitution. (Article 367 deals with the interpretation of the Indian Constitution). Under the newly added section 4 of 367, expression "Constituent Assembly of the State" in Article 370 is "Legislative Assembly of the State".

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- 'The Constitution (Application To Jammu And Kashmir) Order, 2019' issued by the President of India also

superseded the Constitution (Application to Jammu and Kashmir) Order, 1954 as amended from time to time, and

stated that all the provisions of the Constitution, as amended from time to time, shall apply in relation to the State of Jammu and Kashmir.

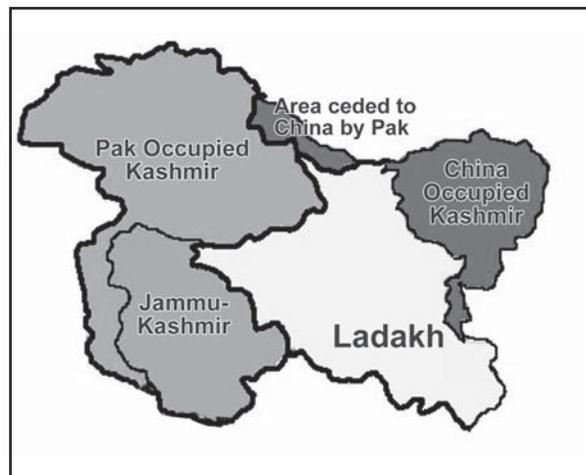
- 'The Constitution (Application To Jammu And Kashmir) Order, 2019' with the concurrence of the Government of State of Jammu and Kashmir (Governor of Jammu and Kashmir acting on the advice of his Council of Ministers). Since, the State is under President's rule, the Governor gave consent.)
- The Presidential order of 2019 avoided the need to amend the Constitution of India for abolishing all provisions of Article 370 of the Indian Constitution.
- After this, Resolution for Repeal of all provisions of Article 370 of the Constitution of India was approved by Parliament of India as Jammu and Kashmir state is under President's rule. When there is President's rule, the law making powers are exercised by the Parliament.
- After repeal of all provisions of Article 370, all provisions of the Constitution of India became applicable to Jammu and Kashmir.

Jammu & Kashmir (Reorganisation) Bill, 2019 Passed Dividing the State into Two Union Territories:

- The Union Government also, simultaneously, exercising its powers under Article 3 of the Indian Constitution got the Jammu & Kashmir (Reorganisation) Bill, 2019 passed providing for splitting the Jammu and Kashmir state into two Union Territories namely

Union Territory of Jammu and Kashmir with Legislature, and

Union Territory of Ladakh without Legislature. Union Territory of Ladakh will consist of Kargil and Ladakh Districts in the existing state of Jammu and Kashmir.



- The Government stated that Union Territory status for J&K is a "temporary" status and that at some point statehood would be restored. Ladakh would remain a Union territory.
- The Governor of the existing State of Jammu and Kashmir shall be the Lieutenant Governor for the Union Territory of Jammu and Kashmir, and Union Territory of Ladakh for such period determined by the President.
- Out of six seats in Rajya Sabha, five seats would go to the successor Union territory of Jammu and Kashmir and one seat to Union territory of Ladakh.

Legislative Assembly and its Powers:

- The Legislative assembly of Jammu and Kashmir will make laws for the UT of J&K with respect to any of the matters enumerated in the state list, **except public order and police. It can also** make laws on items in the Concurrent List.
- Legislative Assembly of the Union territory of Jammu and Kashmir would have 107 seats to be filled by persons chosen by direct election.
- Term of the Legislative Assembly would be five years instead of six at present.

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- Seats will be reserved for the Scheduled Castes and the Scheduled Tribes in the Legislative Assembly of the Union territory of Jammu and Kashmir.

Legislative Council Abolished:

- Legislative Council of the State of Jammu and Kashmir has been abolished as Jammu and Kashmir has now been made a Union Territory.

Other Provisions of the Bill:

- Jammu & Kashmir State Ranbir Penal Code will be replaced by the Indian Penal Code and Article 356 (under which President's rule is imposed in any state) will be applicable to J&K too. Till now, Governor's rule was imposed in J&K by invoking Section 92 of J&K's Constitution for a period of six months and was further extendable by imposing President's Rule
- Article 239A applicable to Union territory of Puducherry will apply to "Union territory of Jammu and Kashmir.

Why Article 370 was Repealed?

1. Security concerns:

Terrorism and separatism have become major security threats to the integrity of India and also peace in the Kashmir Valley.

Pakistan has been exploiting the special provisions in the constitution to fuel unrest in the region by supporting many militant outfits like Jaish-e-Mohammad (JeM), Hizbul Mujahideen (HM), Lashkar-e-Taiba (LeT), Tehreek-ul-Mujahideen (TuM), etc.

2. Lack of Development:

There is also lack of development in the Jammu and Kashmir due to Article 35 A of the Constitution which bars outsiders from buying properties and investing in the state. There is unrest among the unemployed youth which is being exploited by Pakistan to fuel separatism. In a way, this has become vicious cycle. Absence of peace and investment is leading to lack of jobs among unemployed youth. Unrest among youth is leading to demands of separatism and hence becoming a security problem.

3. Democracy not Taking Roots in Kashmir:

Democracy is also not taking roots in Kashmir due to lack of peace and security. Only a few families have ruled the state since its formation.

4. Corruption and Lack of Accountability :

The Central Government is allocating significant funds for the development of Jammu and Kashmir. But due to weak administration, there is no proper accountability which is leading to corruption and the funds not delivering intended results.

5. Article 370 only a Temporary Provision :

Above all, Article 370 is only a temporary provision of the Constitution of India and was never meant to be a permanent provision of the Constitution of India. Repealing of Article 370 will lead to complete integration of Jammu and Kashmir with the rest of India.

What are the Advantages of Repealing Article 370:

1. As Jammu and Kashmir has been made a Union Territory, Union Government would have greater control over the Jammu and Kashmir through Lieutenant Governor. Lieutenant Governor would have special powers to ensure peace in the Union Territory.
2. It also hopes that repealing Article 35 A would promote private investments (both domestic and Foreign Direct Investment) into Jammu and Kashmir and lead to creation of employment opportunities in manufacturing and service sectors which would benefit educated unemployed youth if reservations are provided for local candidates as in Andhra Pradesh. Due to lack of employment opportunities in the private sector in the state, educated youth are forced to move out to other cities for employment.

Will Repealing of Article 370 achieve its objectives?:

1. It depends on how Kashmir society responds to these changes in the long run. There is a criticism that these changes to the Constitution (and subsequent making a Jammu and Kashmir a Union Territory) have been done in an undemocratic manner as there was a total shutdown in the State with blocking of all communications (landline, mobile and internet connectivity) and taking into police custody all major leaders of Political Parties in the state and putting heavy restriction on the movement of people to suppress dissent. But, the Union Government defended these actions stating that these are needed to avoid law and order problems in the state and avoid loss of lives during protests which may lead to use of force by the Police.
2. It remains to be seen how the moderates in Kashmir, who all along supported democratic process by participating in the elections, react to these changes.

In fact, Kashmir's society is itself divided on this issue with

moderates participating in the democratic process (voting in the elections to choose representatives) and supporting the special status under Article 370, (they are also taking up employment opportunities under the Jammu and Kashmir Government and Central Government like Civil services (IAS, IPS, State Administrative Services, etc. and Military services).

separatists advocating independence from both Pakistan and India by bringing together all the erstwhile areas of Jammu and Kashmir (Pak Occupied Kashmir and area with India in Jammu and Kashmir) as it was prior to the partition of the country, and

communal extremists preferring to join Pakistan on the basis of religion.

2. The repealing of Article 370 would also need to withstand judicial scrutiny.

Background Information:

History of Article 35 A:

- It was the **outcome of 1952 Delhi Agreement** entered into between Nehru and the then Prime Minister of Jammu and Kashmir Sheikh Abdullah.
- The **outcome of the 1952 Delhi Agreement** was incorporated in the **Constitution (Application to Jammu and Kashmir) Order, 1954**. It was issued by the then President of India Dr. Rajendra Prasad on the advice of the then Union Government led by Jawaharlal Nehru.
- The order extended some provisions of the Indian Constitution like Part 1 (dealing with the territory of Union Government), Part 2 (Citizenship), Part 3 (Fundamental Rights) to Jammu and Kashmir. But **certain exceptions** were given **by inserting Article 35 A in the Appendix 1 of the Indian Constitution** such as some of the regulations in the Jammu and Kashmir state which were prevailing prior to the accession of Jammu and Kashmir with India concerning employment, land and property rights were allowed to continue.
- In 1927 and 1932, Maharaja Hari Singh issued notifications defining state subjects and their rights. The notifications were issued by the Dogra ruler Maharaja Hari Singh after Dogras and Pundits from Jammu approached him, expressing fears that an influx of people from Punjab would cause loss of their jobs and land.
Many Kashmiri Pundits were opposed to the hiring of civil servants from Punjab. Many higher posts in government used to be held by persons with origins in the Punjab until then.
- Thus, Article 35 A merely protected the existing provisions under the notifications of 1927 and 1932 issued by Maharaja Hari Singh. It also aimed at preventing any clash of fundamental rights with the existing special provisions in the State of Jammu and Kashmir. (For example, Article 19 gives right to citizens to reside and settle in any part of the country. Article 16 prohibits discrimination in employment on the basis of place of birth.)

Why is Article 35 A seen as a Restrictive Provision?

- Article 35 A prohibits non-permanent residents acquiring immovable property, getting government jobs, scholarships and other aid extended by the Government. Because of these restrictions,

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1. non Kashmirites could not invest in land or property,
 2. manufacturing companies could not be setup in the state, and
 3. professionals from outside the state cannot take up jobs in the state for instance in private professional educational institutions like engineering colleges and medical colleges.
- It also **discriminated woman**. If a woman from Jammu and Kashmir marries a man from outside Kashmir, she loses the permanent resident status.
 - In 2002, the Jammu and Kashmir High Court upheld rights of women. But their **children** are not eligible for Permanent Residents status. Hence, they cannot get admissions in the colleges in the state and they cannot apply for Government jobs. They also lose property rights.

Union Government's Stand:

- These restrictions, apart from being discriminatory, are also hurdles to promoting investments in the state and creating employment in the private sector.

Assam:

Over 19 Lakh People Excluded from the Final National Register of Citizens (NRC) of Assam

- More than 19 lakh people were excluded from the final National Register of Citizens (NRC) of Assam published on August 31, 2019.

What is National Register of Citizens?

- The National Register of Citizens (NRC) was published for the entire country in 1951 based on the 1951 census.

National Register of Citizens in Assam:

- The National Register of Assam was also part of the National Register of Citizens (NRC) published for the entire country in 1951
- But there were many agitations in Assam in 1970 due to illegal migration from Bangladesh.
- These agitations were led by 'All Assam Students Union' and 'All Assam Gana Sangram Parishad' (AAGSP) on the ground that Assamese language and culture are under threat due to illegal migration from Bangladesh.

Assam Accord of 1985:

- These agitations led to signing of Assam Accord in 1985.
- It signed between the Union Government, Assam Government and representatives of 'All Assam Students Union' and 'All Assam Gana Sangram Parishad' (AAGSP) which spearheaded the agitation demanding the detection, detention and deportation of illegal migrants.

Provisions of Assam Accord:

- All those foreigners who had entered Assam between 1951 and 1961 will be given full citizenship, including the right to vote.
- The entrants between 1961 and March 24, 1971 will be denied voting rights for ten years but will enjoy all other rights of citizenship.
- Those who entered after March 24, 1971 will be deported.
- Under NRC, the burden of proof rests with the NRC applicant.
- To be registered in the list, people have to prove that they are descendants of Indian citizens by providing documents dating back to 1951 or 1971.

Inordinate Delay in Implementaion:

- The provisions of the Assam Accord were neglected after signing the Accord in 1985.
- Assam Public Works, a non-governmental organisation, approached the Supreme Court for implementation of Assam Accord.
- In 2013, the Supreme Court directed the Government of India and Government of Assam to initiate measures to implement the Assam Accord.
- In 2013, the Government began the work of updating the National Register of Assam to identify illegal migrants from Bangladesh.
- Total of 3.30 crore people filed applications for inclusion in the Register of Citizens. Out of these applications of 3.11 crore people were accepted and 19 lakh applications were rejected.
- The Government has spent Rs. 1,200 crore to complete the task of updating the Register. 40,000 government employees, and 8,200 contract and outsourced employees were involved in it.

Future of Excluded People:

- Excluded people cannot technically be called foreigners.
- They have the following legal options.
- Each of the excluded gets 120 days to appeal before the Foreigners' Tribunal. The Government has set up 100 such tribunals. 200 more Tribunals are being set up.
- Each Tribunal will have six months time to dispose the claims filed with it.
- They can appeal before the High Court of Assam if their claims for inclusion as citizens in the National Register of Citizens (NRC) of Assam are rejected by the Foreigners' Tribunal.
- They can appeal before the Supreme Court of India, if the High Court of Assam also rejects their claims.
- If the Supreme Court also rejects their claims, they will become Foreigners and will be sent to detention camps for foreigners.

Assam Government to provide free Legal Aid:

- Among the excluded people, there are Muslims as well as Hindus.
- The Government of Assam stated that it would provide free legal aid to those in need to fight their claims for inclusion in the Register.

Timeline of Events:

The following is the timeline of the immigration issue in Assam since Independence to the publication of the final National Register of Citizens (NRC) on Saturday, August 31,2019.

1951: First Census of Independent India conducted.

Based on Census, first NRC compiled.

1964-1965: Influx of refugees from East Pakistan due to disturbances in that country.

1971: Fresh influx due to riots and war in East Pakistan. Independent Bangladesh comes into existence.

1979-1985: Six-year-long Assam agitation, spearheaded by the All Assam Students' Union (AASU) and All Assam Gana Sangram Parishad (AAGSP) for detection, disenfranchisement and deportation of foreigners.

1983: Massacre at Nellie in Central Assam which claimed the lives of over 1800 muslims (unofficial toll stands at 3,000). Illegal Migrants (Determination by Tribunals) Act passed.

1985: Assam Accord signed by the representatives of Union Government, Assam State Government and the leaders of AASU and AAGSP in the presence of then Prime Minister Rajiv Gandhi. It stated, among other clauses, that foreigners who came to Assam on or after March 25, 1971 shall be deported.

1997: Election Commission decides to add 'D' (doubtful) against names of voters whose claim to Indian citizenship is doubtful.

2005: Supreme Court strikes down IMDT Act as unconstitutional. The Act had put the onus on the police to prove whether a person was a foreigner or not.

Tripartite meeting among Centre, state government and AASU decides to update 1951 NRC. But no major development takes place.

2009: Assam Public Works (APW), an NGO, files case in Supreme Court praying for deletion of foreigners's names in electoral rolls and updation of NRC.

2010: Pilot project starts in Chaygaon, and Barpeta to update NRC. Project successful in Chaygaon. Four killed in violence in Barpeta. Project shelved.

2013: Supreme Court takes up petition of Assam Public Works (APW), an NGO, and directs Union Government and State Government to begin the process for updating NRC. NRC State Coordinator's office set up.

2015: Updation of NRC process begins.

2017: On December 31 midnight, Draft NRC published with names of 1.9 crore of total 3.29 crore applicants.

July 30, 2018: Another Draft NRC published, 40 lakh of 2.9 crore people excluded.

June 26, 2019: Publication of Additional Draft Exclusion List of 1,02,462 released.

August 31, 2019: Final draft published. Total of 3.30 crore people filed applications for inclusion in the Register of Citizens. Out of this applications of 3.11 crore people were accepted and 19 lakh applications were rejected.

Delhi:

Delhi Government Approves Proposal to Provide Free Wi-Fi Services

On August 8, 2019, the Delhi government approved a proposal to allow residents of the city to avail of free Wi-Fi services.

Highlights:

- People can use up to 15 GB free data every month as part of the Wi-Fi project.
- 11,000 hotspots would be set up in the first phase under this project.
- Wi-Fi services with 200 MBPS internet speed will be available within a 50-metre radius of the hotspot.
- Each hotspot will cater to connectivity for around 200 people at a time.
- Government would spend 100 crore annually for the project.
- More hotspots will be set up after taking feedback from the first phase of the project if required.

Other Initiatives of Delhi Government:

- The Government has also agreed a proposal to instal 1.4 lakh more CCTV (Closed-circuit television) cameras in the city i.e across the 70 Assembly segments, 2,000 CCTV cameras per constituency.
- CCTV (Closed-circuit television) cameras are installed for the purpose of surveillance.
- Installation of more CCTVs ensure women's safety.
- In total, Delhi government would install nearly three lakh CCTV cameras over a period of time

SOCIAL SECTOR

Health:

75 New Medical Colleges to be Set Up

On August 28, 2019, the Union Government decided to establish 75 additional Government Medical Colleges.

Details:

- These hospitals would be set up by 2021-22 by attaching them to the existing district/referral hospital.
- Rs. 24,375 crore would be spent for upgrading these 75 hospitals.
- These would be set up in under-served areas having no medical college; with at least 200 bedded District Hospital.
- Preference will be given to Aspirational Districts and District Hospital having 300 beds.

Benefits are

- increased availability of qualified health professionals,
- improved tertiary care facilities in Government sector, and
- promotion of affordable medical education in the country as the Government funds most of the expenditure of medical education.

SOCIAL ISSUES:

Anti-Lynching Law:

Rajasthan Assembly Passes Anti Lynching Bill

On August 5, 2019, the Rajasthan legislative assembly passed 'The Rajasthan Protection from Lynching Bill, 2019'.

Why was the Bill Passed ?

- Due to rising instances of mob lynching i.e killing of person (s) by mobs on suspicion of cow slaughter, etc. After 2014, 86% cases of mob lynching reported in the country happened in Rajasthan
In 2017, Pehlu Khan, was allegedly lynched in Alwar, Rajasthan by a mob of 'gau rakshaks' for transporting cattle. They suspected that they were being transported for slaughtering.
- Indian Penal Code and the Criminal Procedure Code have provisions to deal with the cases of mob lynching incidents. They are not adequate.
- Stricter punishment is needed to curb incidents of mob lynching.

Highlights:

- The Bill provides for life imprisonment and a fine up to Rs. 5 lakh to convicts in cases of mob lynching involving the victim's death.
- Mob has been defined as a group of two or more individuals.
- For the offence of an assault by mob, leading to the victim suffering grievous hurts, the Bill provides for jail terms up to 10 years and a fine of Rs. 25,000 to Rs. 3 lakh.
- In cases of the victims suffering simple injuries, the bill provides for imprisonment up to seven years and a fine up to Rs. 1 lakh.
- Dissemination of offensive materials, propagation of hostile environment and obstructing legal processes would be punishable with jail terms varying from three to five years.
- The Bill also provides for **compensation to victims** by the State government as per the Rajasthan Victim Compensation Scheme.

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- State government should also take **necessary measures to rehabilitate the victims** of mob lynching, suffering displacements from their native places.

Preventive Measures:

- The Bill also empowers the State police chief to appoint a state coordinator of the rank of Inspector General of Police to prevent the incidents of lynching in the State with the district Superintendents of Police acting as the district's coordinator, to be assisted by a Deputy Superintendents of Police, for taking measures to prevent incidents of mob violence and lynching.

West Bengal Passes Bill Against Lynching

On August 30, 2019, the West Bengal Assembly passed West Bengal (Prevention of Lynching) Bill, 2019.

The Bill was passed after a string of incidents of people getting beaten to death over rumours of cattle smuggling and child theft.

Highlights:

- The Bill has a provision for maximum punishment of death sentence for mob lynching. If any act of mob lynching results in the death of a victim, the perpetrator shall be punished with death sentence or rigorous imprisonment for life.
- The state government stated that such a strong law was needed to protect the constitutional rights (Right to protection of life) of vulnerable people and also to instil fear in the minds of perpetrators of such crimes.
- The Bill also proposes a jail term from three years to life for those involved in assaulting and injuring a person.
- The Bill also provides for Compensation Scheme to victims of lynching.
- Nodal officers will be appointed to monitor and coordinate prevention of lynching.

Consumer Protection:

Consumer Protection Bill, 2019 Passed by Parliament

Consumer Protection Bill, 2019 has been passed by the Parliament as the Lok Sabha passed it on July 30, 2019 and Rajya Sabha passed it on August 6, 2019.

Highlights:

- The Bill replaces Consumer Protection Act, 1986 and strengthens overall process of consumer grievance redressal.
- It provides a mechanism for redressal of complaints regarding **defects in goods** and **deficiency in services**.
- The act widened the definition of 'consumer'.
The definition now includes any person who buys any goods, whether through offline or online transactions, electronic means, teleshopping, direct selling or multi-level marketing. The earlier Act did not specifically include e-commerce transactions.

Central Consumer Protection Authority (CCPA):

- Apart from the consumer courts at the district, state and national level, the bill proposes a Central Consumer Protection Authority (CCPA) to promote, protect and enforce consumer rights as a class and and protect them from unfair trade practices.
- Central Consumer Protection Authority (CCPA) would
conduct investigations into violations of consumer rights,
order recall of unsafe goods and services,

order discontinuance of Unfair Trade Practices and Misleading Advertisements, and impose penalties on Manufactures /Endorsers /Publishers of Misleading Advertisements.

- Thus **CCPA** has been envisaged as a **regulator** that can file class action suite if required and take immediate action on any consumer complaint.

Product Liability:

- The Bill also provides for product liability action on account of harm caused to consumers due to defective products or deficient services. Consumers can claim compensation for such harm

E-commerce and direct selling:

- E-commerce and direct selling will be regulated with focus on protection of interest of consumers.

False and Misleading Endorsements:

Celebrities would be accountable for false and misleading advertisements of products that they endorse.

Penalties:

- The CCPA may impose a penalty of up to Rs. 10 lakhs on a manufacturer or an endorser, for a false or misleading advertisement. The CCPA may also sentence them to imprisonment upto 2 (two) years for the same.

E-filing:

- There is a provision for e-filing of cases.

Alternate Dispute Resolution mechanism:

- The New Act provides for mediation as an Alternate Dispute Resolution mechanism to make the process of dispute adjudication simpler and quicker.

Fit India Movement:

Prime Minister Launches 'Fit India Movement'

Prime Minister Shri Narendra Modi launched the 'Fit India Movement' on the occasion of National Sports Day on August 29, 2019. The National Sports Day in India is celebrated on 29th August every year, on the birth anniversary of legendary hockey player, Major Dhyan Chand.

Objectives of 'Fit India Movement' are to

- raise awareness about the importance of physical fitness for individual as well as the nation,
- make fitness a part of the lifestyle of Indians, and
- make India a fit and healthy nation.

Why Physical fitness is needed?

Lack of physical activity is responsible for lifestyle diseases like

- Obesity,
- Diabetis,
- Hypertension,
- Thyroid disorders, and
- Cardiovascular diseases (Heart diseases).

The above lifestyle diseases can be avoided with regular physical activity.

Details of Prime Minister's Address:

- The Prime Minister said that 'Fit India Movement' should become a national goal and aspiration and urged people to make fitness part of their life style.

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- Prime Minister stated that technology has reduced our physical ability and has robbed us of our daily fitness routines and today we are unaware of our traditional practises and lifestyle which could keep us fit. With time, fitness has been relegated to a lower priority in our society.
 - Today lifestyle diseases are on the rise in India affecting even the young. Cases of diabetes and hypertension is on the rise. But small lifestyle changes can prevent these lifestyle diseases. 'Fit India Movement' is an effort to bring these lifestyle changes.
 - The Prime Minister said that people in any profession can make themselves efficient in their profession if they are mentally and physical fit. If body is fit, then one would be mentally fit.
 - He stated that a healthy Individual, a healthy family and a healthy society are the essentials to make New India a Fit India.

Advisory Committee Formed:

- A committee headed by Sports Minister Kiren Rijju with members of Indian Olympic Association (IOA), national sports federations, private bodies and fitness promoters was also formed to advise the government on the Fit India Movement.

Sports:

Board of Control for Cricket in India (BCCI) to Come under NADA's Ambit

On August 9, 2019, Board of Control for Cricket in India (BCCI), the national governing body for cricket in India, agreed to come under the ambit of National Anti-Doping Agency (NADA).

National Anti-Doping Agency (NADA):

- It was set up in 2005 with the objective of making sports in India Dope free.
- Doping means use of banned performance-enhancing drugs by sportspersons.
- Use of such drugs gives them unfair edge in sports competitions, when compared with others who have not used any drug.
- Hence, National Anti-Doping Agency (NADA) was set up to implement the Anti Doping Code developed by World Anti-Doping Agency (WADA).
- The code contains list of drugs whose use is prohibited in sports.
- All sports organizations in the country are under the ambit of National Anti-Doping Agency (NADA).

World Anti-Doping Agency (WADA):

- The World Anti-Doping Agency was set up in 1998.
- It develops anti doping code and overseeing acceptance, implementation and compliance of the Code.
- The Code has been developed to preserve the "the spirit of sport" (the term has been explained at the end of the article).
- National Anti-Doping Agency (NADA) works as per the World Anti-Doping Agency (WADA) code.

Why BCCI Refused to Join National Anti-Doping Agency (NADA) ?

- The Code of National Anti-Doping Agency (NADA) has 'whereabouts' clause.
- It made mandatory for a player to reveal where he would be on a daily basis. This enables them to test them randomly whenever they want.
- BCCI has argued that it infringes privacy of players and also raises security concerns of players.
- BCCI also doubted the quality of dope testing kits, competence of pathologists and sample-collecting officers. Doping cases are also not disposed in time bound manner.
- It argued that cricketers may become scapegoats due to poor testing standards and long time taken to dispose cases by the National Anti-doping Agency (NADA).

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- Hence, BCCI had hired Sweden-based International Doping Tests and Management (IDTM) to collect the samples of its cricketers.

Why BCCI Has Accepted to Join NADA?

- The Government assured to address the concerns of BCCI.
- It also stated that BCCI had to join NADA to ensure uniformity in compliance of anti-doping rules by all sports organisations in the country.
- With BCCI joining NADA, all cricket players, including domestic cricketers, will now be under the scope of NADA, which can collect samples during any BCCI event in the country.
- The BCCI joining NADA also boosts the prospects of Cricket being added into the Olympics. Joining NADA, which functions under the guidance of the WADA, is one of the conditions for being considered for inclusion into Olympics.

What is spirit of sport?

- Pursuit of human excellence through the dedicated perfection of each person's talents.
- It is reflected through the values of ethics, fairplay and honesty, respect for self and other participants, teamwork, respect for rules and laws, courage, etc.

RC REDDY IAS STUDY CIRCLE

FOREIGN RELATIONS

Indo-Bhutan:

Prime Minister of India Visits Bhutan

Prime Minister Narendra Modi visited Bhutan from August 17 to 18, 2019 to further strengthen and diversify the bilateral partnership with Bhutan, including economic and development co-operation, hydro-power co-operation, and people-to-people-ties.

Details:

- Prime Minister Narendra Modi reiterated Government of India's commitment to advancing the economic and infrastructural development of Bhutan, as per the priorities and wishes of the Government and the people of the Kingdom of Bhutan.
- Prime Minister Modi congratulated the Government and the people of Bhutan for the Kingdom's imminent graduation from Low Income Country to the category of a Middle-Income country (Countries with per capital gross national income (GNI) between \$1,006 to \$12,235 are categorised as middle income countries by the World Bank).
- He complimented the people of Bhutan for this achievement while simultaneously preserving their rich cultural heritage and precious environment, in line with Bhutan's unique development philosophy of 'Gross National Happiness'.
- Prime Minister of Bhutan, Dr. Tshering, thanked the Government of India for its ongoing support to the 12th Five Year Plan of Bhutan, and also conveyed appreciation for India's contribution to Bhutan's development in the past decades.

Hydro-power Development:

- Both sides emphasized the importance of hydro-power development as one of the most important areas of mutually beneficial bilateral co-operation.

The two Prime Ministers formally inaugurated the recently completed 720 MW Mangdechhu Hydroelectric Plant. With the coming on stream of this Project, the jointly created generation capacity in Bhutan has crossed 2000 MW.

The two leaders resolved to expedite the completion of other ongoing projects such as Punatsangchhu-1, Punatsangchhu-2 and Kholongchhu.

South Asia Satellite Ground Earth Station Launched:

- The two Prime Ministers inaugurated the Ground Earth Station of the South Asian Satellite in Thimphu, which was constructed with the support of the Indian Space Research Organization (ISRO). Prime Minister Dr. Tshering appreciated the vision of Prime Minister Modi in launching the South Asia Satellite (SAS) in 2017, as a gift to the countries in the South Asia region, which has enabled Bhutan to improve the reach and cost-effectiveness of Bhutan Broadcasting Service, while also enhancing the disaster management capacities within the Kingdom.
- Both leaders also agreed to collaborate on the joint development of a small satellite for Bhutan.

Trade and Investment:

- Both countries agreed to further expand bilateral trade and investment.

Bhutan reiterated its appreciation for the transitional Trade Support Facility of Rs. 4 billion offered by Government of India during Prime Minister Dr. Tshering's visit to India in December 2018, to strengthen bilateral trade and economic linkages and thanked India for the release of the first tranche of Rs. 800 million.

Prime Minister Narendra Modi assured Prime Minister Dr. Tshering of positive consideration of Bhutan requested for enhancement of the currency swap limit under the SAARC Currency Swap Framework. As an interim measure, Prime Minister Modi offered an additional USD 100 million of currency swap under the Standby Swap Arrangement.

India started Currency Swap Arrangement of \$ 2 billion for SAARC Member Countries on March 1, 2012 with the intention to provide a line of funding for short term foreign exchange requirements or to meet balance of payments crises.

Under the Facility, RBI offers swaps of varying sizes in US Dollars, Euro or Indian Rupee to each SAARC member country depending on their two months import requirement. Each country is eligible for minimum of \$ 100 Million and a maximum of \$ 400 Million swap facility.

Address to the Bhutanese Youth:

- Prime Minister Modi addressed the Bhutanese youth in a special event organized at the Royal University of Bhutan where he highlighted the people-centric nature of bilateral ties and the deep spiritual and Buddhism connect between the two countries. He stressed on the importance of the youth of the two countries partnering in education and high technology areas for taking India-Bhutan relations to newer heights.

He appreciated that in Bhutan, development, environment and culture are not at loggerheads, but in synergy. This harmony, as well as, the emphasis on 'happiness' is Bhutan's message to humanity.

Indo-UAE:

Prime Minister of India Visits UAE

Prime Minister Narendra Modi visited United Arab Emirates (UAE) at the invitation of the Crown Prince of Abu Dhabi, Sheikh Mohammed bin Zayed Al Nahyan from August 23 to 24, 2015.

About UAE:

The **United Arab Emirates (UAE)** is a **federation** of **seven states**: Abu Dhabi, Dubai, Ajman, Fujairah, Ras al Khaimah, Sharjah, and Umm al Quwain. UAE is one of the most liberal countries in the Gulf. Cultures and beliefs of various faiths are generally tolerated.

Oil was discovered in the UAE in 1950s. Until then, UAE's economy was dependent on fishing and pearl industry. After oil exports began in 1962, the country's society and economy have been transformed. At present, UAE is the fourth-largest exporter of crude oil for India.

Details of Prime Minister's Visit:

- Prime Minister Modi was honoured with 'Order of Zayed', the highest civil decoration of the UAE, in recognition of his distinguished leadership for giving a big boost to bilateral relations between the two countries.

The award in the name of Sheikh Zayed bin Sultan Al Nahyan, the founding father of the UAE, acquires special significance as it was awarded to Prime Minister Modi in the year of the birth centenary of Sheikh Zayed.

Past recipients of the award include Russian President Vladimir Putin, Queen Elizabeth II and Chinese President Xi Jinping.

- India and the UAE have close and multi-faceted relations underpinned by cultural, religious and economic linkages.

- Annual bilateral trade between India and UAE is about US\$ 60 billion.

UAE is

- India's third-largest trade partner of India,
- fourth-largest exporter of crude oil for India, and
- home to 3.3 million-strong vibrant Indian community.

Indo-Bahrain:

Prime Minister of India Visits Bahrain

Prime Minister Narendra Modi visited Kingdom of Bahrain from August 24 to 25, 2019 at the invitation of Prince Khalifa bin Salman Al Khalifa, Prime Minister of the Kingdom of Bahrain.

Details:

- Both the countries signed agreements for cooperation in space technology and renewable energy.

Terrorism:

- Both the countries condemned terrorism regardless of the identity of the perpetrators and their motives.
- Both the countries agreed to further enhance cooperation in the field of security, counter-terrorism and the exchange of intelligence and information.
- They called for early adoption of the UN Comprehensive Convention on International Terrorism and underlined the importance of comprehensive sanctioning of terrorists and their organizations by the UN.

Energy Cooperation:

- Both the countries agreed to focus on enhancing cooperation in energy, covering the areas of joint exploration and training of human resources.

Prime Minister Modi congratulated Bahrain on the recent discovery of huge oil and Gas reserves. India highlighted the interest of its energy companies to pursue opportunities of conventional exploration as well as development of newly discovered oil and gas assets in Bahrain.

Maritime Security:

- The two leaders agreed to enhance cooperation to strengthen maritime security in the Gulf region, vital for the security and safety of sea lanes.

UN Reforms:

- Both sides emphasized on the urgent need to pursue UN reforms, including the Security Council through an expansion of both categories of its membership, to make it more representative and effective in tackling global challenges.
- Both the leaders reaffirmed the commitment to pluralism, values of tolerance, peaceful coexistence and religious freedom.

Indo-France:

Prime Minister of India Visits France

Prime Minister Narendra Modi visited France at the invitation of the President of France, Mr Emmanuel Macron from August 23 to 24, 2019.

Details:

Space Cooperation:

- France and India decided to deepen space cooperation to meet new challenges together (planetary exploration, human spaceflight, etc.). France will train medical support personnel for Indian astronauts, who will be part of India's manned space mission by 2022.

Cooperation in Cybersecurity and Digital Technology:

- Both the countries adopted a cybersecurity and digital technology road map aimed at expanding cooperation, in the strategic sectors of high performance computing and Artificial Intelligence.
- Agreement was also signed for cooperation in the fields of quantum computing, Artificial Intelligence and exascale supercomputing.

Nuclear Cooperation:

- In 2018, both the countries signed agreement for the construction of six nuclear power reactors in India in Jaitapur, Maharashtra. They noted that now discussions are underway on the financing of the project as well as on how to increase localization through manufacturing in India.

Defence Cooperation:

- Defence industrial cooperation is one of the mainstays of the strategic partnership between India and France.
- Both the countries noted with satisfaction the progress made in the implementation of agreements signed, particularly the delivery of the first Rafale combat aircraft from this year (2019).
- They reaffirmed their commitment to further strengthen cooperation in defence industry field and extended their support to existing and upcoming partnerships between the defence companies of the two countries in the spirit of "Make in India" and for the mutual benefit of both countries.

Climate Change:

- France and India reaffirmed their shared commitment to effectively combat climate change and loss of biodiversity.
- India and France reaffirmed the importance of fulfilling the commitments under UNFCCC and the Paris Agreement and also urged all developed countries to scale up their contributions to Green Climate Fund.

Green Climate Fund (GCF) was established to limit or reduce greenhouse gas (GHG) emissions in developing countries, and to help vulnerable societies adapt to the unavoidable impacts of climate change. It was set up by the 194 countries who are parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 2010, as part of the Convention's financial mechanism.

Renewable Energy:

- The two countries reaffirmed their joint commitment to accelerate development and deployment of renewable energy.
- They noted with satisfaction the progress made by the International Solar Alliance so far in capacity building and sharing of best practices to harness solar energy among the member nations.

Terrorism:

- The two leaders condemned terrorism in all its forms and manifestations including cross-border terrorism and terror-related incidents in France and India.
- They also called upon all countries to work together for rooting out terrorist safe havens and infrastructure, disrupting terrorist networks and their financing channels, and halting cross-border movement of terrorists belonging to Al Qaeda, Daesh/ISIS, Jaish-e-Mohammed, Hizbul Mujahideen, Lashkar-e-Tayabba, and their affiliates as well as terrorist groups threatening peace and security in South Asia and the Sahel region (in Africa).

Afghanistan:

- Both the countries supported an inclusive peace and reconciliation process in Afghanistan which is Afghan led, Afghan owned and Afghan controlled, leading to a lasting political solution.

They called for timely holding of Presidential elections; cessation of terrorist violence; and end to terrorist safe havens and sanctuaries for enduring and sustainable peace, security and stability in Afghanistan.

SUMMITS

G-7 Summit:

G-7 Summit Held in Biarritz, France

The G-7 Leaders Summit attended by the Leaders of United States of America, the United Kingdom, France, Italy, Japan, Canada and Germany, was held in Biarritz, France from August 24 to 26, 2019.

Details:

Fighting Inequalities:

- The G-7 Leaders stated that inequalities represent a significant challenge to global stability and prosperity, to the cohesion of our societies and to our citizens' trust in democratic institutions.
- They underscored the need to mobilize international organizations in the fight against inequalities.
- They called for promoting more decent work opportunities, including fair and decent wages, to achieve more inclusive growth and shared prosperity.
- They stressed the need for universal access to social protection and affordable quality health services.

Digital transformation:

- G-7 countries and Special invitees (Australia, Chile, India and South Africa) discussed the best strategies to promote an open, free and secure digital transformation.
- They stated that internet, and related technologies used in the digital transformation, are key enablers of our societies and economic development. It has brought new ways of empowering all individuals and communities, and provided access to an unprecedented body of information and knowledge.
- Cross-border flow of data, information, ideas and knowledge also generates higher productivity, greater innovation, and improved sustainable development.
- However, it can raise issues related to privacy, data protection, intellectual property rights, and security.
- There are also negative effects threatening social cohesion and democratic values. Online abuse, especially targets certain groups, particularly women, minorities and vulnerable users, and restricts the full enjoyment of many human rights.
- They agreed to work collaboratively to reinforce our democracies against illicit and malign behavior and foreign hostile interference by state and non-state actors.
- They agreed to bolster their capabilities to address threats, in the areas of cybersecurity, strategic communications and counterintelligence.

Climate, Biodiversity and Oceans:

- The G-7 Leaders and Special Invitees (Australia, Burkina Faso, Chile, Egypt, India, Rwanda, Senegal and South Africa) stated that climate change, biodiversity loss, and ocean and land degradation as interconnected global challenges that threaten peace, security, development, health and economic stability, especially in the most vulnerable countries.
- They reaffirmed their commitment to implement the Paris Agreement on climate change.
- They stated that each country may chart its own path to achieving energy transition and a low-emission future as soon as possible.
- They also discussed initiatives needed to reduce plastic pollution.
- The Leaders discussed the importance of promoting economic growth and shared prosperity while ensuring more equal access to low-emission, efficient, affordable, and reliable energy.

Trade

- The G7 Leaders committed to open and fair world trade and to the stability of the global economy.

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- They stated that WTO needs overhaul to improve effectiveness with regard to intellectual property protection, settling disputes more swiftly, and eliminating unfair trade practices.

Background of G-7:

- It is not an international organisation. It is only an informal **Group of 7 industrialised nations: the United States of America, the United Kingdom, France, Italy, Japan, Canada and Germany.** In addition, the European Union sends representatives to all the meetings.
- It was set up in 1975 to exchange ideas on possible solutions on trade, peace and security. The first oil crisis served as backdrop for the formation of the group.

(First oil crisis: Arab members of OPEC decided to quadruple the price of oil to almost \$12 a barrel and ban oil exports to the United States, Japan, and western Europe, which together consumed more than half the world's energy in retaliation for Western support of Israel against Egypt and Syria during the Yom Kippur War in 1973).
- G-7 does not have permanent headquarters as it is an informal group. Member countries hold rotating presidency.
- The country which holds the presidency hosts the summit.

G-7 becomes G8:

- G7 became G8 when Russia joined the Group in 1998.
- However, after Russia illegally annexed Crimea, a region under the control of Ukraine, in 2014, it was dropped from the Group and G8 became G7 again.

RC REDDY IAS STUDY CIRCLE

INTERNATIONAL POLITY

U.S.A.:

U.S.A Labels China as Currency Manipulator

- On August 5, 2019, U.S.A formally labeled China a currency manipulator after Beijing allowed its currency, the yuan, to weaken to more than 7 yuans per U.S. dollar.
- It is the first time that the U.S. labeled a country a manipulator since the 1990s.
- U.S. slapped the label on China under Foreign Trade and Competitiveness Act of 1988.
- Under the 1988 act, the U.S. will have to negotiate with China.
- If there is no progress a year after the designation, China could face following sanctions
 - Banning the Overseas Private Investment Corporation - an American government agency that invests in developing countries - from financing China.
 - Excluding China from U.S. government procurement contracts.
- However, China is not a major recipient of government contracts or OPIC financing.
 - Data from 2016 showed Chinese firms had marginal contracts over the previous few years and no such development financing is outstanding.
- So the currency manipulator label is mostly symbolic without major consequences on its own.
- Still, the move by the U.S. marked further escalation in tensions between Washington and Beijing.

U.S. - China Trade War:

- Both the countries are engaged in trade war increasing tariffs on imports from each other.
- U.S. holds that China is taking unfair advantage of globalisation by
 - running large trade surplus due to massive state subsidies to industries,
 - currency manipulation by devaluing its currency to gain unfair competitive advantage in international trade, and
 - theft of intellectual property rights of U.S. companies which have led to job losses in U.S.
- Hence, the U.S. considers China's trade practices as a threat to its economic and national security.
- However, China has consistently denied Washington's accusations that it engages in unfair trade practices.
- It has vowed to fight back in kind and criticised U.S. measures as protectionist.
- U.S. has already imposed 25% tariffs on \$250 billion of U.S. imports from China while China imposed retaliatory tariffs on \$ 60 billion imports from U.S.
- U.S. announced 15 per cent tariffs on additional \$125 billion imports from China from September 1, 2019.
- In retaliation, China started to impose additional tariffs ranging from 5 to 10 per cent on some of the U.S. goods on a \$75-billion target list from September 1, 2019.

Additional Information:

What is Intellectual Property?

- It refers to creations of the mind, such as inventions, literary and artistic works, designs, symbols, names and images used in commerce, according to the World Intellectual Property Organization.
- Intellectual Property (IP) is protected in law by recognising them as patents, copyright, trademarks, and trade secrets

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- This recognition enables its original owners to earn recognition or financial benefit from what they invent or create.
 - The Intellectual Property (IP) system aims to foster an environment in which creativity and innovation can flourish.

Patent is given to an invention, whether a product (such as a medicine) or a process (such as a method of producing the chemical ingredients for a medicine).

Trademarks distinguish the goods or services of one enterprise from those of other enterprises.

Copyright refers to the rights of authors in their literary and artistic works.

U.S Complaints on Theft of Intellectual Property By China:

- Trademark infringement is the most common form of IP violation in China as it is allowing its companies to **counterfeit** famous brands of U.S companies.
- It is also **pressuring companies** to share **technology** with local **companies** to gain access to China's vast market
- China also supports and conducts cyberattacks on U.S. companies to steal **trade secrets**. Some chinese companies like Huawei, telecommunication equipment maker, make payments to employees of rival companies to steal trade secrets.
- Trade secrets are also intellectual property as per WTO.
- Trade secrets cover three broad categories of information (1) technical information; (2) confidential business information; and (3) know-how (practical knowledge).

Technical information concerns such matters as industrial processes, blueprints, and formulas, among other possibilities.

Confidential business information typically includes customer lists (provided that they include truly non-public information), financial information, business plans, and similar types of non-public information on the operation of a business.

Know-how includes information about methods, steps, and processes for achieving efficient results.

- In January 2019, Huawei Technologies Co Ltd, Chinese telecommunication equipment maker, has been charged in US for Intellectual Property (IP) thefts of US companies.
- In April 2019, the US charged former General Electric (GE) Company, an American multinational company, employee Zheng Xiaoqing and Chinese businessman Zhang Zhaoxi with economic espionage as they had conspired to steal GE trade secrets related to turbine technologies for the benefit of the Chinese government.
- In 2018, the U.S. Trade Representative has estimated the annual loss to US companies due to intellectual property theft by chinese companies at between \$225 billion to \$600 billion. Intellectual property theft means loss of opportunity for earning through their intellectual property for US companies.

US Pulls out of INF Treaty with Russia

- On August 2, 2019, the US formally withdrew from Intermediate-Range Nuclear Forces Treaty (INF) with Russia.
- The demise of the Intermediate-Range Nuclear Forces Treaty (INF) sparked fears of a new era of weapons development between the two heavyweights.
- US and Russia own more than 90 percent of global nuclear stockpiles.

About Intermediate-Range Nuclear Forces Treaty (INF):

- It was signed by the then US President Ronald Reagan and Soviet leader Mikhail Gorbachev in 1987.
- It is considered as a cornerstone of the global arms control architecture.

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- It aims at eliminating and permanently giving up all of their nuclear and conventional ground-launched ballistic and cruise missiles with ranges of 500 to 5,500 kilometers.
 - Both the countries also agreed for extensive on-site inspections for verification in each other's installations.
 - As a result of the INF Treaty, the United States and the Soviet Union destroyed a total of 2,692 short, medium, and intermediate-range missiles by the treaty's implementation deadline of June 1, 1991.
 - In 2018, NATO members concluded that Russia has developed and fielded a missile system, the 9M729, which violates the INF Treaty and poses significant risks to Euro-Atlantic security.
 - In February 2019, US and North Atlantic Treaty Organization (NATO) accused Russia of violating the pact by deploying a new type of cruise missile. Moscow denied such deployment.
 - President Donald Trump set the August 2, 2019 deadline for the US to withdraw if Russia did not comply with the provisions of the treaty.
 - Russia also terminated deal at the initiative of the US.
 - Russia urged US to implement a moratorium on deploying intermediate-range nuclear missiles after leaving the INF.

Additional Information:

About NATO:

- NATO was set up in 1949 with the primary purpose defending member nations from threats by communist countries. It has 29 countries bordering the North Atlantic Ocean. It includes the United States, most European Union members, Canada, and Turkey.

Member states of NATO:

- Albania, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, United Kingdom, United States.

Brazil:

Brazil Rejects \$20 million Aid Offer from G-7 Nations to Help Fight Fires in Amazon Forest

- In August 2019, Brazil rejected \$ 20 million aid offered by the G-7 countries for fighting fires in Amazon forest under "Operation Green Brazil".

Significance of Amazon:

- The Amazon is the largest rainforest in the world.
- Rainforests are a major absorber of heat-trapping carbon dioxide from the atmosphere.
- High amount of rainfall in the rainforests leads to rich diversity of plants which absorb huge amounts of carbondioxide and release oxygen.
- Amazon is considered as 'lungs of the earth' or one of the major 'carbon sinks'.
- More than 20 percent of the world oxygen is produced in the Amazon Rainforest.
- About 60 percent of the Amazon forest region is in Brazil.
- Apart from Brazil, Amazon spread across seven other countries: Bolivia, Peru, Ecuador, Colombia, Venezuela, Guyana, Suriname and French Guiana, an overseas territory of France.

What are the threats to Amazon Rain Forest:

- Deforestation is a big threat to Amazon rainforest.
- People are deliberately setting fires in the forest to clear it for raising crops, cattle ranching (land used for raising grass for cattle), and oil drilling.

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- Continuous deforestation of Amazon rainforest poses problem to the world as it may increase global warming.

Why Brazil Rejected the Aid Offer from G-7 countries?

Brazil treated G-7 offer of aid as an insult due to following reasons.

- The decision on offer was taken without involvement of Brazil.
- France which is a member country of G-7 has questioned the commitment of Brazil towards environment.
- Brazil has zero tolerance on illegal deforestation and also has a lot of experience in tackling these fires.
- Unilaterally offering aid by G-7 and hoping that this will solve the problem is disrespecting Brazil which has been putting years of work and experience in protecting Amazon.
- Brazil also stated that there are around 20 million people living near the Brazilian Amazon and there is need to find livelihoods for them that are compatible with its preservation.
- There are other international initiatives like 'Amazon Fund' which already exist. Countries like Norway and Germany are providing funds to the 'Amazon Fund'.

Netherlands:

Netherlands Partially Bans Burqas and Niqabs

- A new law in Netherlands partially banning burqa and niqab, face-covering clothing worn by muslim women, in public places came into force from August 1, 2019.

Burka is a one-piece veil that covers the face and body, leaving just a mesh screen to see through.

The niqab is a veil for the face that leaves the area around the eyes clear. It is worn with an accompanying headscarf.

- This ban would be applicable in schools, public transport, government offices and hospitals.
- Those violating the ban would be fined a 150 euro fine, or about \$166.
- However, this rule does not apply to people wearing burqa or niqab in the street.

Why Muslim Women wear Burqas and Niqabs?

- To protect themselves from unwanted male advances.
- It is a religious obligation.
- Religious text the holy 'Quran' prescribes modesty in dressing (covering most of the body and revealing only limited parts).
- It also gives them privacy and makes them feel free to move about in society.

Criticism on the Law:

- The Nida party, an Islamic political party in Netherlands, voiced opposition to the law.
- It called it as a serious violation" of freedom of religion and freedom of movement.

Why are Laws Banning Burqas and Niqabs Being Enacted?

- For security reasons due to rising terrorist activities.
- It is difficult to identify people in public places if their faces are covered. Electronic surveillance devices also cannot capture their images if faces are covered. Hence, burqas and niqabs become a security threat.
- Countries like France, Belgium, Denmark and Austria have made laws banning burqas and niqabs. Recently, Sri Lanka also banned them after terrorist strikes.

Sudan:

Sudanese Protesters Sign Power-Sharing Deal with Army

- On August 17, 2019, Sudan's pro-democracy movement formally signed a deal with the ruling military council.
- The deal paves the way for a transition to civilian-led government in Sudan which is under the rule of military since the overthrow of President Omar al-Bashir in April 2019.
- In April 2019, the military overthrew Mr. al-Bashir following months of protests against his three-decade-long authoritarian rule.
- However, protests continued demanding a rapid transition to civilian leadership.
- Following international pressure and amid growing concerns that the political crisis could ignite civil war, the military signed the deal agreeing for a transition to civilian-led government.

Provisions of the Deal:

- A joint military and civilian council would be set up to rule the country.
- The council will have 11 members (5 civilian and 5 military nominees plus one agreed by consensus)
- A military leader will head council for the first 21 months, followed by a civilian leader for the next 18.
- A prime minister, nominated by the pro-democracy movement, will head the cabinet.
- The ministers of defence and interior will be chosen by the military. Other positions will be taken by pro-democracy candidates
- Sovereign council and cabinet members barred from running for election.
- Elections would be held at the end of 39 months.
- The agreement also provides for the establishment of a Cabinet appointed by the activists and also a legislative body.

Background:

- Sudanese former President Omar al-Bashir, who ruled the country with an iron fist for 30 years, was overthrown on April 11, 2019 in a coup by the armed forces after civilian protests intensified against his rule.
- Mr. Bashir, a former army brigadier, seized power in a bloodless coup in 1989 and continued to rule the country till he was removed on April 11, 2019.
- The discovery of oil in Sudan in the late 1990s helped him establish himself firmly. However, his rule was marked by several harsh measures to perpetuate his rule
- After assuming power in Sudan, Mr. Bashir introduced an Islamic legal code, suspended political parties, curtailed independent media, carried out a purge against his political rivals, and eventually anointed himself as the absolute ruler of the country with vast powers.
- He also aligned himself with Hassan al-Turabi, a controversial Islamist politician, and launched a Islamisation campaign in the northern parts of the country. This period also saw jihadists from around the world travelling to Sudan, mainly attracted by the ideas of Mr. Turabi. Osama bin Laden also set up a camp in Khartoum.
- Sudan has suffered prolonged periods of isolation since 1993. The U.S. listed Sudan **as a state sponsorer of terrorism in 1993 and later imposed sanctions on the country.**

Creation of South Sudan:

- **A long civil war with southern separatists ended in 2005 and South Sudan became an independent country in 2011.**

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- Sudan lost three-fourths of the country's oil fields to South Sudan after secession. This led to Sudan falling into an economic downturn.
 - The latest unrest in Sudan began in December 2018, when then President Bashir's government imposed emergency austerity measures to try to stave off economic collapse.
 - The Government reduced bread and fuel subsidies which sparked demonstrations in the eastern Sudan and the anger spread to the capital, Khartoum.
 - The protests broadened into demands for the removal of Mr Bashir - who had been in charge for 30 years - and his government.
 - Finally, in April 2019, President Omar al-Bashir was overthrown in a coup by the armed forces after civilian protests intensified against his rule.
 - A transitional government led by the military council was set up to rule the country for two years till elections are held.
 - Lieutenant-General Abdel Fattah al-Burhan was sworn in as chairman of Sudan's ruling Transitional Military Council on April 12, 2019.
 - However, protests continued demanding a rapid transition to civilian leadership.
 - Following international pressure and amid growing concerns that the political crisis could ignite civil war, the military signed the deal agreeing for a transition to civilian-led government in August 2019.

Sudan in Brief:

Capital: Khartoum

Population: 39.5 million

Major languages: Arabic, English (official)

Major religion: Islam

Life expectancy: 63 years (men), 66 years (women)

Currency: Sudanese pound

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SCIENCE & TECHNOLOGY

ENVIRONMENT:

Plastic Pollution:

Dairy Sector Urged to Halve Plastic Use

- On August 21, 2019, the Centre asked all milk cooperatives and private dairies to halve their plastic usage by October 2, 2019 by subsidising one litre packs to discourage the use of 500 ml packs, and offer a rebate to customers who return the plastic pouches, and reuse the pouches.
- However, the country's biggest milk cooperative Anand Milk Union Limited (AMUL), Gujarat - which generates about 2.8 crore plastic packets per day - stated that such buyback schemes are not viable.

Why Dairy Sector?

- In his Independence Day speech 2019, Prime Minister Narendra Modi had called for an end to single use plastics.
- The milk industry is **one of the largest users of single use plastics**, with the growing use of disposable pouches replacing milk vendors and vending machines in many areas.

Extended Producer Responsibility:

- Under the Extended Producer Responsibility of the Plastic Waste Management (PWM) Rules, 2018, industries are already required to recover and recycle part of the plastic packaging they generate.

Single Use Plastics:

- Single-use plastics are often also referred to as disposable plastics.
- These are commonly used for packaging and include plastic bags, cups, plates, small bottles, straws and certain types of sachets.

Plastic an Environmental Problem:

- Indiscriminate use of plastics is polluting the environment.
- 40 per cent of plastic which is disposed is ending up in the oceans.
- Marine animals are consuming these plastic which is leading to their death due to suffocation as it cannot be digested.
- Some of the plastic is getting broken down into micro plastics (less than 5 millimeters which cannot be seen by naked eye) after reaching the shores of oceans and getting exposed to sunlight. These micro plastics are consumed by some fish and thus are entering the food chain affecting the health of people. Some research studies have found that microplastics affect the normal functioning of nervous system, endocrine system (hormones), immune system, etc.

Microbial Diversity in Ganga :

Research to Study Microbial Diversity in the Ganga

- The government of India has commissioned a study to analyse microbial diversity and to identify microbes that promote antibiotic resistance along the entire 2,500 km stretch of the Ganga river.
- The study is estimated to cost Rs. 9.3 crores and last for 2 years
- The study will be undertaken by scientists from the National Environmental Engineering Research

Institute (NEERI), Nagpur; the Motilal Nehru Institute of Technology, Allahabad; Sardar Patel Institute of Science & Technology, Gorakhpur, and the companies, Phixgen and Xcelris Labs which are expected to provide service for genome sequencing of the microbes.

Aim of the study is to identify:

- the type of contamination in the river (industrial or sewage),
- threat to public health in the form of antibiotic resistance promoting microbes, sources of *Escherichia coli* (bacteria found in the gut of humans and animals). Some species of these bacteria are found to cause intestinal disease and intensify antibiotic resistance

Previous studies have not covered the entire stretch of the Ganga:

- In 2014, a study was conducted by Newcastle University, the U.K., and IIT-Delhi, which involved sampling water and sediments from seven locations along the Ganga during different seasons. They reported that the levels of resistance genes that lead to "superbugs" (microbes resistant to most of the antibiotics) were about 60 times greater during the pilgrimage months compared to other times of the year.

CITES :

Star Tortoise and Otters Approved for Appendix I Protection at CITES

- At the Conference of the Parties (CITES CoP18) held at Geneva from August 17 to 28 2019, CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) has approved India's proposition to grant highest protection, under CITES, to star tortoises (*Geochelone elegans*), the smooth-coated otter (*Lutrogale perspicillata*) and small-clawed otters (*Anonyx cinereus*) by adding them to Appendix I of CITES
- 90% of Star tortoises are traded in the international pet market.
- Small-clawed otter and smooth-coated otter are traded for their fur in the international market.

Levels of protection under CITES:

The species listed under CITES are categorized into Appendix I, II and III

Appendix I:

- Species threatened with extinction are listed under Appendix I
- Trade of specimens of these species is not permitted for commercial reasons but only in exceptional circumstances like for scientific research.

Appendix II:

- Species that are not necessarily threatened with extinction but require controlled trade for their survival.

Appendix III:

- Species that are protected in at least one country, and when that country requests support from other CITES members in controlling the trade of that species.

IPCC Report :

Intergovernmental Panel on Climate Change (IPCC) Special Report on Climate Change and Land

On August 8, 2019, the Intergovernmental Panel on Climate Change (IPCC) published its special report on climate change and land.

(The report's full name is 'Climate Change and Land, an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems').

Highlights of the IPCC's Report:

Climate Change is

- exacerbating land degradation, and
- affecting crop yields.
- Rising population is putting further pressure on dry lands.

Land Degradation:

- When land is degraded, it becomes less productive, restricting what can be grown and reducing the soil's ability to absorb carbon. This exacerbates climate change, while climate change in turn exacerbates land degradation in many different ways.
- Sustainable land management can help reduce and in some cases reverse these adverse impacts.

Desertification:

- Roughly 500 million people live in areas that experience desertification.
- Drylands and areas that experience desertification are also more vulnerable to climate change and extreme events including drought, heatwaves, and dust storms, with an increasing global population providing further pressure.

Food Security:

- Food security will be increasingly affected by future climate change through yield declines.
- There will be more drastic impacts on low-income countries in Africa, Asia, Latin America and the Caribbean.
- Moreover, about one third of food produced is lost or wasted. Reducing this loss and waste would reduce greenhouse gas emissions and improve food security. Food waste that decomposes in landfills releases methane, a greenhouse gas that is at least 28 times more potent than carbon dioxide.
- Balanced diets featuring plant-based foods, such as coarse grains, legumes, fruits and vegetables, present major opportunities for adaptation to and limiting climate change.

Suggestions:

The Report called for

- halting deforestation,
- restoring damaged eco systems
- elimination of food wastages, and
- shifting to balanced diet.

What is the IPCC?

The Intergovernmental Panel on Climate Change (IPCC)

- is UN body for assessing the science related to climate change.
- It was established by the United Nations Environment Programme (UN Environment) and the World Meteorological Organization (WMO) in 1988 to provide policymakers
- regular scientific assessments concerning climate change,
- its implications and potential future risks, and
- put forward adaptation and mitigation strategies.

SPACE :**Chinese Startup Linkspace's 3rd Reusable Rocket Launch**

- On August 9 2019, Chinese Startup Linkspace successfully launched its third reusable rocket RLV-T5 to an altitude of 300 metres which returned to its launchpad in a desert in Western Qinghai province after 50 seconds of launch. RLV-T5 hovered at an altitude of 20 meters and 40 meters in two earlier successful separate tests in March and April 2019 before the third successful launch.

Advantages of RLV-T5

- RLV-T5 is a cost efficient reusable rocket at \$4.25 million for each reusable launch from ground which is a fraction of the cost of launching a small rocket like Pegasus of US based firm Northrop Grumman Innovation Systems which is between 25 million and 30 million dollars.
- Moreover RLV-T5 can be launched from ground unlike the Pegasus which needs to be launched from an aircraft.

Future plans of Linkspace:

- Linkspace plans to launch RLV-T16 next year which is expected to reach an altitude of 150 kms.

Facilitating Factor:

- A change in Chinese government policy in 2014 that allows private sector companies to enter the commercial reusable rocket launch market led to Linkspace ,iSpace and other Chinese companies to compete in the commercial reusable launch vehicles market.

Why did China permit private companies to enter the commercial rocket launch market?

- The success of SpaceX, a US firm that dominates the global commercial reusable rocket launch market with its Falcon9 rockets, has encouraged Chinese government to change its policy in 2014 to allow private sector to enter the commercial rocket launch market.

What is a Reusable launch vehicle(RLV)?

- Reusable launch vehicle is used to propel satellites into space orbits and return to Earth which can be used again for future rocket launches as opposed to single use launch vehicles where each vehicle is launched once and discarded.

What are the uses of RLVs?

- They are cost effective as they can be reused
- Unlike single use launch vehicles which get discarded in ocean floors and deserts, RLVs can be reused which makes them eco-friendly
- They use fuel efficient technology
- RLV satellite deployments could revolutionize internet coverage in rural areas, shipment management systems, and traffic monitoring systems.

What are the previous privately owned companies that launched RLVs?

- Falcon9 rockets of SpaceX program headed by Elon Musk achieved successful controlled re-entry, descent and landing of the first stage of the rocket launch system in December 2015.
- SpaceX has achieved landing of the first stage of the rocket launch system back on a floating drone ship at sea in April 2016 which is fuel efficient.
- SpaceX represents the beginning of the recoverable rocket race across engineering companies both public and private in China, Europe, Japan, Russia, and the United States.

Russia Sends its First Humanoid Robot into Space

- On 22nd August 2019, Russia sent its first humanoid robot "Fedor" into space in an unmanned Soyuz MS-14 spacecraft from a Russian spaceport in Kazakhstan. The spacecraft has successfully docked to the ISS (International Space Station) on 27th August 2019 after one failed attempt.
- The usually manned Soyuz spacecraft was unmanned for this mission to test a new emergency rescue system.

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- The life-size humanoid robot, Fedor is short form for Final Experimental Demonstration Object Research and is also called Skybot F-850

Fedor and its Purpose :

- Fedor is designed to emulate human movements.
- Fedor will learn and assist cosmonauts with small tasks on the ISS. It will stay on ISS till 7th September 2019.
- The long-term aim is to make robots assist with high-risk tasks on ISS that are dangerous for humans like spacewalking (is when an astronaut gets out of a vehicle in space)
- Astronauts currently perform spacewalks for various reasons like fixing satellites, ISS, conducting experiments, etc.

Other humanoid Robots sent into space the past :

- In 2011, NASA sent a humanoid robot, Robonaut 2, to ISS to test its work in extreme environments. It was brought back to Earth in 2018 due to technical issues.
- In 2013, Japan sent a small robot, Kirobo, along with the ISS's first Japanese space commander.

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