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How Effective Is BRICS?

Link: https://youtu.be/Kw4hpcAVf1Q

The 8th BRICS Summit recently ended in Goa with a long Declaration. BRICS is meant to highlight the combined potential of non-western powers controlling a quarter of the world’s landmass and accounting for 40% of its population. It is meant to be primarily a financial collective to promote trade relations among the member countries and therefore, it gives precedence to economic matters over domestic and foreign affairs of the nations. To promote growth, the five member countries have also set up their own development bank in parallel to the US dominated International Monetary Fund and World Bank. The newly formed multi-lateral NDB has been widely praised in the BRICS Summit in Goa for its achievements over the last one year and its support for clean energy and sustainable development projects.

Analysis:

The country that is going to dominate certainly for coming years is USA but looking at these five emerging important economies, they have a weight and a contribution to make in terms of making the world multi polar. South African and Brazilian economies at this point of time are not doing particularly well and they have little complexities in their situation. India’s economy is overall stable. China is at a high positive growth. There is a downturn in the Russian economy which is expected to be positive by next year.

There has certainly been a success for these countries for coming along as a grouping which is now increasingly assertive about its rights. Geopolitically, it is a mixed bag because none of the member countries see themselves as a grouping that has to work against the west as all of them have substantial stakes with the west. The fastest growth of trade was seen in the countries with emerging economies between 1995-2007. The major country in trade is China as 2/3rd countries of the world have their trading partner as China. Role of BRICS is also related to other areas like finance to put pressure on IMF to give greater voting rights especially China. If we look at purely business and commerce, Chinese have evolved models which beat everybody hollow. Though China has emerged as the biggest seller but now it is projecting itself as a consumer market. Clearly, China is going to be the dynamo within the group.

All the member countries have their own set of issues in terms of population, size, GDP, growth rate and institutional development. This is where there is a shift from purely economic concerns to a larger area of interest to the developing nature of all these economies – which is about employment and equalizing the growth and development.

India- Russia relationship is based on continuity and common interests and new developments with USA will not affect that. As far as the strategic competition between India and China is concerned, China is bigger at the moment. India imports most of its defence requirements from Russia, USA and Israel. India is not in a position now at least to have strategic competition with China and for this it has to be non-reliant on imports. China has a major role in the economies of its neighbouring countries. Although BIMSTEC is a smart move in correct direction but it cannot be seen as alternative to SAARC or to isolate Pakistan. As far as terrorism is concerned, it is quite clear that none of the member countries are much interested to criticize Pakistan especially China as it has its stakes in that country. India cannot do anything without China. So, it is better that it looks at how intelligently it can use China in this game.

In a nutshell, the value of BRICS today would be to show how alternative development strategies can be evolved which would actually address the concerns of people.
Importance of the Battle for Mosul

Link: https://youtu.be/pyU0Mci713w

A major military offensive began on October 17\textsuperscript{th} 2016 in Iraq to liberate the country’s second largest city Mosul. Mosul was seized in June 2014 by the ISIS. The Iraqi forces had fled on the face of the ISIS onslaught leaving behind $500 million in the Central Bank of Mosul as well as huge stores of weapons. These financial and military reserves were used by ISIS to employ new recruits and arm their forces even in Syria across the border. \textbf{The Mosul offensive is being described as a defining moment in the battle against the ISIS} which had made the city de facto capital in Iraq. Mosul is an important transportation hub between Syria and Iraq; it has large oil fields in the north with the key oil pipeline going to Turkey. The liberation of Mosul would mean that the ISIS would be diminished as a force in Iraq and it would be unable to send its forces to other places.

\textbf{Analysis:}

1. Mosul is \textbf{the heartland of Sunnis} as far as Iraq is concerned therefore, controlling Mosul is quite important but this is not easy. As one approaches Mosul from the south i.e. Baghdad (390 kilometres approximately), the countryside is very flat with few habitations and the city itself is surrounded by hills. So, the military offensive has to be very carefully drawn out. This offensive might not last very long because there is an apprehension that ISIS fighters will probably melt away, go towards Raqqa and perhaps might join other Sunni fighters.

2. Mosul is important for ISIS to survive because of the \textbf{connectivity this city gives, the resources, oilfields, strategic importance} and the edge in battle with the Kurdish and Iraqi forces. America is involved in taking out ISIS phenomena from Mosul as forces with American coalition are involved plus there is an understanding between the Peshmergas and the Iraqi Government to fight against ISIS. How well the \textbf{Mosul campaign} goes, not just the fighting over the coming time but \textbf{the rebuilding of the city} in the months after that, will help \textbf{define Mr. Obama’s legacy as a wartime leader} who sought to take the United States off the front lines of the counterterrorism war.

3. Even after Mosul is liberated, there is a \textbf{problem regarding who will administer the city}. If it is handed over to the Baghdad Government, it would mean that it is handed over to the Shias because 90\% of the Iraqi army consists of them. If it is handed over to the Kurds, it would again be a kind of sectarian involvement. Just north of Mosul, there is a Turkish brigade which is stationed. So, there is no clarity regarding administration of the city. Sunni aspirations have to be taken into consideration as well along with Yazidis, Kurds and Christians.

4. \textbf{Turkey’s policy is mainly driven by its geopolitical ambitions in Iraq} to retain the area around Mosul. The main objective of the Turkish presence in Iraq is to fight the Kurdistan Workers Party (PKK), which is designated as a terrorist organization in Turkey, EU and the U.S. From the perspective of the current Turkish political establishment, Mosul was unjustly seized by Britain in 1918 and the newly founded Turkish Republic was forced by the Western powers to acknowledge the League of Nations’ brokered agreement. \textbf{The loss of Mosul is, many say, a historical injustice inflicted upon the Turkish people}.

5. Almost half of the Mosul population is now trying to relocate itself because of this offensive. If the battle continues for long, it would mean cutting of utilities, electricity, water, food supplies causing \textbf{collateral damage to civilians}.

It is being said that the recapture of Mosul would spell the end for ISIS in Iraq and the group would effectively be confined to Syria where they are also under pressure of losing territory.
Army Strikes Across LoC: Fall Out?

Link: https://youtu.be/IX80aT9bw6I

The much awaited response which had been promised by the Indian Government following the attack on Uri Army Base has happened. The army in a counter terrorist operation conducted surgical strike at various launch pads across the LoC. The number of casualties has not been disclosed yet. Meanwhile, Pakistan reacted by denying that any surgical strikes have taken place. They said that it was an unprovoked cross border firing from the Indian side which was retaliated by them. The claims and counterclaims continued and the Indian government called an all-party meeting to appraise the leaders of the situation. There is high alert in the border towns and villages in Punjab and Jammu and Kashmir and evacuation of people is taking place anticipating retaliation from Pakistan.

Importance:

This was the first unprecedented tactical surgical strike choosing the shallow targets across the LoC which is qualitatively different from cross border firing. From all accounts coming out of the press and DGMO briefing, it appears that Indian army had intelligence that at certain launch pads, there were terrorists who were planning to infiltrate across the LoC. A launch pad is a place where terrorists get together along with their handlers and guides and do the last minute preparation before they start moving towards LoC and cross the border. Launch pads could be next to the post of Pakistani army, it could be somebody’s house, a hut in the fields or anywhere else. It is not a permanent designated infrastructure as such for that. Normally, India took defensive or reactive action but in this particular case, it was active defence wherein Indian army did not allow them to come forward and struck them at the launch pads itself.

There was a great internal compulsion on the Indian Government to act after the Uri attack. Both Pathankot and Uri attacks were something more than a mere terrorist attack because they were exclusively aimed at defence establishments and no civilians were involved in these attacks. Technically, it can be said to be an undeclared war in one way or the other. There are still questions whether this response from India would deter Pakistan or not.

Why Pakistan downplayed this attack?

Pakistan has denied this operation as a surgical strike because they don’t want it to be full blown crisis. They realize that the international opinion understands the justification that India has in order to carry out such a strike. Pakistan cannot open its nuclear umbrella every time to launch cross border attacks and international opinion needs to understand this. This is a part of overall package of steps that India has taken to examine the premises of its policies towards Pakistan. If Pakistan acknowledges that this was a surgical strike, the army leadership there will be under tremendous pressure to act and it would confirm that Pakistan is a safe haven for terrorists.

On the diplomatic front, this operation was fairly organized by Indian Government in order to stop any blow back that India was aggressive, it violated LoC ceasefire etc. This can be said because Indian DGMO conveyed the details of the strike to its Pakistani counterpart thus differentiating Pakistani military from the terrorists. There was also a connection between India and US before the strike regarding exchange of information. Earlier also, such strikes have been carried out but in a covert manner. This time it has taken the limelight because of the outrage that was within India after Uri incident.
Conclusion:
India has cleared that it does not want further escalation, even as people living along the LoC are shifted to safer locations, the Government will certainly need to articulate what it regards as the new normal plus how it plans to dissuade Pakistan from escalating the situation in turn.

Merging Budgets: What Are The Benefits?
Link: https://youtu.be/-FoWmI8W-Yg

The decades old practice of presenting two budgets i.e. the railway and the general budget separately has come to an end. From next year onwards, the two budgets will be merged into one and will not see the Railway Minister presenting his own budget. The Union Cabinet also approved Finance Ministry’s proposal to advance the presentation of general budget by a month which used to be the last day of February conventionally.

Benefits from the merger:

1. This step was long overdue and it will improve the efficiency of expenditure that the government is incurring in various sectors like infrastructure etc. The Railway budget was being presented separately because of historical reasons but in past few years this has created problems for functioning of railways as it made the decision making process very politicized like setting of fares which will come to an end with the merger.

2. Financial autonomy of the railways should be preserved as it works round the clock, runs 20,000 trains per day and decisions are to be taken on a lot of issues on a daily basis. Railway Minister has lot of power to take decision on the funds. She/he can transfer the funds to the projects which are more urgent, take out money from those projects which were lagging behind to put into important areas. Whether this autonomy will remain or not in future is a question.

3. The purpose of this merger is to develop railways fast. Railway gets required help from the national exchequer for its projects. Right now, railway gets General Budgetary Support (GBS) which should increase after the merger as railway will not gain anything if it decreases. There should not be a fund crunch. Finance Ministry should not micro manage the railway finance.

Removal of planned and non-planned expenditure and advancement of budget presentation:

This was a part of Rangarajan Committee recommendations. Since the Planning Commission has been done away with, there is no requirement of planned and non-planned expenditure any more. How centre-state relation develops in this new aspect is important. There is a requirement of mechanism for state governments to adapt to these changing patterns of revenues and expenditures.

Budget making is basically projecting the revenues and expenditures for coming year. Before going to the budget, there is a need for information on expenditure projection and revenue as well apart from expenditure such as the information on GDP growth for next year. Even the advanced estimate that comes in February has its own limitations. How much weightage should be given to the information which is available one quarter before the financial year is crucial. All the revenue projections made in past few years have been off track. Most of the revenues and expenditure comes in the last quarter of the year. Given that kind of situation, how revenue and expenditure will be tracked has to be seen.

CSO can provide the basic information on the kind of economic growth being projected for next year. Nominal growth rate is what is considered which has two components- real GDP growth and inflation estimate. Inflation estimates are provided by Economic Division of the Finance Ministry. Real GDP growth rate projection is done by CSO. Therefore, Economic Division might have a greater challenge to provide a nominal growth rate on which the deficit ratios for the next year will be fixed. Indirect taxes take immediate effect in a budget which affects inflation and this year GST might
India Ratifies Climate Treaty: What Does It Mean to India & World?

Link: https://youtu.be/6DdU3pKIUQk

The 2015 Paris Agreement on Climate Change is on the verge of coming into force much earlier than anticipated. The world’s two biggest emitters China and US ratified it in the G 20 summit in Hangzhou, China. With India’s ratification recently, 62 countries have ratified it and it is about to reach 55% of the emitters’ threshold which will lead to the Agreement coming into force. EU is also being expected to ratify the Agreement soon.

Analysis:

In case of India, the process of ratification is simple. It requires Cabinet decision only therefore, it could have been ratified at any point of time. India now needs an action plan to accelerate a few things on the right track:

1. All the actions that are needed in order to achieve nationally determined contributions pledged by India i.e. carbon per unit of GDP (carbon intensity of our economy) decreases 33 to 35% in 2030 as compared to 2005.
2. At least 40% of India’s electricity generating capacity has to come from non-fossil fuels.
3. 5 billion tons of carbon dioxide would be captured by trees and forest cover.

An important aspect of Paris Agreement is transparency mechanism. It means that periodically, all the countries put out in the public domain what they have been doing, what their emissions are, what is their progress towards meeting their own commitments.

Global stocktake is the proposed five-yearly review of the impact of countries’ climate change actions. Under the Paris Agreement, every country must present a climate action plan in five-yearly cycles. The first global stocktake will happen in 2023. It will assess whether the net result of the climate actions being taken was consistent with the goal of keeping the increase in global average temperature from pre-industrial times to within 2 degree Celsius. The stocktake will help the world determine whether it needs to do more. But this will be effective only when the transparency mechanisms are in place.

Therefore, the policy instruments have to be kept in place to meet the targets and the process of measuring, consolidating and reporting progress on each of the goals promised.

As far as US and China are concerned, this is one such agreement that will force these two countries to follow something but again there is no compulsion on reduction of emission and it depends on the emitter how much it aims to reduce its emission. These two countries might look up at reducing emission through those industries which they own outside their own land. Basically, the agreement is on reduction of carbon in one’s own country. If there is a focus on lifestyle etc. in these countries, the emphasis should be on carbon produced by consumption. It is estimated that a quarter of the Chinese emissions are actually because of the products being consumed. Reduction of carbon footprint is necessary which emerges out of lifestyle choices of the people and consumers.
There is a concept of supply side management and entire life cycle assessment which has come up for goods produced. Going towards these concepts can give information on where a product is produced, what is the consumption domestically and internationally and what is the impact on emission.

The aim of this agreement can be said to be pledge-achieve-pledge again. The chances of promises being fulfilled are far more when a country sets a target for itself rather than this being hammered on the nations. This would ensure chances of better success. There would be local organizations pushing their governments to fulfill their targets. It can be said to be a voluntary agreement being signed by different nations as previously Kyoto protocol and others have failed to bring out the desired results.

As far as the developed nations are concerned, there challenges lies in the fact that how they substitute power stations, the buildings they have with more efficient ones. For developing nations, the challenge is to manage growth i.e. tomorrow's infrastructure are more robust in using and producing less carbon dioxide in future. In this regard, there are a few challenges for India.

For example: Radical restructuring of electricity system i.e. use of renewable resources than fossil fuels especially coal based power plants. There are three kinds of electricity demands in India.

1. There are approximately 110 Gigawatts of demand which is all the time.
2. There are seasonal variations i.e. in summers when air conditioners are on, more electricity is needed.
3. The base load which is increasing year by year can certainly be met by coal. The problem comes during peak time i.e. a fixed number of hours when electricity is required compulsorily.

There is a need for storage of renewable energy sources like solar and wind in the form of battery storage or other ways because electricity is needed even when the sun does not shine and winds do not blow. Proper storage is either not available or is very expensive. Electricity system has to meet these volatile demands at prices which the consumers are willing to pay.

The second issue which has not been raised in the Paris Agreement is water scarcity. It is evident from the Cauvery water dispute that this is a serious cause of concern for India. Some power plants were even shut down this summer because of water scarcity. This might even lead to migration problems in future.

**Conclusion:**

Lifestyle can be improved only with the use of energy resources efficiently like use of LEDs which produce as much energy as an electric bulb but uses only 1/10th of the energy. An efficient motor provides same motive power than an inefficient one at half of the electricity consumption. This has to be used in agriculture, industries and in home appliances as well. This will solve half of the problem at least apart from producing energy from renewable sources. India can do a lot more these areas as it has all the necessary resources for that.

**Lodha Committee versus BCCI: Implications?**

Link: [https://youtu.be/SCajKZl1ZlE](https://youtu.be/SCajKZl1ZlE)

The confrontation between the Supreme Court appointed Justice Lodha Committee and BCCI has come to the fore again. The BCCI had virtually rejected most of the major reforms suggested by the Committee in its recent meeting. Meanwhile, the Committee has written to the BCCI’s banks to stop two specific payments being made by Board. However, this has been seen by BCCI as freezing the Board’s finances and accounts. BCCI’s President has said that it is not possible to run the game without money. The Lodha Committee also suggested the Supreme Court to supersede the Board’s present office bearers to make way for new people.
Views and Counterviews:

1. The Supreme Court hearing after hearing has told the BCCI to implement the Lodha Committee’s Report. The Committee consisted of senior judges of the Supreme Court. It is the detailing of the functioning of the Board for improvement of the game which the Supreme Court desires to make it a clean public body which carries out largely a public function. The Board may put objections but unless the Supreme Court agrees with the Board; it the Lodha Committee that will prevail. This is being also said as judicial over reach by those who are against the recommendations of the Committee.

2. BCCI may be an institution but is not bound by any National Sports Federation hence; action can be taken on it. However, there are also views that sports does not come under central jurisdiction under the law and so it should not interfere in the matters of the Board. Apart from this, CBI or any anti-corruption agency have had carried out their enquiries. The only thing wrongly done by BCCI is that they tried to manipulate the Supreme Court judgement as done in case of misuse of funds. The widespread corruption which prevails is well known from examples of Meiyappan case.

3. At the end of the day BCCI is defying the judgement of Supreme Court of India and their major reason for contention is that Board will suffer which is not the actual problem. The people who run the Board will lose their office because as per the recommendations, they have already served their term. Justice Katju may have become a tool for the BCCI, in its desperate attempt to resist changes suggested by the Supreme Court. But whether BCCI would succeed in its resistance or not remains a question.

4. As far as one state one vote is concerned, this has also been rejected by the Board. States like Gujarat and Maharashtra have multiple votes each and states from North-East have no vote. Uttar Pradesh has one vote. The Committee has not denied the multiple associations their rights. They will get their money, run their cricket etc. This is only a matter of fairer representation.

5. In case of payments being stopped for BCCI or spending of money, it is said that there were no recommendations. The Supreme Court ordered Lodha Committee to oversee the recommendations being followed by BCCI and there was a time period of 4-6 months for that. According to the findings, there was a deadline of 30th September 2016 beyond which the BCCI could not pass these orders and it could only be taken by a new body for future. Therefore, only two specific payments were stopped. Day to day expenditures has not been stopped.

Unless a judgement is reviewed by the Supreme Court itself, it is binding for the parties involved to adhere to it and obey it. Therefore, BCCI does not have an elbow room to reject the recommendations. It can be said that right now the BCCI is like a batsman who is not acting even after the finger has gone up.

Indo-Pak Tensions: Is it affecting the Economy?

Link: [https://youtu.be/AQHNyfneOFo](https://youtu.be/AQHNyfneOFo)

The tensions between India and Pakistan which has led to cross border attacks and raids by India and also the continued infiltration and attack on army base in Kashmir has caused a lot of concern. While the tensions continue, the question is how it is affecting the economy both in short term and long term. The Finance Minister has asserted that the impact is marginal. However, the stock markets have been reacting negatively. Business analysts feel that the international outlook towards this tension is cautious and a wait and watch approach is being adopted.

Impact on Economy:

1. Indian economy is very large therefore, in some sense it is able to absorb any direct impact of disruptions in bilateral trade from Pakistan which in any case is rather marginal and small in magnitude. The major impact is
on investment climate in India as these **tensions are being perceived as causing instability in the South Asia region and therefore, investors are bound to take a wait and watch approach** towards bringing in further investment to the country.

2. **FDI, India's trade with Central Asia, regional cooperation and trade** will get affected as evident from cancellation of SAARC Summit. MFN status to Pakistan has collapsed now. One year ago, there were talks of SAARC currency. India might be forced to look for other options of trade in the region. It should try to come closer to the ASEAN.

3. Same thing might hold true for domestic investors as well because no one wants to invest in a situation where political risk in heightened as it easily translates into commercial risk. However, there is also a positive sentiment that the government is strong and decisive enough.

4. There is a need to keep in mind the diversity between Indian economy and the Pakistani economy. Pakistan's economy is smaller, not so diverse and mainly agrarian and hence depends upon a lot of water which flows down the Indus, Chenab and Jhelum on which it has full rights. If tensions continue to build, impact on Pakistan would be more as compared to India.

5. There would be a certain **impact on government expenditures** of both the countries in case of a war. India is passing through a stage where private investment is lagging behind and this is considerably important for keeping our rate of growth, investment ratio on track. Continued tensions and low intensity warfare may also increase the inflationary impact on the country. Rolling out of GST in the coming days will only add to inflation. There would be an impact on the government finances taking into account the fact that a government which is keen on increasing public investments; suddenly there might be a tremendous pressure from Defence Ministry to increase its budget. This affects capital expenditure which is a long drawn out process.

6. This is an opportunity lost by both the countries to have bilateral trade which could have boosted both the economies, direct route to Afghanistan, in terms of power supply to Pakistan although not much has been done in this regard etc.

7. Bollywood is something which is not much talked about. But in this scenario as a **tertiary impact, it would lose an indirect market in Pakistan**. Though India does not gain direct benefit from it but through Dubai or other centres, lot of money is generated and India's soft power is also extended.

8. There are three types of trade between India and Pakistan i.e. the normal export and import and trade through Dubai which will be affected as well. There is also a barter trade taking place at the border which is probably not accounted. These goods impact the economy of the border states.

9. On a positive side, if there is an increase in expenditure which improves the capacity utilization in our ordinance factories, it might help the economy. **It would be a good opportunity for more foreign investment on the defence side**. It would help government to move faster in this area keeping aside the political cobwebs.

10. Over the years, Pakistan has tried to integrate its economy more and more with the Central Asian countries. Therefore, the benefits it is getting from these countries might not get affected significantly but the trade with SAARC countries might prove to be a setback for them. Their fiscal position is not that strong and robust so there will be **more crowding out effect for public investment in Pakistan compared to India**.

11. CPEC is independent of what is happening now. It can be expected that if Pakistan faces some difficulty, **China would certainly flex its muscles in different areas to create some difficulties for India** which would be a diplomatic challenge to be countered effectively. If there is a naval blockade or tension in Balochistan, it will be against Chinese interests.

12. Immediate concern for India is TAPI pipeline. After considerable many years, there was progress on it. Pakistan's response has been lukewarm in this regard. India's demand for hydrocarbons particularly gas is
growing considerably because of substitution of coal with other resources, use of clean energy resources. Though India can get gas from Qatar and other countries but TAPI pipeline linked it with Central Asian countries directly.

13. There might be much more heightened threats of terrorism in different parts of India beyond the border states. The security agencies will have to bolster their anti-terrorist intelligence.

The sustained hostilities are detrimental for both the nations. In the short run the impact would be marginal but if this thing continues and escalate, there would be lot of concerns in rest of the world and international organizations that the situation does not go out of hand and is contained.

**Rafale Deal: How Has It Turned Out Finally?**

Link: [https://youtu.be/aocZvja6KQ](https://youtu.be/aocZvja6KQ)

The deal for 36 fighter Rafale jets has been signed and sealed between India and France after the proposal first mooted 16 years ago. The NDA Government declared in April 2015 that the 36 fighter jets instead of the originally planned 126 jets will be acquired from Rafale. The 59,000 crore (approx) rupees deal was signed after hectic bargaining and consultation. The first plane will arrive after 3 years from now.

**Analysis:**

This is a phenomenal operational capability enhancement of the Indian Air Force. Operationally, this adds hugely in combat preparedness of Indian Air Force especially when its numbers are going down. Its maintenance is state of the art i.e. one of the best in the world. France has an edge with this aircraft on the maintenance side. As far as cost is concerned, half of this cost will come back to India as a plough back. Now this may not be Make in India in a classical sense that everything is done here in terms of design, development, manufacturing, production, testing and induction but it adds hugely to the ecosystem which is purely in the aerospace sector. These offsets are not indirect which means one can plough into computer systems, teaching aids, schools and colleges but this one will bring benefits entirely for the aerospace sector which is desperately needed. This is what adds the value chain not only on the TEJAS indirectly but also on the medium combat aircrafts. The deal has been worth it because this was being planned since 2002.

Projected to cost $12 billion in 2012, that figure has also come down to $7.88 billion. However, India has managed to negotiate and it is reported that the agreed upon price is around $750 million less than what the previous government was willing to pay.

There were a few concerns regarding cost i.e. how does it reflect on defence acquisition process. The defence acquisition process is the part and parcel of long term perspective planning where one looks for future, who are the possible adversaries where India’s strategic interests will expand and go to and based on that certain calculations are made which include the cost and the capability. Both have to be balanced. There are contradictory statements which are coming out. Offset clause has been there in Government of India under the defence procurement manual for last 5-6 years and offsets mandatorily has to come back to India for any deal signed by India.

India’s decision to buy only 36 planes, barely two squadrons is because of cost constraints. They will not fill the gap in the IAF’s numbers and nor will the Rafale’s nuclear capability add much to the Indian offensive toolkit. One can only assume that once the first set of jets is delivered, a further order will be placed to augment the existing numbers, including naval variants.

**Conclusion:**

On a concluding note, if we look at any great power or a country with an aspiration to be a great power, they all have supported and worked towards making their indigenous industry which is why they are able to produce their own
aircrafts and sell to the others. India’s defence acquisition, defence planning and indigenization do not have a logic which is consistent to all three issues. Different purchases from different countries would require logistic support from time to time from these countries as well. What is required is a strategy or a coherent plan i.e. where does India stand in terms of defence preparedness after 10-15 years. What is present now is some kind of ad hoc arrangement.

Is The Indian Economy Stressed?

Link: https://youtu.be/_U_RtpppJ04

The economists and analysts have mixed answers on the status of Indian economy at present. A good monsoon, the 7th Pay Commission bonanza going into the pockets of the government servants leading to a demand creation, a 7% GDP at GVA, increased revenue collections, Rs.65000 crore black money disclosure are all signs of an economy looking up. However at the same time, huge bad and stressed loans from the banks, slump in credit growth in industrial sector, job creation not happening are some of the clear indications of economy under stress.

Reasons for Confusion:

1. **There is one sector i.e. the manufacturing which is recovering very slowly than expected.** India had a consumer boom in rural areas earlier because of the big increases in MSP and expansion in MGNREGA. Both these factors are static now. Because our perceptions are shaped so much pertaining to the numbers in manufacturing sector, it causes confusion.

2. **Exports are not going very well.** It has been on a negative side for last 20 months. This comes from the fact that the external sector is presenting a very confused picture like the US economy doing better, China slowing down, BRICS on the whole slowing down etc.

3. **The investment rate** in the Indian economy has not really picked up the way it should have picked up. It had peaked in 2007-08 to 38% which fell to 28% and is around 32% now.

4. **NPA is very high** which means that the credit to industries is a problem especially to the infrastructure and this is area where growth is expected to take place because lot of money is invested in this sector. Capital goods production this year is down by 22%. In the last few months, Indian economy has been driven by foreign investments and public investments.

5. **Agriculture** for the last 2 years faced drought and therefore, demand there was a bit slack. This may increase this year as the monsoon was average along with the credit off take.

6. The argument on **7th Pay Commission** giving big boost to the economy is misleading and is certainly not going to happen because even if it is Rs. 1 lakh crore the economy is Rs. 150 lakh crore which is less than 0.7% of the GDP.

7. The confusion is also prevailing because of the **mixing of old indicators like IIP with the new indicators like shifting of the base year, CPI, WPI etc.** It is high time that the IIP numbers should be dumped as they are giving wrong indications.

8. Industries are still not phasing out capacity shortage which is why they are still not investing. **Capacity utilization is not as expected.** One area where investment started taking off is construction because of road projects. Basically corporates have to restructure their balance sheets which will take time.

9. **Overall investments** have to be increased. Private sector investments are less as compared to public sector investments. FDI cannot really compensate for the declining investments because it constitutes 10% of the total investment while 90% is internal investment.
10. Regarding credit, may be the private sector takes credit from elsewhere and therefore, credit growth has not been significant. Inventories are going down because possibly the industries are expecting that the demand would not pick up which is another reason for decline in credit growth.

**Challenges and Options Ahead:**

The biggest challenge today is to **create jobs both in organized and unorganized sectors**. On the resources side, there is definitely a cause of concern and therefore, in the beginning of the budget it was said that achieving 3.5% growth might be a big challenge as the revenue forecasts made that time were slightly unrealistic and there was lot of bet on spectrum auction and disinvestment. One area where the Government got more than what they budgeted was RBI transfers to the Finance Ministry. **Relying on capital receipts like spectrum auctions or black money transfers is an ad hoc arrangement for running the economy.** There is a need to have stable, predictable policy that can be applied for consecutive years.

RBI has **reduced the interest rates**. It might help up to a certain extent but cannot make a huge difference unless the banks really pass it on like in case of personal loans where EMIs are to be paid by the people and reducing interest rates can be of significant importance. However, decrease in interest rates not always lead to investment increase like in case of US and Europe where interest rates are down to zero. There also has to be **increase in demand, better capacity utilization accompanied with reduced interest rates to make investments feasible.** There needs to be **incentives for new entrants to invest**. Rural demands are expected to go up because of good monsoon and public intervention along with urban demands because of Pay Commission impact. There needs to be a **firm basis for genuine public investment.** There has to be a cleaning up of balance sheets of banks so that they are able to carry out their business and this was emphasized by Dr. Raghuram Rajan as well.

**Conclusion:**

In the overall picture of the Indian economy, the confusion is on how much the services sector is growing, what happens to the index of industrial production and what happens to the GVA as per new data. For this, the RBI or the Ministry of Finance needs to make an attempt to sort these confusions out and make the true picture of growth clear.

**Uniform Civil Code: Time for Debate?**

Link: [https://youtu.be/t5E_aUBRXE](https://youtu.be/t5E_aUBRXE)

The Uniform Civil Code is back in focus. Ever since, the Constitution was adopted in which **Article 44** talks of the need to endeavor to secure a Uniform Civil Code for the citizens, this issue has periodically engaged the country. At this point of time, the issue has once again come back to focus because of two reasons:

1. The affidavit that the Central Government filed before the Supreme Court few days back which stated that the practice of triple talaq among Muslims is against the **gender equality and dignity of women** while opposing it.
2. The **Law Commission** of India few days back circulated a **questionnaire** on the feasibility of evolving a Uniform Civil Code

Both the Government as well as the Law Commission’s stand on triple talaq have been rejected by the All India Muslim Personal Law Board among some other Muslim organizations. However, many Muslim women and their organizations have strongly opposed the triple talaq among other practices.

**Views and Counterviews:**

This does not mean that it limits the freedom of people to follow their respective religious beliefs and customs. It simply means that every individual is supposed to be treated equal in the matters of **marriage, inheritance, property, family, adoption** etc.
This is a question that has been put in the Directive Principles of our Constitution. There are many such principles which the state should strive for but it is not mandatory to implement them here and now. At present there is a Government which is supposedly rightist in its social thinking and has an absolute majority. This might be seen as an unwilling change for some sections of the society. Past experiences have taught us at times when there has been a non NDA government; this issue somehow never came to the fore except once during the Rajiv Gandhi government when the Supreme Court interpreted Section 125 of CRPC in Shah Bano case. It said that Section 125 of CRPC applies across all communities. There was a huge uproar from the Muslim community that led to most of the current politics today. It is important that people from all sections should be willing to accept Uniform Civil Code.

People of different cultures stay in this country and if the Uniform Civil Code is implemented, attempts will be made to paint all in one colour. There is no need for any reform in the law as per the Muslim Law Board. Triple talaq is not an issue and the government’s move to impose Uniform Civil Code is being seen as a move to snatch religious freedom guaranteed in the Indian Constitution. Triple talaq has certainly been legislated upon in a large number of countries. What is required is that the Law Commission’s questionnaire should be taken into consideration and reasons should be given for not accepting it by those opposing it. Boycotting the questionnaire is not going to help. The questionnaire not only talks about the Muslims. It also takes into account the problems of the Christians and Hindus.

**Conclusion:**

There is a misunderstanding which prevails that Uniform Civil Code is based only on triple talaq which is not the case. There are three or four issues but on all of them there has to be uniformity even among the Hindus. There is vast difference in Hindu customs across the country like marriage between first cousins, matriarchal system of succession which is not possible in North India. We possibly need a working draft of the law which is effective for marriage, divorce and succession. **A law can be written down in the first place and then objections can be invited.**

**BRICS- Why is the Common Ground Missing On Terrorism?**

Link: [https://youtu.be/ZhYMRPfBD9Y](https://youtu.be/ZhYMRPfBD9Y)

The 8th BRICS Summit in Goa recently concluded. The member countries have put out with a 20 page declaration which lays a lot of stress on economic and financial aspects. Along with that there was also discussion on terrorism and ways to deal with it internationally as well as the cooperation among the member countries. Indian Prime Minister while addressing the Summit laid a lot of emphasis on cross border terrorism and attacks on India. He termed Pakistan as the mothership of terrorism. India was hoping to get the other member countries into naming and shaming Pakistan. However, the final declaration neither finds mention of Pakistan nor mention of attacks on Uri, Pathankot or Pampore.

**Analysis:**

The rhetorical built up suggested that there might be a big punch to Pakistan. This issue is quite sensitive and countries like China and Russia have a different approach towards Pakistan. This is a reality check for India. This type of approach to the crisis India is facing with Pakistan i.e. isolating it internationally is a road to nowhere. Everyone is engaging Pakistan. There is a need that India rethinks its strategy. **These kinds of forums and partners should be looked upon by India to leverage them in influencing Pakistani policies.** This might be a more productive way of doing it.

There is a general consensus that terrorism should be contained and post 2001, there has been issues related to Al Qaeda which has now morphed to Islamic State. This found reference in the Goa Declaration. China has indicated that it is not comfortable in going along with what India has been expecting. China has been enabling Pakistan in its nuclear and missile capability but Pakistan in turn has used this capability for last 25 years as a shield to engage in terrorism against India.
When it comes to terrorism, there is a need to understand that China, India and Russia have one common position i.e. Pakistan is becoming or on the verge of becoming a failing state and therefore, a possible exporter of terrorism. Different approach is being adopted by different countries now regarding Pakistan. For example: Chinese are worried about terrorism expanding towards the West and the Belt and the Road which is a focal area. **They are trying to engage Pakistan. In order to contain Pakistan, Chinese are giving them economic package in terms of CPEC Corridor. However, the Indian approach is to isolate Pakistan which is diametrically opposite.**

**Lack of conclusive evidence** against Pakistan responsible for Uri attacks is also giving it a certain advantage. In the international perception, there is a linkup between Kashmir issue and terrorism. No one wants to get involved in this issue as no third party mediation is allowed. Chinese President in Goa mentioned in his speech the need to have outside parties to take a view on these **regional hotspots**. American stand is also the same. Pakistan is also suffering the brunt of terrorism and these countries believe that terrorism is a regional phenomenon. From the Indian perspective it is being maintained that post 1972 and Shimla Agreement, India would deal with Kashmir issue bilaterally provided Pakistan stops supporting terrorism. India has to accept that there is a **certain kind of political orientation** that exists in the global community. Even in the SAARC Bangladesh and Sri Lanka made it very clear that they have their own reasons for being uncomfortable with Pakistan which are not congruent to what India has said in the first few days.

**Conclusion:**

As far as other aspects are concerned, the intra BRICS trade is $290 billion approximately which needs to be expanded. Chinese have been suggesting of a free trade area among the BRICS countries which did not find mention in the Joint Declaration. However, there was some success in terms of NDB President’s Report and $911 million disbursement of the loans. The three MoUs are related directly with the economy. For example: **Agricultural research platform, customs cooperation and railways**. There was some disappointment on the credit rating surveillance system which has to be set up for looking at the macroeconomic heath of the BRICS countries once NDB start disbursing the loans.

BRICS is a terrific opportunity for India to showcase its leadership role both as an emerging power and as an aspiring member of UNSC and it has to optimally use such opportunities by emphasizing on issues like investment and energy. This was however not done this time. Though on trade and development issues, India has brought out something on the table. It’s a mixed bag for India.

**India-Pak Tensions: Can Artists Be Kept Out?**

Link: [https://youtu.be/ZSRTdOXA67c](https://youtu.be/ZSRTdOXA67c)

The latest round of tensions between India and Pakistan has been going on for a month now following the attack on Uri army base. One of the major casualties of these tensions has been cinema, TV, art and artists in both the countries. TV serials from either side have been banned in both the countries. Film and film artists have come under pressure with demand from them not to work with artists of Pakistan.

**Views and Counterviews:**

The impact is quite negative as no artist would like that his/her freedom of expression is curtailed in any way. It is often said that fringe elements are involved in these issues and therefore, the State needs to clarify its policy and identify such elements. Cultural or artistic life should not be disrupted in the country given the fact that cross border trade is still going on despite latest round of tensions.

Any creative art is also relevant in social context. What is happening now is actually a sentiment from a group of people who hold a particular view and don’t want foreign artists to work in India although Government has made it clear that there is no change in its policy regarding this issue. It will continue to issue visas etc. for artists.
There is no border for any art form. Artists are the most vulnerable because they operate in public space and any public sentiment affects it first because it is an unorganized kind of a set up especially music and dance whereas the film industry is far more organized. In such a scenario, they cannot perform if they are not invited. There is a commercial angle involved in the recent statement from a film director who has said that he would not be working with Pakistani talents in future along with an element of fear that is being imposed on artists.

However, there is also a case that most of the Indian artists are not allowed to perform in Pakistan most of the times. The fact is Bollywood is a money spinner for Pakistani artists which hurt them in their pockets. These types of actions and reactions are no solution to reduce tensions between both the countries. During the 1965 and 1971 wars, Indian artists collectively helped boost the morale of our army. Bollywood today has not only isolated itself from politics but also from the society to which it caters especially from the common man and his concerns. Therefore, in this moment of national crisis, whereas the first concern should have been safety of the country, its soldiers and the fellow citizens, the first concern for some was Pakistani artists.

Conclusion:

Although the views remain divided on this issue whether the Pakistani actors should be allowed to work in India or not, the bigger picture that evolves here says that, hatred is not going to serve any purpose. An artist represents freedom and the universal idea that humanity must be free to live without fear and violence.

**GST: What are the hitches to be sorted out?**


The much awaited announcement of the rates of taxes under the GST regime has got stuck. The GST Council meeting which was expected to come out with a decision on tax rates not only failed but was also adjourned abruptly. The Government’s hope to roll out GST by 1st April 2017 has certainly come under a shadow. The rates proposed by Government under a four slab structure is however not being agreed by all the states.

**Reasons:**

1. GST started off with the idea of fitting into a variety of Government’s programmes like ease of doing business, getting the whole country into one single market, Make in India Scheme. At present, there is a situation where technically there are 4 rates, classification disputes arising and different rate of taxes for different items ranging from 26% to 6%. It was projected by various Government committees to have minimum number of rate slabs so that classification dispute does not arise. What is there at present is a compromised GST which does not address the main concern of bringing in efficiency. CPI sensitive items are being left out which is an exception. If a large number of items are taken out of GST, they will not get the benefit.

2. Different states have different perspectives varying for destination states and producing states. Fixation of rates is a very complex matter. It has to take into account the factors like the revenues of the centre and the states, the tax burden on the consumers and also needs to have wider acceptability. It is not easy to strike a balance among these three issues. Whatever has been proposed by the Central Government to the Council, it is too complex and perhaps does not gel with the basic rationale of GST.

3. This type of multiple rate structure is certainly not a good idea. Basically there are four rates: 6% for essential goods like food grains, 12% for merit goods, 18% for non-merit goods and 26% for luxury goods. The challenge is which product has to be put in which category.

4. The structure of tax that has been devised now is such that everything has more or less the same rate as it has now. There was a need of game changer and what is being provided is just a name changer. The cess which
was supposed to be absorbed has come back. Right now we have a uniform rate and changes will create a lot of confusion in services sector.

5. **In a federal structure like India where the states are being asked to give up their taxation powers which they had constitutionally all this while is a big challenge.** Every state cannot agree to everything. Consensus has not been reached on tax rates but on compensation principle. Issue of inflation is not a primary concern of this Council because it would cut the income of both Centre and States. Nobody seems to be looking at the wider impact on economy. There is a need to minimize the gap between old tax and new tax in manufacturing but the problem is half of the taxes will be collected from services sector. This complexity has not been addressed as far as impact on services sector is concerned.

**Possible Solutions:**

GST Council should have representation of ministers from all states. There is a Revenue Secretary of Government of India who probably does the administrative work and background notes for consideration by the Council. **A round of discussion at the officers’ level might be fruitful** among Revenue Secretary at the Centre and Finance Secretaries of states and then making out a certain proposal which has a degree of acceptance at official level and then move forward to GST Council.

At present this problem should not be rushed into. These matters need more time for deliberation after the amendments were made. **Time is required to train the staff and businesses to have software because everything is going to be invoice based.** It is going to be highly inflationary unless there is a mechanism put in place to ensure that the benefits of elimination of cascading effects of taxes actually pass on to the consumers. The multi slab system might work but it might not give optimum results which were envisaged.

**Ease of Doing Business: Why is India Stuck?**

Link: [https://youtu.be/ODsMXAtEd98](https://youtu.be/ODsMXAtEd98)

Ease of doing business rankings, one of the most important indicators of the country’s environment for small and medium businesses evolved by the World Bank known as International Financial Corporations Rankings has come out for the year 2017. **India ranked 130 among 190 countries however, has not made any improvement from the last year as its rank has been downgraded to 131.** This lack of improvement in the rankings though Indian Government was hoping to jump substantially this year has triggered a strong reaction and disappointment. Though several reform measures have been taken by the Government, it feels they are not reflected in these rankings. The only bright side in these rankings is that India has improved substantially in getting electricity for businesses and enforcing contracts. Out of the 10 parameters, India has slipped down in 5 parameters and on other 3, there is a status quo.

**Analysis:**

This ranking is a methodology which the World Bank has come out with across the world. It undergoes peer reviews, audits and is pretty robust. Looking at the index, it can be said that most of the items are **not within the control of Central Government of India.** For example: getting **construction permits, registering of property** etc. These areas are covered under state administration. Few things which are **positive** in this index working for India are **capital markets which is why on getting credits and protection of minority shareholders**, India has been termed exceptionally good. Only **Mumbai and Delhi** have been taken into consideration for ranking and both are metropolitan cities where we are trying to decongest. However, there are stark differences such as a businessman in Mumbai might get credit much easily as compared to a person who wants to start a small business in a city like Kanpur. This is where employment growth is going to come. There is a need to **improve conditions to allow people to start small and medium enterprises in tier 2 and tier 3 cities** and grow by making sure that they don’t face bottlenecks of credits. Life of a small
entrepreneur has to be made better if the aim is to ensure ease of doing business for all. India needs to step up in private investment because more than ease of doing business, what they need is business itself.

The Index does not capture many key items in the ease of doing business like infrastructure. Other than electricity, nothing else is there like improving roads and ports. It does not include anything on taxes. If GST is rolled out, it would mean a huge improvement in ease of doing business in India. There is a parameter of paying taxes in the Index but it has nothing to do with GST. Most of these are procedural parameters like how much time it takes to file a return or to get an assessment.

Two key items depend on judicial processes i.e. enforcement of contracts and resolving insolvency. For insolvency, there is a law in place but lot of work has to be done to make the system work efficiently. Arbitration can be way for contract enforcements but its costs are huge. In India, judicial processes are in huge mess because of delays etc. The Government can do very little to clear it.

Conclusion:

The Government should not be obsessed about this Index although all other BRICS nations are ahead of India. It should go ahead and keep on doing what it thinks is necessary for betterment of small and medium enterprises in coordination with the state governments. However, setting a national target of attaining a certain rank has also helped in bringing consensus across other parties involved like state governments and judiciary to improve overall environment of India in doing business.

A lot of the parameters on which our rankings are poor are the ones where the processes are yet to be modernized. Therefore, schemes like Digital India and e-governance have to sustain in the long run. In a nutshell, the parameters of the Index may not be the ideal ones but they certainly give some directions to work upon in future.
The Rafale Deal

Introduction

- India concluded an Inter-Governmental Agreement (IGA) with France for the purchase of 36 Rafale fighter jets at a cost of €7.87 billion, the first fighter aircraft deal since the purchase of Sukhois from Russia in the late 90’s. This gives us the 2 squadron worth of Aircrafts. There is a clause for 18 more and as the time goes by the Air force should exercise this option to get the third squadron.
- When India brought Mirage 2000 in 1985 it included only 2 squadrons, which was later augmented and raised to the 3rd The same thing should be repeated here also.

The Highlights of the Rafale Aircraft

- The Rafale is a 4th generation Aircraft with twin-engine, multi-role fighter aircraft. According to Dassault, it is capable of carrying out all combat missions: air defence, interception, ground support, in-depth strikes, reconnaissance, anti-ship strikes and nuclear deterrence.
- These two squadrons will be like a spearhead or an arrowhead for the IAF formations. They will be used for the long range possessions attack missions.
- Rafale provides standoff capability when any country attacks India. An active electronically scanned array (AESA) radar which enables the pilot to look 200 to 400 kms away. It gives long range precision strike capability, the pilot can detect enemy aircraft and share the information and also destroy the targets.
- The 4th generation Aircraft capabilities involve Situational awareness in which Aircraft has got those sensors which enable the pilot to be aware situationally and detect the enemy Aircraft for which the Rafale has got AESA radar.
- The weapons package includes Meteor radar guided Beyond Visual Range (BVR) missile considered the best in the class with range of over 150 km and Scalp long range air to ground missiles. The Rafale will also be fitted with MICA missiles, an Air to Land precision missile of more than 300 km range.
- Today the warfare is beyond the range capability and not face to face.
- This deal includes the cost of 36 Rafale fighters, the full weapons package, simulators, spares, maintenance, performance-based logistics, India-specific enhancements and associated supplies for five years.
- This is perhaps the best gift government is giving to IAF on the mark of IAF day on 8th
- The Rafale Aircraft will give India a superior Nuclear Strike capability and add to the existing nuclear strike capability of Sukhoi Su-30 and Mirage-2000.
- It is the IAF which will spearhead the nuclear deterrence and Rafale will spearhead the deterrence.

Conclusion

- IAF still needs 400 Aircrafts and need them in a hurry to rebuild to 42 squadrons. They have to replace the MIG-21, MIG-27 and over the years MIG-29 and Mirage-2000.
- An indigenous effort in building Tejas Aircraft is moving slowly. There is a need for the IAF to look for another type of Aircraft. Aircrafts could be produced under Make in India drive for domestic use and for exporting too.
Successful Launch of SCATSAT-1

Introduction

- ISRO launched PSLV's longest flight SCATSAT-1 carrying eight satellites. This is the first mission of PSLV where it will be launching its payloads into two different orbits. These eight satellites will be placed in two different altitudes at 720-km and 689-km polar orbit.
- In 2016 this is the 32nd satellite launched by ISRO including the previous 20 satellites launched with the CARTOSAT-2C.

Highlights of SCATSAT-1

- This is called multiple burn technology where 4th stage is switched off and again ignited which is a complex task in the cold and low gravity environment.
- The rocket’s main cargo is the 371 kg SCATSAT-1 for ocean and weather related studies. This was placed into a 730-km polar sun synchronous orbit around 17 minutes into the flight. After that the remaining 7 satellites were put into the lower orbit with altitude of 689-km.
- This kind of launch is achieved by very few nations. Countries are launching multiple satellites on a single orbit but launching into multiple orbits gives an edge to ISRO. So other countries including USA are coming to India to launch their satellites. This is a big advantage to the million dollar satellite industry.
- SCATSAT-1, the primary satellite, is meant for weather forecasting, cyclone detection and tracking. It can carry deep study of the wind movement. The rocket is carrying five foreign and three Indian satellites.
- Among the five foreign satellites, three are from Algeria, one each from Canada and the US. The two other Indian satellites are: Pratham (10kg) built by Indian Institute of Technology – Bombay (IIT-Bombay) and Pisat (5.25 kg) from PES University, Bengaluru.
- While PRATHAM’s objective is to estimate Total Electron Count, PISAT’s mission is to design and develop a nano satellite for remote sensing applications.
- The SCATSAT-1 was built in a record time and at a record cost. It was built using the spare parts left over from other missions and the cost is only 40% of what it had been to build a satellite from the scratch. It has taken less than a year whereas building such satellites normally takes 3 years.
- SCATSAT-1 will replace the OCEANSAT-2. SCATSAT is named after scatterometer which is used for measuring atmospheric diffusion.

Achievements of ISRO

- PSLV has a very limited range. Whereas GSLV Mark 3 can launch satellites of more than 4000 kg. Through this ISRO will be capable of launching INSAT kind of satellites and will become self reliant in the field of launching of satellites.
- 2016 marks the completion of India’s satellite based navigation system – NAVIC which is a big achievement for ISRO. It will be effective not only from Indian landmass but also about 1500 kms from both sides. The range has to be increased and the present GPS can be done away with. It is expected that ISRO will be working for better service than GPS in the years to come.
- ISRO is known for Innovation. The INSAT 1 series were 3 in 1 satellites. It combined the operations of weather forecasting, communication and other things in one satellite. Whereas other countries were using different satellites for different purpose. Performing multiple functions in a single satellite is cost effective.
- Cost cutting has been the motto of ISRO and is doing it in an indigenous manner. This was seen in the Chandrayaan and Mangalyaan missions.
- PSLV’s 36 success of 37 flights is a remarkable achievement. This gives confidence to ISRO and other countries that are coming to launch their satellites.
Conclusion

- One of the problems which ISRO faces is the lack of Transponders. We need at least 500 transponders. At the moment ISRO has less than 300 transponders. There is a big need of transponders to fulfil our telecommunication needs. With the sufficient transponders we can be ready with the GSLV Mark-3 and can launch our own INSAT class satellites.
- What happens with the foreign launch is that they have their own schedule and there is queue for our satellites. We may not be able to launch our satellites when we need it. It may be delayed by a year or even more. So development of launching 4000 kg INSAT class satellites is very important and will make us self reliant.

India Sanitation Conference

Introduction

- **Sanitation campaign** is now a high profile campaign and getting more attention at the official level than before. Ambitious targets are set and these are time based targets. There are well recognised brand ambassadors.
- Adequate budgetary support is required to achieve the ambitious targets. The question is not of constructing toilets, but its maintenance and behavioural change.

Importance of Behavioural change

- **Behavioural change** is the important part of the entire sanitation effort. We cannot entirely isolate it from people’s ability to use toilet in terms of adequate water. Sometimes people have to walk long distances to fetch drinking water. Then it becomes an additional burden to get water for sanitation also. These constraints have to be kept in mind.
- Behavioural change depends from area to area and with certain circumstances also. In the rural areas which are getting urbanised, the pressure to have toilets are high. In these areas there is no need to talk about behavioural change.
- Where as in some places people do not feel the pressure to shift to using toilets. Efforts need to be made here to bring about the behavioural change.

Highlights of Sanitation Campaign

- Students and youth can be used in creative ways for keeping the schools clean. One important component of **swachh bharat abhiyan** is to have toilet facilities in all the schools. This is very important without which several girls drop out from schools.
- Drinking water and sanitation are closely associated in addition to the water needed for sanitation. There is a need to link health and sanitation.
- Still lot more needs to be done to achieve the target by 2019.
- Even today we see prevalence of open defecation and not using toilets.
- Toilets, drains and solid waste management have to be in sync with each other. But there is a missing link.

Decentralised Efforts

- Many urban areas too don’t have sewage facility. The limited sewage facility causes serious problem of river pollution. We need highly **decentralised technology** for treating sewage within the colony.
- We can have series of ponds exposing the sewage to maximum sunlight possible and passing the sewage to other processes and try to bring it to such a condition that it can be used for irrigation.
- Through decentralised solid waste management, we can segregate the waste generated at the source. Segregate into compostable waste, non – compostable waste and hazardous waste.
• The decentralised system is cost effective as waste is not carried to a long distance. It has not been tried on a significant scale.
• In Pune the rag pickers were involved in segregation of solid waste. We saw their livelihood was improved and the solid waste management system also improved.
• The livelihood of all those involved should be protected and should get more dignity. Give them smart uniforms and required facilities so that they work in more effective way.
• So there is a need to combine both i.e. to improve sanitation facilities and provide dignity to sanitation workers.

Role of Religion

• If religion could play a positive role in improving hygiene, cleanliness and making sanitation better, this linkage can be utilised.
• Through religion we can spread the habit of washing hands because it is well integrated with religion. Recent scientific research has shown that washing hands before taking food is a healthy habit and protects us from several diseases. Scientific facts are the same as what is been promoted through religion.

Role of panchayat

• At the level of panchayat, like a team of masons who build toilets, we should have awareness agents swachhata doot (community volunteer) were used as the agents who can generate awareness.
• The targets are ambitious for the 5 year period. So each panchayat can have a team just for sanitation. Like 2 workers, 2 masons and one awareness coordinator.
• Brand ambassadors have a limited role to play. In a panchayat or a remote village it is local Heros who have been the source of inspiration for the people.

The issue of manual scavenging

• Rehabilitation of those who were engaged in manual scavenging is very important. Ensure that manual scavenging is abolished at all places. The rehabilitation component needs more attention.
• The local administration need to be careful about finding out the details whether manual scavenging has been abolished or not. The truth may be that in some villages manual scavengers may not say no to the dominant groups. In the initial stage of the new colonies where sewage facility is not present, manual scavenging may still be existent.

India ratifies Paris climate Agreement

Introduction

India ratified the Paris Agreement on Climate Change by depositing the instrument of ratification with the United Nations on the 147th birth anniversary of Mahatma Gandhi. India is the 62nd country to ratify the agreement. The agreement will enter into force one month after 55 countries that account for 55 percent of global emissions ratify the agreement.

Paris Agreement on Climate Change

• This treaty which was agreed in Paris convention took 20 years to come to an agreement. There were divergent views, particularly among the industrialised countries and developing countries. Ironing out of differences took lot of time. The treaty has come out that there is a universal need and acceptance that something has to be done to contain the rise of the global temperature within 2 degree centigrade.
- For its operationalisation, the Paris Agreement requires the signing and ratification by at least 55 countries which together account for at least 55 per cent of global greenhouse gas emissions. Both conditions need to be met. Once these conditions are fulfilled, the Agreement would come into effect regardless of the number of countries that remain outside. The Agreement only needs slightly more than 3 percentage points to reach the 55 per cent threshold.

- The Green Climate Fund is too small as compared to the needs and programmes that are envisaged. It is important that the developed countries should pass on the technology, knowhow, and wherewithal for having energy efficient technologies.

- Kyoto protocol had an unfortunate fate. Countries have not adhered to their commitments and have full faulted on that. That is reason we find continuous CO2 emissions.

- The COP-22 will be held in morocco. The information and the experience will be exchanged and get to know the ways and means to achieve the targets.

### Significance of the ratification of Paris Agreement

- This is been the major and seminal development to maintain the global climate and reducing the growing temperature which is really a great threat to the mankind, livelihood, health and productivity of the biosphere.

- IPCC study says that beyond 2 degree centigrade rise of the earth’s temperature, then it would be difficult situation, irreversible and will go out of hand.

- All the countries which have submitted their INDCs will be taken on board and they have the commitment to adhere to INDCs and take corresponding measures in their countries to meet those expected commitments. India has to work hard to achieve the commitments made.

### India’s Role

- India’s commitments of 100 GW of solar energy, 60 GW of wind energy and by 2022 we would have about 40% of our energy needs to be met from non-fossil fuel energy sources.

- NITI Ayog study says that with the growth scenario of 8%, our energy needs would grow and even then India won’t be high CO2 emitter. It would be much less than the global average. The global average would be 5 to 6 tonnes per capita while we would not exceed more than 4.4 tonnes.

- India needs finance, technology and capacity building support. The climate finance goals that have been set have not yet been met.

- India is working towards replacing fossil fuels with non fossil fuel sources and increasing the energy efficiency. More than 6.5 crores LED bulbs are distributed and this has resulted into more than 4000 MW of electricity saving and saving on per day expenditure. The greening of highways, where plantation of trees is envisaged which will sequester the CO2.

- Industry is progressively improving on energy intensity. We have to continue to make our progress to achieve the targets and demonstrate to the public and world at large that we are able to do it.

- India ratified the agreement on the birth anniversary of Mahatma Gandhi who led a simple life and who exemplified simplicity. Through this the world is getting a message that there is a need for change in life style particularly the developed world where their lifestyle is considered extravagant.

- Without losing much it is possible to contain our energy use and emission of CO2. The underlying message of using this day is only to say that the idealism of Mahatma Gandhi is really helpful, provide a philosophical support and guide to contain our energy needs, at the same time improve the quality of life and welfare of the people.

- The silver lining is that the prizes of solar energy is coming down which instils hope to make faster progress. The targets on generating energy through renewable has to be revised upwards.
India – Sri Lanka Bilateral Relations

Introduction

Sri Lankan Prime Minister Ranil Wickremesinghe visited India to discuss wide range of issues and to attend India Economic Summit. His visit assumes significance as India had pulled out of the South Asian Association for Regional Cooperation (SAARC) Summit, scheduled to be held in Islamabad in November.

The issue on SAARC Summit

- India first decided that it will not attend the SAARC summit. That was immediately followed by Bangladesh, Afghanistan, Bhutan and Sri Lanka. The statement made by Sri Lanka was significant. It said the conditions are not conducive to hold a successful summit.
- Bangladesh Prime minister said that the SARCC process is jeopardised and is not good for the region and smaller countries get adversely affected. There is much tension between Pakistan and Bangladesh.

Historical and Cultural Relations

- The ties between both the countries are very old. 70% of Sri Lankans are Theravada Buddhist and Emperor Ashoka’s son Mahinda who took Buddhism to Sri Lanka. For many matters in terms of Buddhism we find excellent records in Sri Lanka.
- Large number of tourists especially Buddhists visit
- Even during freedom struggle there was close cooperation between Sri Lankan leaders and Mahatma Gandhi and Nehru.

Economic Relations

- India has strong and well-structured bilateral relation with Sri Lanka. We have FTA between both the countries which are doing very well. We should strengthen SARCC, but if there are difficulties we should follow bilateral route and pursue our goals.
- India has been a major giver of development loans and line of credit to Sri Lanka. Almost one-sixth of India’s development loans go to Sri Lanka.
- There is considerable private sector investment from India in Sri Lanka and from Sri Lanka into India. The areas both of cooperation between both the countries are petroleum, Information Technology, Financial Services, Real estate, telecom, hospitals, tourism, banking, food processing etc.
- Sri Lanka has invested in Vishakhapatnam in garments. So it is a two way relationship which is a sustainable one.
- Indian railways are offering special package for Sri Lankan tourists to come to India. India has introduced e-visa for Sri Lanka. Indians find Sri Lanka very attractive.
- Sri Lanka is the closest friend and neighbour. In 2014 our bilateral trade was $4.6 billion. India is the fourth biggest investor in Sri Lanka. Since 2003 we have invested about $1 billion in Sri Lanka.

Political Relations

- The President and Prime minister team of Sri Lanka is having good rapport with Indian leadership.

Fishermen Issue

- The constant and frequent issue of fisherman and recently 5 Indian fishermen were picked up by the Sri Lankan Navy. The fishermen dispute is inevitable between neighbours. Indian Fishermen entering Sri Lankan water is not with any particular intention. What is important is that the two governments and the fishermen associations of both the sides must take care of these incidents and can be contained.
Both countries have **signed an MOU** to equip the fishermen and give them nets and necessary things to help them carry out their trade better and more peacefully.

Sri Lanka has taken the position that big fishing trawlers should not be used which is scientific and without which we may lose the fish yield.

### Developments in Sri Lanka

- Sri Lanka has progressed in the **Health sector**. When they became independent, they were supposed to be one of the worst affected regions affected by malaria. Now they are declared **malaria free**. This is a lesson to be learnt for India.
- **Social development indicators** are quite high in literacy, health indicators, etc. They have made considerable progress.

### Conclusion

Both countries are firm in maintaining their **Democracy**. There is scope for making the relationship richer, broadening and deepening it.

### Role of new Urban Development Policy in overall development

#### Introduction

The Centre has unveiled the **Urban Development strategy** for the next 20 years to use growing urbanization for rapid economic development. This policy is going to have an impact on the **Socio economic prosperity** of the people. India was in a need of such kind of policy because of the way we are expecting our economy to grow in future and the income of the people are going to increase.

#### The importance of Infrastructure

- If we are not enhancing our infrastructure and coming up with sound urbanisation policies, then we fall short of required infrastructure to support the population and good standard of living.
- This requires lot of investment and which in turn creates more employment opportunities to the people and ultimately going to be a win-win situation for the people and for the country.
- **Make in India** dream cannot be accomplished without sound infrastructure particularly in urban areas. Urban areas are supporting the industries. This policy creates opportunities both within and outside the country.
- India is the only country where development of infrastructure has not happened even decades after independence. Now is the high time to find solutions for the problems in infrastructure. **Public-private partnership** would be a wonderful idea. If possible we should pool funds from outside in the form of FDI.

#### Urbanisation in India

- For long, urbanisation was looked in limited perspective of providing basic services like roads, sewage and basic housing. But this policy unveils **sustainable policies** that is reducing water and power use by half, renewable energy, public transport and inclusivity which are the key elements.
- Right now many cities are developed in an unplanned manner which is an inefficient way to utilise the space. Urbanisation actually means in a smaller space we must be able to create living setup, industries, and all facilities, which must be cost saving.
- In the last two years central government has launched new urban missions and that had marked a paradigm shift in the country’s approach to urban development. These are aimed at promotion and development of urban human settlement.
There is huge population which is still struggling with poverty and inequality. If we increase their purchasing power and income levels, there emerges a huge market from it.

While talking about inclusivity the government must include social security systems like old age issues. Country is said to be developed when old people are sitting in their house in a relaxed manner and all their needs are met.

In India the urbanisation has happened at a very slow pace. During 2001 census urbanisation was 28% and during 2011 census it was 31%. If the country should progress in higher growth trajectory then it is important to enhance the pace of urbanisation and in a highly sustained manner. For example in Mumbai, they are reconstructing the building.

**Highlights of Urban Development Policy**

- **Sustainable and inclusive cities** are steps in the right direction. These include promoting walking and cycling for last mile connectivity, compact and cluster urban development, promoting natural drainage patterns, reducing waste generation of all kind, promoting greenery and public places etc. These are new initiatives and were not included earlier during planning of the cities.

- The agenda for the next two decades would be to ensure economic growth and productivity, improving quality of life and addressing the issues of inclusivity, sustainability and climate change.

- Under the policy there is a process of elimination of barriers to the flow of factors of production like capital, land and labour, development of rural and urban areas in a synergetic manner adopting a ‘regional planning approach’, promoting inclusivity by ensuring urban services to all, sustainable urban planning, empowering municipalities to improve governance and deal with exclusion issues, housing for all urban poor and ensuring social justice and gender equity.

**The challenges of Urbanisation**

- The challenges include: Huge investment required and waste management.

- Waste management cannot be achieved unless the community takes responsibility. The implementation of it is a simple task which involves segregation at the source. We see that people do not cooperate.

**Other Government Initiatives**

- Under **Unnat Bharat Abhiyan** which is for rural India for making sustainable and self reliant villages. Under this lot of money is provided to the panchayat and we hardly see any progress. The problem is with the planning and not just with the implementation. In the policies and the measures there is lack of sustainability of the measures.

- The **Housing for all** initiative creates a direct and indirect impact on the employment.

**Two years of Swachh Bharat Abhiyan**

**Introduction**

- In 2014 a new dimension was added to the day of 2nd October by launching Swachh Bharat Mission. The mission completes 2 years. Today 2nd October is significant for many reasons. It’s the birthday of Gandhiji, Lal Bahadur Shastri, signing of the Paris Accord, and completion of 2 years of Swachh Bharat Mission. All these are interconnected.

- Gandhiji’s life itself was a message to climate change. His was a very frugal life. Today the world is struggling to remain frugal. Gandhiji always focussed on sanitation. It’s indeed an opportunity and the challenge before the government to use 2nd October for all the messages put together.
Progress of Swachh Bharat Mission

- The progress of the mission is slow in terms of actual coverage of toilets in both rural and urban areas. This mission is a process and not a product. What is important is there is an environment created, a sense created across India to be clean. This message is stronger than before and is more relevant today.
- Therefore the progress should not be counted in terms of numbers. Progress should be counted in terms of the message that has gone across, awareness it has generated, the inter-departmental coordination it has come about, and people have taken the message clearly.
- 37 districts and over 100 thousand villages have been declared open defecation free, in urban areas the community toilet and private toilet construction is about 35%, 140 cities have door to door waste collection, segregation and transportation. This shows we are moving forward.
- Incidentally porbandar city where Gandhiji was born was declared open defecation free.

Challenges and areas of concern

- Construction of toilets and behavioural change has to go together. Today at least one person in every household having a toilet is defecating in open. This means psychologically they find some limitation in the structure of toilets being provided.
- The challenge is to design toilets for rural areas so that people can pick and choose. This is something which has not been focused.
- In rural areas the socio-cultural setting is different. Why would a women use the same male toilet. Gender-blind (or unisex) toilet construction in rural areas should have re-thinking.
- On the design side the government has not done much. This is a challenge to the entrepreneurs and to the government to invest in this. This will add in bringing more people to use toilets.
- Another issue with the usage of toilets is the scarcity of water. People walk miles to fetch water for drinking. To address this, subsidy given to the household for construction of toilets in rural areas has factored in the water element.
- In rural areas the entire water system is decentralised. Houses are scattered, they are not in one place. So providing water at different points is a difficult task.
- In urban slums, urban construction sites we never see toilets. This promotes open defecation. Even in some households maids often go out to defecate, it is the mindset of the educated and the elite class. This attitude must change. The inequality in the usage pattern is a serious concern. This issue must be the focus of future discussions.
- Today the impact of climate change is felt by the poor like the farmers. Climate change and hygiene are linked to health. Focusing on Climate change and hygiene will improve the health indicators.

Need of the Hour

- Drainage, sewage and waste disposal issues are yet to be addressed. Today India produces an average of half a KG of solid waste per capita. The annual output is 50,000 tonnes per year.
- If this waste is composed in which 40 to 50% of it is organic waste, and decentralise all across the country, it will generate enough manure to increase the organic carbon content of the soil.
- The Indian soil is low in carbon and so it cannot hold water for a long time. The soil is not fertile enough to attain the level of productivity. So there is a need to have enough of organic content in the soil.
- There is an opportunity here. Turning the municipal waste into compost has double benefits. Enriching the soil with carbon there by reducing CO2 emissions in the atmosphere and avoiding the undesirable burning of municipal waste.
- The message of the health conditions by not having a toilet does not go down to people. We can target school children, community and SHGs to send across the message in a stronger way.
Challenges before the Indian Air Force

Introduction

- The Air Force Day was officially started celebrating on 8th of October in the year 1932 as an auxiliary of the British Air Force and in 1945 became part of the British Royal Air Force. After India getting Independence it became Indian Air Force (IAF). 2016 marks the 84th anniversary of IAF.
- From 1932 IAF has come a long way. Slowly the expansion of IAF has taken place. From a few squadrons during British time, the IAF has developed into an effective balance force. Balance force not only believes in platforms like fighter air craft, transport air craft and helicopters, but also equipments like Radar, UAV, surface to air missiles, weaponry, information technology, cyber warfare, electronic warfare systems and many others.
- Today we have got Balance force which can take on most threats, which can do what the National Security Environment. There are certain flaws and deficiencies. Over a period of time these also will be overcome.

History of Indian Air Force

- IAF was effective right from the first campaign which was in 1948 where Pakistan intruded into J&K. The IAF played a very critical role.
- In 1962 Indo-China war air power was not used. So the loss was ours.
- In 1965 Indo-Pakistan war air power was used with little less coordination, but they played an effective role.
- In 1971 India had complete air superiority because we have 12 to 14 F 86 Sabre’s which made a difference. In East Pakistan (now Bangladesh) there are many tributaries of small rivers. Crossing these rivers was a problematic area. This was overcome by the IAF, providing a huge amount of helicopter support.
- In 1999 Kargil war, there was effective use of air power. This was first time in the history of air power that weaponry was delivered from high altitudes and with accuracy. No other air force in the world had done before which was a tremendous achievement for IAF.

The importance of Air Force

- Air power today is the most lethal component of the 3 services. The flexibility and mobility, the precision of striking the targets which are 1000s of miles away very accurately.
- From 1999 to 2016, new technologies have emerged, evolved and changed. It is not air force but the air space we are looking at.
- We always discuss about the number of squadrons saying we must have 42 or 44 squadrons. The fact is we have 33 at present. We are going to retire about 11 squadrons of MIG-21 and MIG-27 by 2022. These air craft have to be replaced. The 36 Rafale air craft takes 70 months to come in. Engineers, pilots, and technicians have to be trained for it. Considering all these we need to think of a balance force.

Need of the Hour

- We need to have a National Military Strategy in the public domain. It should specify the intentions, objectives in terms of geo-politics, cost effectiveness, and involvement. Based on this we should have a National Security Strategy. Based on the National Security Strategy we should have a Doctrine. Based on the Doctrine we should have the concept of operations and on the concept of operations we should have the force levels.
- Today in the Defence budget division, Army gets 53%, IAF gets 23%, Navy gets 17%, and DRDO gets 6-7%. This does not make any sense. Each service should have a different balancing financial structure year on year.
- The funds are not always available. There is need to spend 3% of GDP. At present we are spending around 1.5% of GDP.
The most important deterrence would be having an overwhelming conventional superiority. To stop the Pakistan army, the ISI and jihadi’s the only way to do this is to have our own defence, and having an overwhelming superiority so that our deterrence on the both sides (Pakistan and China) is complete.

The areas of concern

- The concern for the military in general, for the country and for the political leadership is to how to manage the two fronts. The immediate threat is from the western front i.e., Pakistan. The medium or the long term would be china. It is very important to make the threat assessment and based on that is to counter the threat.
- For Pakistan it will have to be complete air superiority which means the IAF must be prepared to carry counter air operations and effective air defence operations.
- For the Chinese threat is concerned, it should be the missiles. It will not be platform based like fighter air craft, because do they have the technology. For this the force levels have to be different. We need an integrated air and missile defence system, ballistic missile defence system. It will be a different formulation of the threat assessment for the two neighbours.
- Today technology is power. We should have a smaller number but high technology which is very effective for its objectives rather than having quantities. Certainly we need quantities, but the overwhelming factor should be technology.

There is a talk of narrowing the inventory because we have the British, French, American, and Russian technologies and original equipment manufacturer (OEM) from different countries.

World Mental Health Day

Introduction

Mental Health Day is observed every year on 10th October to raise awareness about mental health issues around the world and mobilising effort of mental health. Suicide is not a crime, but a kind of mental disorder.

Stigma of mental illness

- At one point of time the stigma of mental illness was all around the globe. It still exist all around the globe, but is significantly less in Europe, US and some of the developed countries because of the awareness programmes and the science having reached. In some parts of Asia and Africa the stigma still continues.
- The major focus is on reducing the stigma of mental illness, mainly on not misunderstanding any psychiatric problem or mental health problem as severe mental disorder or lunacy. People with bipolar disorder and schizophrenia are significantly disturbed, danger to self or others, and socially embarrassing. These were referred to as lunacy.
- 100 or 150 years ago society was not concerned about the welfare of people with mental illness. They were put in asylums and mental hospitals for the society’s safety. In the last 50 years treatment methods are available for mental illness which is significant in the last 20 years. Reducing the stigma is very important.
- Respecting the human rights of the persons who are living with mental illness is important. One of the notable examples is the depression and their commonly noted complication is the suicide behaviour.

Common mental disorders

- Bipolar disorder and schizophrenia used to be called psychosis. Their frequency in the human population is not very large. These are genetically and biologically caused, their frequency remain to be about 2 to 3 percent of human population. The other group called neurosis, depression, anxiety, phobia, obsessive disorder these are
refers to as common mental disorders. This will vary according to the culture, developmental stage of the society, the social values, the family system and other economic factors.

- In India the common mental disorders is estimated to be 6 to 8 percent. In Europe and US it is around 20 percent. Global estimate says one in four persons may have life time risk of mental illness anytime. Indian data indicates mental illness less common including depression. It is one in ten people. Depression is a condition where the person feels totally negative about oneself, losing all hope and confidence, and doesn’t believe the life is worth living. The common complication is suicide behaviour.

- There is a specific character of suicide behaviour. It does not occur in high income countries but it may be familiar to Indian culture. As per WHO data more than 8 lakh people die every year due to suicide.

- In old age a lot of problems of the body and the mind increase. With the longer life expectancy, what was not a major public health concern is now a major public health concern. The early onset of intellectual decay and memory deficit occurs in dementia.

- Dementia requires lot of care. Families are breaking up and there are not many to look after the elderly.

- Mental retardation is now called intellectual impairment is when the child generally at birth because of genetic reasons has limited intellectual capacity. Lot of people with intellectual impairment can be trained and rehabilitated to bring out the best potential. There is no treatment for intellectual impairment or retardation.

**Recent Developments**

- Till date suicide was a criminal offence under section 309 of IPC, now the government is planning to delete this section. This is very positive development in the right direction. It should have happened 2 or 3 decades ago.

- Indeed the Supreme Court in 1990s in one judgement which read down section 309. But then for technical constitutional reasons the other 5 judge bench said that decriminalising suicide should not be done by judiciary, it should be done by parliament.

- The idea is that somebody attempting suicide should be seen as a person in need of help, mostly with a psychiatric disorder and the suicide behaviour is seen as a cry for help. Because section 309 was applicable many individuals, their family members, hospitals and doctors rarely ever reported the suicide attempts.

- If we don’t report and help the person go for help, the attempts keep recurring, where the decriminalisation in the new mental health care bill, 2016 is extremely progressive step.

**Depression as a significant public health problem**

- Every day sadness, feeling of low or negative thoughts need not be seen as depression. Depression as a clinical disease would be significant impairment of one’s life, sustained feeling of low mood, negative thoughts and decreased activities. Once there is a classical symptoms of negative thoughts, and decreased efficiency of work for more than 4 weeks can be seen as clinical depression.

- Depression is a significant public health problem as common as road injury, cardiac problems, cancer and even more than that. It is easily treatable and preventable.

- WHO says depression is the leading cause of disability worldwide and is a major contributor for the overall burden. More women are affected by depression than men.

- With long term medical conditions like kidney and heart problems etc, there is associated depression. Because of the physical illness people also develop depression. The recognition of the overlap of physical and mental health is important. If we treat depression with physical illness well then the physical illness in fact performs better.

- The data suggests that the people with diabetes and heart problems will fare much better if the associated depression is identified and treated.
National Mental health Programme

- **National Mental health Programme** in India was one of the first in the world. Unfortunately for various reasons of funding, social attitudes, and basic lack of human resource it got delayed in the first 20 to 25 years. In the last few years it has picked up again.
- Currently National Mental health Programme is available in most states although not in all districts. The new **Mental Health care Bill, 2016** does provide mental health care as a basic right. So every state should provide minimal mental health care to everyone who requires.

**Conclusion**

- State mental health institutions, general hospitals, private practice, and NGOs can together help achieve the dream of mental health care for all.
- WHO says if we don’t act urgently, by 2030 depression will be the leading illness globally.

**China’s Dual Policy on Terrorism**

**Introduction**

- China has said that countries should refrain from making political gains in the name of **counter terrorism**. The statement comes couple of days after Beijing extended its technical hold on India’s bid to get JeM Chief Masood Azhar banned in the UN. India’s stand against terrorism is fully pronounced, loud and clear. UN must take an action against Masood Azhar.
- China has been playing a double game with India as far as its diplomatic relations with India are concerned. There is a long history which goes back to 1962. China’s policy with India has been kind of Dualism, which is deliberate and they know this is the only way to deal with India.

**India-China-Pakistan Relations**

- China has been using Pakistan card against India. China is not clearly supporting India in Kashmir issue. In fact a large part of Kashmir is under the occupation of China. Whenever Indo-Pak issue is raised, China apparently takes the side of Pakistan rather than supporting India.
- Both Pakistan and China are trying to use Kashmir as a kind of a trump card against India.

**Changing geo political situation**

- There is a change in the geo political situation. In the recent past we have seen that Russia is coming closer to Pakistan, US is having some distance with Pakistan, and China is already with Pakistan. In diplomacy the relations are not of permanent nature. Today’s friends could turn into adversaries.
- At one point of time India’s relations with Soviet Union was very close, India was considered to be a part of the ally of Soviet Union. After disintegration of Soviet Union things have changed.
- China of late is complaining about the terrorist activities especially in Guangzhou province in the southern China. While accusing India, China is also facing the same problem which India is facing in Kashmir. There is a large Muslim population and China is not been able to handle it for long. Another issue is the Tibet issue where Dalai Lama had to come to India and seek asylum here. This is how India’s relations started deteriorating with China. China is suffering on account of its internal problems.
Issue of NSG

- India’s stand and desire to be a member of NSG is long standing. China has been playing a dual game in this. Sometimes China says it will negotiate on NSG issue. They are not clear on their stand. There is some kind of diplomatic game they are playing.
- China’s support for India’s membership to NSG would be a quid pro quo and they would like to bargain it and it would not be a direct acceptance by China. China is not clear about its stand. They are neither saying yes nor no for it.

India-China Trade Relations

- China-India trade has gone up. China knows India has a big consumer market for its goods. They are worried about the smuggling and illegal trade happening from the North-Eastern region.
- Rajiv Gandhi said that we must keep aside the dispute and concentrate on trade. Trade is the best way to cement any misunderstanding and further augment ties between any two countries.

India-China Border Issues

- There are reports that at the border there are lot of skirmishes going on and many times Chinese army invade Indian Territory. But this is not of a very serious nature. There aren’t any apparent or continuous indications that Chinese Army invades Indian Territory like what is happening in case of Pakistan.
- Pakistan’s Army role is more dangerous than what China is doing. India has very good diplomatic relations with China; our successive ambassadors have done a wonderful job in bringing the two countries closer.
- Border issue is one of the most contentious issues between both countries and we couldn’t find any solution for it. China has occupied our land, they don’t want to vacate it, they want to negotiate and do some kind of bargaining for which India is not ready.
- India doesn’t want to give up which is our land. We are trying to improve our relations but the pace is not desired. Delegations come, talks are held, statements are issued, joint communiqué are issued, but there is no progress on the ground. India is likely to remain status quo on this issue.

India-China Relations

- Today Chinese language has played a very important role in bringing the culture and international relations between the two countries closer. All these indicators point out that we are on a right track.
- India does not have a consistent policy with China, like we have it with America or other European and Asian Countries. Because of the fluid nature of the track record of Sino-Indo Relations any stability in near future is less likely to be achieved.
- To deal with China we should keep on talking, open new fronts in areas like sports and culture where people of different sections of the society participate. Lot of people study Chinese here, they even go to Chinese universities. On paper it might appear things are not happening, but in reality lot of fronts are opened.

Growth in Industry Sector and GDP Target

Introduction

The recent announcement of IIP by the government shows that in August IIP figures have contracted by 0.8% and we see a GDP growth of 7.6%. We see a mismatch where the industry is not able to perform well and there is expectation that the economy would grow by 7.6%.
India’s growth projections

- India’s growth projections are very optimistic and IMF has projected that India will grow at 7.6% and even the RBI and Government is projecting higher growth trajectory. There seems to be some mismatch because industry is not growing at good rate and we are anticipating good growth trajectory.
- There is strong reason for good growth supported by good monsoon. The industry is not able to do well, and the Finance Ministry has to depend more on agriculture sector. Services sector contributes more to the GDP. Growth of services sector is around 9%. So 5.4% of GDP is contributed by the services sector.
- Growth in the agriculture sector is anticipated well at around 5%-6% and this makes 1% contribution to GDP at present to 6.5%.
- Industry sector including construction contributes around 25%-26%. IIP numbers are only indicative numbers which shows the industry’s growth trajectory. If manufacturing sector performs well, then growth of overall industrial development will be around 4%-5%.

Low Demand in the Economy

- Demand is not in a comfortable trajectory. Demand is the major factor to attract the industrial investment and for the growth of the industrial sector at the faster rate. Private final consumption is growing at 7%-8%. This is not lucrative for the Indian economy because we have lot of potential to grow faster.
- If Demand is there, then private sector will come forward to invest in the economy. Industrial sector will see more capital expansion and then growth of investments and growth of Industry.
- Lack of demand is happening not only in India but throughout the world. So India is not growing well in exports sector. Our currency is depreciating and we have good opportunity to increase our exports, but there is lack of demand in the international market.
- Major problem in the international and the domestic scenario is in the demand side. We are anticipating rural demand to rejuvenate because of the good monsoon. Good monsoon not only leads to growth in agriculture sector, it is also good for the growth in the industrial sector.
- Large industries are mainly depended on foreign market and export market. So the large corporate are not able to perform well in the current economic scenario. Whereas MSME sector are depended on domestic demand and reforms in the entrepreneurial sector.
- 70% of the population resides in rural areas. So if 70% of the country is not growing, i.e., if the rural demand is not growing then the industrial sector cannot perform well despite all the government incentives.

Role of Finance in the Economy

- Ease of doing business is improving in the last 2 to 3 years. But Industry faces many problems particularly the MSME sector. The major problem is the lack of access to finance for its industrial expansion. If financial constraint of MSME sector is resolved, then India can achieve a good growth in the industrial sector.
- At the ground level finance is not available to the MSME sector. Many survey’s say collateral is demanded by the financial institutions. People are not able to provide the collateral.
- Another issue is the lack of competitiveness in the cost of finance. Statistics show that we are in the higher trajectory in the cost of credit. Big manufactures of the world economic system are competitive in providing finance to their MSME and industrial sector.
- MSME sector is availing finance at the rate of 13% which is totally uncompetitive when compared with international peers.
- The government has taken few initiatives to improve the quality and cost of funds available. These are the MUDRA bank, Small Payment Banks, Public Sector Banks lending, loans from SIDBI, refinancing of loans by NABARD which provide cost effective finance.
Issues with the Industrial sector

- Another problem with the overall industrial sector is the lack of reforms in the factors of production. GST is getting a major breakthrough in the coming days, but the labour laws, availability of land, availability of utilities like power, water etc needs reforms.
- If the industrial sector is growing well then we can anticipate a double digit growth trajectory for the Indian economy.
- From the supply side there are lot of bottlenecks for the industrial sector. There must be reforms in the labour market after the implementation of the GST. Through this Industry will be able to deploy more workforces in the system, there will be income generation, there will be demand for goods and services and so the manufacturing industry will also be boosted. This will be a positive cycle for the economy.

Need of the Hour

- There is an urgent need for Public investment and reforms in the agriculture sector. There must be price incentives to the agriculture sector. If income levels of the agriculture sector grow, we see increase in the consumption and further growth in the manufacture sector.
- We have to shift the disguised labour force from the agriculture sector to the other sector which is the construction sector. There are lot of problems in the construction sector like high cost of funds and low demand. If Construction sector is supported by some lucrative policy environment then there is lot of potential to absorb unskilled and semi skilled workforce. This will give a major fillip in the overall economy.

India and Global Hunger Index

Introduction

US based agency tracking global hunger has released the Global Hunger Index where India is ranked poorly among 118 countries. The Index tries to see whether the people are fed properly, status of under nutrition, malnourishment in children generally and among specific population like tribes and other malnourished section of the population.

Highlights of the report

- The report highlights the issue of poverty and hunger. Despite all the measures taken by the government and lot of schemes being rolled the situation has not improved.
- India is ranked 97 out of 118 countries. When we compare it with other Asian countries, India has not performed well in Poverty and Hunger Index. Only Pakistan is behind us. This is not the first time that any global report is showing us the mirror.

Reason for India’s continuous decline in Global Hunger Index

- Depending too much on statistics, because there is a saying that 99% of the statistics explain only 49% of the story. Sometimes statistics has its own problem. The fact is Global Hunger Index is taken seriously by all the countries.
- One of the factors is the huge population that India has. It took time in case of china, which is still struggling, but their rate was much faster and their policy was efficient.
- There are various factors like overall poverty, unemployment, lack of safe drinking water, poor sanitation, and lack of effective health care. These are some of the issues which combine together and cause difficulties in the realisation of the objectives of various policy initiatives. These issues are responsibility of the state government. In the federal structure centre can support on certain aspects and the rest of the responsibility has to be taken from the state governments.
HDI is released every year and they tell us where the problem lies. India does extremely well when it comes to economic growth. But when we factor in the indices for health and education, we are pulled back in the charts. India is the fastest growing major economy in the world. So the expectations are that the growth will have an impact on the status of poor, malnourished and hungry citizens. But this will take some time.

There are some areas in which India is performing better. Thanks to the Mid Day Meal scheme. Children are being provided the right kind of meals. It may not be available universally, to tribal and backward areas, but the scheme has started performing well.

Recently the 14th finance commission has allocated more resources to the states and there is fear among development experts that states may not be able to absorb that kind of funding or may not be able to spend the funds in the targeted manner.

We foresee the problem increasing because a lot of central schemes have now been scrapped and states have to take on lot of burden.

Reasons behind Poverty and Hunger

One of the major factors behind poverty and hunger is unemployment. Over the past 5 years there has been higher rate of unemployment. Lack of generating new jobs although the new Skill Development initiative is progressing. The growth without jobs is happening globally and not just in India. This is because of a variety of factors and most importantly automation in the technology.

We have a new challenge of sustainability because of climate change and automation. There are lot of socialist schemes initiated in the country. The schemes like MGNREGA has not provided heartening results in the implementation, there have been debates whether the jobs generated through MGNREGA are actually adding to the quality of life of the poor people.

The government has been revisiting the MGNREGA module to suit the needs of the present time. Earlier it concentrated on building roads and digging wells and permanent asset creation was not happening.

Health is a state subject. Centre has enacted so many laws and many states have not implemented it.

For the current Global Hunger index is concerned we need to factor in the issue that we had 2 consecutive drought years.

Need of the Hour

There is a need to spend more money on health, education, and social sector. Smaller states are able to perform well. At some stage it is the question of developmental model because there are various factors that we have to factor in. In the GDP led growth there is a need to take care of right kind of policy which will benefit, provide states with incentives and distribution and equity.

Attention to agriculture is the need of the hour. There was a time when agriculture was contributing immensely to the GDP. Today its contribution is dwindling every year. People seem less interested in farm sector. That is the reason we see large migration to the urban areas.

We need a development model which ensures high growth, distribution of wealth, creation of jobs, and mix of technology so that large number of people benefit from the growth. Models and policies that will enable smooth transition from rural and agriculture dominated economy to an urban economy.

India and even globally is confronting more of natural calamities in the backdrop of climate change. India should be better prepared for these calamities. We need to have a long term master plan to deal with the crisis, ensure that people are alleviated.

In terms of global hunger, the Brazilian model is successful. The centre of the policy was women. The money was transferred to women; women should ensure that the child is taken to the school and to the primary health centre. It was a PPP model. It was a model where federal government, state and local government came together. We need to learn from the global experience.
Challenges before new United Nations Secretary General

Introduction

Antonio Guterres, the new United Nations secretary-general is the former Prime minister of Portugal and he has also served as the head of UN Refugee agency for the last 10 years. He comes to the UN at the time when the world is facing lot of international crisis like the crisis in Syria, Refugee crisis and huge immigration problem which Europe is facing.

Selection process of the new secretary-general

- The whole process of selection was a break from the past. The president of the UN General Assembly insisted that this time all the candidates for UNSG should be interviewed and they should put forward their vision as what they see as the future UN secretary-general. This also helped to dispel the myth that the UN secretary-general is selected behind closed doors by the P5.
- When the process started there were talks that it was the turn of East Europe or the turn of women because there has never been a women secretary-general. Antonio Guterres was the only candidate who was not discouraged by the P5 countries. He had extremely good credentials with the Russians because he was a socialist party candidate. He had extreme administrative ability. He comes from Portugal, although a small country it’s very significant in Europe. It has a colonial history, world vision, and ties all over the world.

Challenges for the new secretary-general

- One of the crisis not just in UN but Europe, US is the immigration issue and the refugee crisis. It would be more difficult for Antonio Guterres while dealing with the issue of refugees and immigrants precisely because he comes from the southern part of Europe which has seen the brunt of the issue of uncontrolled migration.
- There is a difference between being called a refugee and a migrant. The EU where Portugal is an important member of EU has steadfastly refused to call them refugees because refugees are entitled for protection. They cannot be moved around the manner in which migrants are moved. So from that perspective he would have a problem since he is been the head of the UNHCR, he would hopefully devise some method by which the flow can be controlled, the manner in which they are treated can be improved. He would sit down with Turkey and other countries to work out a solution.
- The situation in Syria is degenerating day by day. There is no guarantee that the P5 would agree in a united way to use force. The agreement between US and the Russian Federation has broken down and there is also the dynamics of US Presidential election. Whoever wins will play an important role in determining whether the UN will have a role to play in Syria and in that role whether the UN Secretary General will be allowed to play a role.
- The top most challenge is to face the situation in Syria which is a great threat to international peace and security.
- How to handle the Islamic State which is again a great threat to international peace and security and the International terrorism emanating from this.
- The economic issues which are causing the migration, because it is not just Syrians who are coming to Europe. There are also people coming from other parts of the world.
- He would have to look at the issue of funding for the UN and UN peace keeping operations.
The issue of Kashmir

- Ban ki-moon showed good understanding of the issue from India’s perspective and when Nawaz Sharif tried to raise it in New York, Ban ki-moon did not mention the k-word in his address to the General Assembly.
- Antonio Guterres has good understanding of the issue. India would expect him to have a good understanding from our perspective of the kind of threat we face from across the border. We would expect him to play a restrain role and understand as far as Kashmir is concerned it is an internal matter and India has always said that the UN has no role to play.

Criticism of UN

- The UN for many years has come under lot of criticism for being dysfunctional organisation and under Ban ki Moon we saw that there wasn’t really much happening on the ground like the Syria issue.
- Unfortunately some of the actions moved outside the UN are because the UNSC reflects the power structure of the world after World War 2. It has not moved with the time. The UNSC does not have India, Japan, Germany, does not have a single Arab country, African and Latin American country as permanent members.
- Because of lack of consensus among P5 there is no action and then the action is moved outside the UN and that results in the marginalisation of the UN. We would hope that Antonio Guterres would take some initiatives in persuading the P5 to agree so some kind of workable consensus by which it would be the UN troops on the ground rather than some kind of a bilateral deal between the interested member states outside the UN.

The issue of UNSC Reforms

- The UN secretary-general does not have a significant role and the process is controlled both by the General Assembly and UNSC. The P5 has a very important role to play because they can veto any procedure which does not suit them.
- The G4 no longer exists anymore. All the G4 countries have decided to go alone and that includes India. The UNGA has setup a negotiating mechanism which is a major victory for India. The negotiation is going very slow because of the pressure of some P5 countries.
- China does not want Japan as P5 countries, and China is ambivalent about India’s membership for UNSC. So the process of UNSC reforms would take some time.
- We would hope the new Secretary General take certain initiatives to bring back the prestige associated with the UN two decades back.

NATO and UN

- The NATO members are ready to work under the UN mandate. So the glory of the UN is still intact. **Right to Protection (RTP)** is propagated by the west and which many countries don’t agree with. When the RTP is brought into the UNSC and when the P5 countries object then they try to move it outside UNSC and do it through NATO.
- NATO in the past has shown some reluctance to intervene on its own. We have to hope that the tight balance between NATO and the UN activity on the ground will prevail and become under Antonio Guterres.

Focus areas for Antonio Guterres

- Issues related to **international peace and security particularly in Syria**.
- Issues related to terrorism particularly those emanating from IS and other parts of the world.
- Strengthen and make more effective the **UN Peace keeping operations**. There has been a narrow line between peace keeping and peace enforcement. These are the issues he needs to look at.
- The other mandate like economic mandate, financial mandate, better management in the UN system, etc.
The UN Secretary General reports to the UNGA and the UNSC. He is bound by what the UNSC tells him. He has an important role to play in guiding the UNSC. In moments of crisis like in Syria he can bring a perspective which the P5 and the UNSC would listen to.

BRICS as a driver of World Economy and Recession

Introduction

The 8th BRICS summit in Goa ended with a declaration, the larger commitment for driving the economy remains paramount as the BRICS forum was initially conceived as the forum between emerging economies. The time when it was conceived in 2001 the world was facing an economic crisis.

The present status of BRICS countries

- Today Brazil, Russia and South Africa are in recession, the world economy is in a bad state. The bright spot is that the China remains as a power house in the region for the last 20 years, but now its growth rate has reduced to 6% to 7%. India has shown a healthy trend of around 7% growth rate.
- When BRICS was formed it was expected that it will form the core of future economic growth in the world. Now some of those optimism and assumptions have not come true. But overall performance of the BRICS countries combined together is not bad, because China and India are growing at around 7%. Overall the condition is not very dismal.
- Three countries of BRICS are facing recession because of slump in commodity market and crude oil market. There are problems with existing regimes in Brazil, charges of corruption, and instability in South Africa. In Russia it is because of the slowdown and decline in the oil prices, and also the western sanctions.
- Four of these countries are very large countries. So railways, road, infrastructure are major concerns for all of them. Unless these are improved the economy will face hurdles. China's One Belt One Road initiative is basically to improve the infrastructure and connectivity between china and rest of Asia, Europe and other parts.
- Green energy and green development is one area which BRICS is emphasising. New Development Bank has created separate fund for green technology.

The future of BRICS

- Brazil is likely to come out of recession. There are predictions that the worst in oil prices is past. There will be likely increase in oil prices which would lead to improvement in Russian economy.
- The issue of BRICS is that, instead of economic grouping it is to create an alternative economic order, to change the unequal Bretton woods order dominated by World Bank and IMF. It was suppose that BRICS will form the voice of the developing countries that earlier did not play a significant role in the international economic order.
- We have some good initiatives like the New Development Bank and the reserve pool. It is believed that these two will create some form of supplementary mechanism for World Bank and IMF.
- There is a BRICS Business Council which is meeting regularly. They came up with the idea of Angel Investor's network to support Entrepreneurship and Innovation basically for young entrepreneurs. In western countries for example Silicon Valley has such Angel Investors networks which basically helps and promotes young innovators to come out with new ideas and supports them.
- There is yet another proposal for BRICS rating agency which would be another way of looking at credit rating of various economies. We have Moody’s and standard and poor’s which are western construct.
Role of China in BRICS

- Sceptics always doubted the BRICS grouping because of the sheer geographical distance between the countries. The intra BRICS trade is still the issue of concern. Within BRICS in the trade component, China continues to be the biggest beneficiary in terms of its exports to other countries.
- There is imbalance in trade among BRICS countries; overall BRICS trade is 1% of the global trade which is not so impressive. India and Brazil are raising concern about the imbalance in trade. Unless China is able to address this concern, there will be problems.
- Investment is another area where China is pushing for. It is talking about Free Trade among BRICS countries. India and most BRICS countries are not enthusiastic about the idea of free trade because that will only benefit China.
- Infrastructure development remains the priority. China is keen on this because it wants to fund the infrastructure plans including the OBOR, on which still India is not very clear on its position. Within the economic development model which BRICS is looking at and which is led by China, India has its own reservations.

Impact of Brexit

- Britain would like to strengthen its economic ties with countries like China and India. They won’t have any other option if their trade and economic cooperation with rest of the European countries is going to face problems. It is quite possible that our trade with Britain and our economic cooperation would increase because of Brexit.

India-China partnership

- India and China will have to work very hard to take forward BRICS from the slump.
- While the primary issue is economy, over the years other issue have come up and most importantly is the climate change. India and China are bracketed among the top polluters of the world. Both countries are ready to join and sign environmental negotiations and treaties. India has been given more time to reduce the emission of CFCs.
- There are discussions about involvement of China in a significant way in India’s infrastructure projects including railways and roads.

India-Brazil Bilateral Relations

Introduction

All the countries involved in BRICS are important partners for India. It is important in the context of BRICS and important in themselves. Of the 5 countries Brazil is the most distant geographically. In terms of intensity of contact Brazil is more distant when we look at the relations with China, Russia or South Africa.

Highlights of Brazilian President Michel Temer visit to India

- It was the first visit of President of Brazil Michel Temer to India for the BRICS summit. The relationship is improving, consolidated over the last decade or so. We dint have a major relationship before that. In the last 10 years it has been a steady growing relationship.
- Both courtiers have signed 4 agreements on agriculture and animal husbandry, pharmaceutical products regulations, cattle genomics and Assisted Reproductive Technologies, and Investment cooperation and facilitation Treaty.
- These agreements may not look very big. These are specific and targeted areas. This is in right direction; we should pick the niche areas where there are mutual needs and develop future mutual understanding.
Focus on Terrorism

- The larger focus of India in the BRICS and the bilateral summit between India and Brazil was on terrorism. **India thanked Brazil for its support on India’s action against terrorism.** Terrorism is not a major phenomenon in some parts of the world and Latin Americans are particular. Brazil is particularly lucky. It has been to a great extent fortunately untroubled by terrorism.
- Today terrorism is a global threat. Brazil organised the Olympics and the world cup where all the countries came. It knows that terrorism is an important threat to disrupt events and destroy people which will affect so many countries. Brazil has no problems or hesitation about condemning terrorism by saying that international community must come together to combat terrorism.
- Brazil has agreement with one of India’s initiatives which is the **comprehensive Convention on International Terrorism.** When it comes to specific issues, Brazil does not have much relation with Pakistan. So Brazil cannot put any pressure on Pakistan as such. India’s effort is to isolate Pakistan diplomatically and we need this kind of understanding of most important countries in the world.

India-Brazil Trade Relations

- The trade between both the countries is around $12 billion which is moderate. Brazil wants to increase the trade with India three times the present trade volume. The **major focus is on commodities** and so it is difficult to raise the trade volume. India grows coffee which is Brazil’s major export; animal feed is the major export of Brazil for which there is no market in India.
- **Brazil is rich in minerals and agricultural resources.** If we look at the future trade there are possibilities like India might need to import pulses. India exports generic drugs and other pharmaceutical products. The services industry, IT and biotechnology is well established.
- Brazil has an organisation which is the counter part of **Indian Council for Agricultural Research** called **Brazilian Agricultural Research Corporation (Embrapa).** The cattle stock of Brazil is very important for them. **Nellore** beef cattle originated from Ongole Cattle originally brought to Brazil from India. They are named after the district of Nellore in Andhra Pradesh state in India. So there are some Indian connections to its origin.

India-Brazil Defence Relations

- The defence relationship is possible; both are large countries with large defence needs whether it is helicopters or aircrafts. India has bought **Embraer** aircraft from Brazil where only few countries in the developing world make aircraft. There are possibility of cooperation in science and technology and developing designs.
- Both countries have normal exchanges for instance Brazilian officers coming to National Defence College, providing training exercises and visits of chiefs. Both countries are aware that the requirements are large. The real potential is in designing and developing the defence industry.

India-Brazil Strategic Relationship

- Both are mature democracies, developing countries, have different perspectives on many issues which is different from other countries, want a greater voice for ourselves, both are the partners for the expansion of security council and for becoming permanent members, both believe in institutional reforms in IMF, World Bank and UNSC. We are **Natural Partners** with the same kind of outlook on global issues.
- Despite the huge distance, lot of cultural differences and different kind of history, there are remarkable affinities and common values. India was colonized by British and Brazil was colonized by Portuguese. Just as India sees coalition governments, differences between centre and state, Independence of judiciary, a very vibrant press, critical kind of NGOs, Brazil also has a same kind of political climate like many parties, many regions, and differences between central and state governments.
Both are developing countries with same size in economies. Brazil has lot of people trapped in poverty like India. Therefore in *Democracy, Development, and Diversity*, Brazil is also a country with many religion, languages, and cultures. Brazil is also familiar with the same kind of Diversity which India is familiar.

Brazil has a space programme which was stared at a time when India started it. But India has gone far ahead. From time to time ISRO has offered technical knowhow to Brazil.

### Energy Crisis in India and Hydro Power projects

#### Introduction

- Prime minister dedicated three Hydro Electric power projects to the nation. These include 800 MW Hydro Power Station of NTPC- Koldam, 520 MW Parvati Project of NHPC and 412 MW Rampur Hydro Station of SJVNL.
- Himachal Pradesh has the highest Hydro Power installed capacity in India. For states like Himachal Pradesh, Uttarakhand, Kashmir, Sikkim and North-East India hydro power remains important. Hydro power plays an important role in the economy of these regions. It provides electricity to the national grid. These projects involve lot of costs, around 8 to 10 crore per MW, other costs like social, environmental and opportunity costs.

#### Hydro power projects in India

- Hydro power projects basically generate electricity from flowing water. Broadly there are few kinds of Hydro power projects.
- Storage kinds of Hydro power projects are Sardar Sarovar, Tehri and Bhakra etc.
- The newly developed is the run of the river Hydro power projects. In this power is generated from flowing water. There are dams for each of the run of the river Hydro power projects and which are big dams according to international definition. From these dams water is diverted into a tunnel and that tunnel comes back to the river a few kms downstream. The head which is a point where the water enters and exits is used to generate power.
- There are also classified by their capacity. Projects above 25MW are called Large Hydro power projects and those below 25MW are called Small Hydro power projects. Below 2 MW are called Mini Hydro power projects, further classification of micro, Pico etc.
- Today India’s installed Hydro power projects capacity is 42,000 MW. It is about 16% of the total installed capacity whereas generation is around 11% to 12%. Most of the generation happens during monsoon.

#### Benefits of Hydro power projects

- The key benefit of Hydro power projects is the peaking power. Peaking power means power plants that generally run only when there is a high demand, known as peak demand, for electricity. The demand of power goes up during morning and evening, and goes down during afternoon and night. There are daily and seasonal variations.
- The thermal power project cannot be restarted when the demand goes up and shutdown when demand goes down. Whereas this can be done in Hydro power projects. Because of the capacity of Hydro power projects to be able to start and shutdown in short time it can provide during peaking hours.
- This advantage is really available only if we optimise the operation of the Hydro power projects to provide maximum peaking power. Unfortunately we are not doing it today and the advantage is nullified.
- Hydro power projects are clean and green source of energy.

#### Issues with Hydro power projects

- Generation of Hydro power depends on the availability of water. When water is not available in the lean season, in summer and in drought year the generation drops.
Other issues like social impact, where lot of people get displaced, livelihood and resources are affected. There are environmental impacts, Disaster related impacts.

Most of the new projects are coming up in Himalayan region which is vulnerable to disaster in terms of earthquake, landslides, erosion, and flash floods. In the era of climate change there are glacial lake outburst flood (GLOF) which is because of the lakes which are created by the melting of glaciers which consists of boulders and silt.

There are cumulative impacts and there are issues of peaking power. The downstream projects can generate power when there is water upstream.

There are issues of generation performance. 89% of India’s installed capacity does not generate power at the promised level.

The graph for Per MW installed capacity and units of electricity generated; the graph goes down every year.

There is the issue of Siltation and maintenance of Hydro power projects. When we don’t allocate proper costs for maintenance then the generation suffers. Silt reduces the storage capacity and proportionally the power generation also goes down.

Hydro power projects do not consume fuel and it is assumed that there is no carbon foot print which is not correct. The World Commission on Dams has shown how the power generated particularly in tropical countries generates Methane. In one molecule of Methane there is 22 times more potent Green House Gas than CO2.

Hydro power projects involve deforestation which reduces the carbon sinks and thereby putting back more carbon into the atmosphere.

The frequency and intensity of Droughts will increase in the coming years. The rainfall patterns are changing. This will impact the power generation capacity of the Hydro power projects.

Every Hydro power projects are plagued by cost and time overruns. The reason is lack in the appraisal mechanism particularly geological appraisal.

Need of the Hour

Having created the installed capacity of 42,000 MW we need to focus on optimising the operation and generation. We need to appraise the projects properly, have proper Environmental Impact Assessment (EIA) and proper public consultation process.

We should maintain the catchment area properly if not the rainfall which comes as flash floods damages the project.

We need to optimise the generation of existing Hydro power capacity and need to have proper technical appraisal and hydrological appraisal.

India is using more of ground water and this reduces the surface water flow in the downstream area. All these factors should be taken into account while assessing the generation of Hydro power projects.

Today solar and wind energy has over taken Hydro power projects in the installed capacity. In the future there is a need to ensure sustainable benefits from existing Hydro power.

Bird Flu-Prevention, Symptoms and Cure

Introduction

National zoological park in New Delhi has been shut down amid fears of Bird flu. H5N1 virus is very dangerous virus and can spread very quickly from one species to other winged creatures. The return of the scare considering that in September 2016 India had declared itself free from the Bird flu virus and had even notified its H5N1 free status to the world organisation of Animal health which is the apex body across the world looking after the containment of H5N1 virus.
Bird flu or Avian Influenza was first reported in 1900. There have been many reports of the outbreak in USA and South East Asia region. In India it was reported in 2006 in Maharashtra. Since then it has been reported many times in Madhya Pradesh, West Bengal, Manipur, Sikkim, Kerala, etc.

**WHAT IS AVIAN FLY?**

- Avian flu is the type of influenza caused by *Type A strain* of virus carried and infected by birds. That is why it is also known as the bird flu.
- Avian flu can be infected by several types of birds, including farmed poultry such as chicken, ducks, turkey etc.
- H5N1 consists of two types of proteins. H is a *Hemagglutinin* and N is H1N1 is the human influenza and avian influenza is H5N1 and H7N9.

**HOW DOES BIRD FLU SPREAD?**

- Bird flu is an infectious disease. It is mostly transmitted from livestock to birds (both wild and pet), and sometimes vice-versa.
- This virus remains in the wild and there it is not infected. At some point the virus breaches the immunity and spreads to the domestic birds. Once it spreads to the domestic poultry it becomes a serious infection which rapidly kills the birds.
- The avian influenza virus strain can spread rapidly from one infected bird to other animals and birds *via its bodily secretions, feces, same feed or water bowl*. From such infected birds, the virus can spread to humans who come in contact with them.
- Those working in the poultry farm can be infected and should be protected. This is not a respiratory virus like the human influenza virus. In case of human, the bird flu also spreads at a high rate from the consumption of the meat of an infected bird.
- Most of the viruses are normally reactive to temperatures. India being the tropical country is more vulnerable and we have been battling the spread of diseases like Dengue and chikungunya.

**HOW DANGEROUS IS BIRD FLU?**

- In the last 10 years there have been no human infected cases reported in India. In other parts of the world like China, Hong Kong etc 852 cases of human infection have been reported till date. This has got a very high mortality rate. In some parts of the world, more than half the people infected with it die.
- There are, in total, 16 types of bird flu. The H5N1 strain is considered the deadliest of all, although humans do not become easily infected with this virus.

**HOW TO PREVENT BIRD FLU?**

- We can prevent the spread *by culling of the birds or by giving vaccination* to the birds. Bird flu triggers speculation about the safety of the poultry products. In Chandigarh a similar scenario was reported two years ago where people had stopped consuming poultry products and the poultry industry was negatively affected.
- Cooked poultry are safe to eat, as long as they are prepared properly. *This is a heat sensitive virus*. Those dealing with raw meat can be infected.
- **Hygiene has to be maintained in the poultry farm.** There must be **standard hygienic conditions** which must be followed.
- All birds can’t be killed, nor can bird migration be stopped. Therefore, humans have to be careful to prevent the flu.
- **There are vaccines available to prevent the spread of infection in the domestic poultry.** Most often Government culls the animal to prevent the spread of the disease because it is not easy to vaccine the entire poultry.
Whenever there is reporting of Bird flu in a particular place it is better to close the area for time being as a precaution.

In India not much research has been done in the component of Avian Influenza. For Avian Influenza Vaccine is available outside India. USA has developed vaccine for Human infection. India has the vaccination for the swine flu. We should be cautious about the suspicious dying of the birds and investigate whether it is the virus infection.
The Factories (Amendment) Bill, 2016 was introduced in the Lok Sabha in August 2016 by the Minister of Labour and Employment Mr. Bandaru Dattatreya. The Bill amends the Factories Act, 1948 which regulates the safety, health and welfare of the factory workers.

Reasons:

The Factories (Amendment) Bill, 2016 seeks to increase the existing threshold of overtime working hours for factory workers. The limited amendments have been brought by the Government to allow the industry to meet their urgent manufacturing requirements. The comprehensive changes in the factories law is still under consideration.

The inadequate duration of overtime was a huge hindrance for factories to complete their targets on an urgent basis. The existing law does not allow overtime by factory owners beyond a limit. In order to allow the manufacturing sector to meet its commitment, the industry had petitioned the Government to increase the number of hours a factory worker could be asked to work overtime. The Factories (Amendment) Bill, 2016 was introduced by the Government because the 2014 Bill had lot of issues that will take a lot of time in creating a consensus on the floor of Parliament. Therefore, it is a wise step taken coming up with a separate Bill.

There have been several amendments in this Act which includes changes in manufacturing practices, new technologies and ratification of ILO Convention. To give effect to these changes, Factories (Amendment) Bill, 2014 was brought which is still under consideration. The overall aim of the new Bill is to facilitate ease of doing business in the country along with enhancing employment opportunities in the manufacturing sector. The increase in overtime hours/quarter is within the limit of 144 hours/quarter as prescribed in the ILO regulations on overtime and extra hours.

Factories (Amendment) Bill, 2014:

1. It amended the parent Act to allow women to work in night shifts provided enough safeguards were given to them by their workplace.
2. The Bill amended the definition of the Factory which included entities employing 20 persons with power usage and entities employing 40 persons without power usage.
3. The Bill provided penalties such as jail term of 6 months and maximum fine of Rs. 3 lakhs if the employer does not adheres to the provisions of the Bill.

The Bill was recommended to the Parliamentary Standing Committee on Labour which gave following recommendations:

1. Hazardous processes should find a place in the proposed amendment along with hazardous substances.
2. The provisions providing the extensions on overtime up to 125 hours/quarter should be revisited as it can lead to harassment of employees and have a negative impact on employment generation.
3. It should be made sure that the employers don’t terminate the employment of pregnant women and disabled employees or force them to take voluntary retirement.
4. All factory workers in a state should be brought under one Labour Commissioner.
Proposed Changes in 2016:

The Factories (Amendment) Bill, 2016 seeks to amend Section 64 of the Factories Act:
1. By increasing the present overtime limit of 50 hours/quarter to 100 hours/quarter.
2. The Bill empowers the central Government in addition to the State Governments to make exempting rules and orders with respect to total number of working hours on overtime in a quarter.

Amendments in Section 65 of the Act:
1. The Bill increases the limit on overtime in case of exceptional workload from 75 hours/quarter to a maximum of 115 hour/quarter.
2. The Bill empowers the central Government in addition to the State Governments to make exempting rules and orders with respect to total number of working hours on overtime in a quarter.
3. It also has a provision that allows Central and State Government as well as the Chief Inspector on approval of the State Government to extend total number of overtime hours to a maximum of 125 hours in public interest or exceptional workload.

Views and Counterviews:

There are apprehensions that increasing the overtime hours might affect the health and family life of the workers. There are social obligations which a worker might not be able to fulfill if he/she has to work overtime. India already faces the problem of unemployment therefore, rather than announcing overtime, it is better to provide jobs to the unemployed workers.

At times, because of breakdowns or disruptions, the production required is not achieved. So in these cases, there is a constraint to keep people on overtime and bring the factory back to normalcy otherwise, the losses will increase. The working conditions in respective factories add matters a lot. If working conditions or environment is not very good, even 8 hours of work would be detrimental to the health and existence of a worker. But if the working standards are as per the requirements of law, then additional work of 3-4 hours would not make a big difference. There are both internal and external disruptions in work. The workers have to travel long distances because the industries are located in distant areas from the main townships. There are traffic issues, climatic conditions or accidents because of which they are unable to reach on time hampering production.

A person who is working for last 5-10 years in an industry is far better acquainted to work rather than new workers. In order to compete with the world economies, Indian industries also have to perform to the best of their capabilities. These amendments actually empower the existing factories to perform at their highest efficiencies so that they create more jobs rather than taking the burden of employment.

Conclusion:

The new Bill does not negate the previous Bill of 2014. It is an addition. The Factories (Amendment) Bill 2016 is a way forward. From the industry perspective, more flexibility is needed to meet the market demands. It will also help in Make in India scheme. The trade unions always want to safeguard the chances of exploitation and this is a major concern for them but altogether, this will ensure an increase in employment.

**Rajya Sabha TV Security Scan- Conceptualizing The Rafale Agreement**

Link: [https://youtu.be/0lHmiI5tk9o](https://youtu.be/0lHmiI5tk9o)

The Inter Government Agreement recently got concluded between India and France for the supply of 36 Rafale fighter aircraft. The Indian Air Force as may be recalled has been seeking the induction of 126 fighter aircrafts since 2001-02 to fill the gap of obsolescence and it had identified two aircrafts i.e. the Eurofighter and the Rafale. This was about 5
years ago and the Modi Government has finally taken the decision now. The first aircraft will arrive in India only 3 years later.

**Introduction:**

The Rafale is the 4.5 Generation aircraft. When it comes it will be in terms of sophistication and operational capability that it will be the best aircraft in the region. The best that Pakistan can put against the Rafale is the F-16 Block 52 which is a generation behind. What the Chinese have is the J-10, Su-30 or J-11 which are way behind the Rafale. Rafale is a multi-role aircraft and right from the beginning of the design process, the French had mandated that one single aircraft should be able to be swing into many roles like air defence, deep strike, maritime role, reconnaissance etc. This will help the Indian Air Force not to go for a variety of platforms which it is known for.

Ease of maintenance like the aero engine can be changed in 30 minutes as against 8 hours taken normally for other aircrafts. Even the ground run is not required after the change of engine as the aircraft is ready for the sortie. The operational availability of the Rafale will be of a very high order.

**Reasons behind long duration for decision making and outcomes:**

1. The aim should be however to get the ecosystem in place for aerospace defence. India has one of the most convoluted and complicated procedures as compared to anywhere in the world for defence This keeps on getting complicated more and more.

   **For example:** As far as Make in India is concerned, the Ministry of Defence is not the Ministry of Industry nor are the armed forces responsible for promoting the Indian industry. It is not their job. Their job is to be fighting fit and prepared for all circumstances. So, when they choose something, they should not be burdened with the thought that which choice should be made to support Indian production. They should focus purely on their operational requirements. These types of considerations adds to the cost, delay and by the time we come to procurement the technology may have changed or may have gone ahead further. So, we are constantly 10 years behind what is the best and the latest.

2. There is a lack of coherent national strategy for defence. Aerospace and aeronautics are at the high ends of technological excellence of a country. If a country is able to design, develop and manufacture an aero engine, then that country is like a great power in the international domain. There are other requirements as well in terms of material requirements and all but there is a need of a strategy that works on research and development, industry, development of ecosystem and more importantly developing academic environment for developing skill and manpower.

**Way Ahead:**

1. An ecosystem to be set up needs a hierarchy. There has to be role clarity and not the role conflict as far as both public and private sectors’ involvement is concerned. Countries like Japan, Brazil etc have done some market segmentation. For example, there is one player for aero engines and they don’t do tendering every time for the same thing. This area is capital intensive, technology intensive and it has cyclical demands.

2. The structure of decision making that exists today basically thrives on these three departments under Ministry of Defence. Department of Defence, Department of Defence Production and Department of DRDO and each function in different silos. There needs to be an inter-ministerial as well as intra ministerial coordination.

3. These issues can be dealt if there is a National Aeronautics Commission or a National Aerospace Commission and there have been recommendations for this over the past few years. Such a recommendation was made as early as in 1969 and recently also by different committees as an absolute necessity on the lines of ISRO or Department of Atomic Energy directly under the Prime Minister to energize the whole process. These recommendations have been agreed by various governments but Ministry of Defence has not agreed to it.
4. The big players in terms of aerospace engine manufacturing are US, France, Russia, Germany and Britain. Japan is also a major player in this sector. India made a mistake of trying to develop engine and aircraft together in LCA (Light Combat Aircraft) domain and they will never match because engine development needs a dedicated team and effort. A partnership with other countries for India might help. India has a big market size for aerospace as of now. India can opt for making components required by the manufacturers. These can go to the host nations building the equipment. Private players can have a role here.

**Conclusion:**

All the major powers in the world have developed with a `strong government support`. The deal is quite good but `India has to go a long way in designing its own hi-tech platform` for military. This is of course the long term objective and the Rafale Agreement can provide the necessary trigger pulse if an appropriate policy framework is evolved. For this many radical decisions need to be taken to alter the existing status quo.
India has asked its industries to urgently and immediately destroy the most dangerous of all greenhouse gases HFC-23 also known as trifluoromethane. It is produced during the manufacture of common refrigerant gas called HCFC-22 and is seen as the worst culprit in the planet warming hydrofluorocarbon family. The announcement has come at a critical time as different governments of the world seek to finalize a global agreement under the Montreal Protocol to phase down all hydrofluorocarbons. India has estimated that this action will prevent nearly half a billion tons of carbon dioxide equivalent emissions from entering into atmosphere in the next 15 years. The hydrofluorocarbon elimination before the year 2050 is estimated to prevent about 0.5 degree Celsius rise in the average global temperatures by the year 2100 which will help the temperatures to be less than 2 degrees Celsius as compared to pre-industrial times.

HFC-23 is a gas with an atmospheric life of 222 years and a heat trapping capacity which is 14800 times more than carbon dioxide. At present, there are 5 registered enterprises that produce HCFC 22 in India. In the past, Indian companies destroyed HFC-23 as a part of the clean development mechanism of the Kyoto Protocol. These efforts were financed by Carbon Emission Reduction Credits. However, once the financial benefits came to an end, many manufacturers ceased to incinerate HFC-23. The Environment Ministry’s order now stresses on complete elimination of the gas while noting that some of the HCFC-22 producers even in developed world are not handling the HFCs in the most professional manner.

This decision has come at a time when India is facing a pressure to agree to an early timeline for phasing out HFCs; a set of 19 gases used commonly in air conditioning and refrigeration industries. Many countries met in Kigali, Rwanda to finalize a global phase out of these gases in the next 30-40 years based on Montreal Protocol. India is the 4th largest emitter of greenhouse gases after China, USA and EU as a whole.

Montreal Protocol Meet

1. Montreal Protocol was agreed on 16th September 1987 and entered into force on 1st January 1989 to protect ozone layer
2. Rwanda hosted 28th meeting of parties to Montreal Protocol and it opened in Kigali on 10th October 2016 to thrash out agreement for phasing out HFCs
3. Meeting held in Africa for first time with participation of envoys from 200 nations

This is a very crucial meet both as a precursor to the climate negotiations that are to be followed very soon and the fact that India is seen to be a key player in Kigali because USA and China have indicated their reduction schedule while India has not done that yet. Around 95% of the USA’s population is using refrigerators and air conditioners, the number is 2/3rd for China’s population and for India it is 1/5th of the total population. Therefore, a later phase out date for India might be legitimate although this is something that India should have done a couple of years ago. A transition to cleaner options is very costly at the moment for India. Private sector has patents for those options and applications which can help India in capacity building. If India has to transit, the developed world has to help it monetarily which is not being done now. If India starts working on this option, the prices of the technology will fall, adoption of these technologies will be faster and it would be showing way to developing countries. This would benefit the society as a whole. At present, it is important that the present polluters check themselves before asking the future polluters to pay.

The industries in India are still trying to grapple with what will happen after Paris Agreement comes into application in 2020 like the level of transparency to be maintained, cutting on emissions etc. Basically, this is a period for
Voluntary actions like CSR, carbon exchange programmes are not of much worth. After 2020, the Indian Government will have to take stiff action on some industries and it will have to expand its programme to check the intensity of emission from the industries like railways, real estate etc. Municipalities control real estate sector at present. A central law on this will be a challenge as the more deregulated a sector is, the more difficult it is to have a centralized environmental standard for it. At the same time, medium and small scale industries have to be protected from facing too much trouble as they cannot pay much and it is there our people get employment. A protection zone has to be created for them.

The solar target of 100 GW is something where India might falter at. The overall emission targets set by India should be achievable with relative ease because if USA walks out of the Paris Agreement, there are chances that the entire burden might fall on countries like India.

Montreal Protocol is considered to be one of the most successful and simple environment agreements because it does not require basic changes in the economy or society. It says that instead of using substance A in refrigeration, substance B should be used. But the Climate Treaty is just the opposite as it requires huge transformation. CFCs are substances which do not occur in nature so they don’t get absorbed by nature. Ammonia can be used as an alternative. It is high time that use of non-patented technology is taken to the forefront. A political will in this regard can make a substantial difference.

Lok Sabha TV- Public Forum: BRICS-BIMSTEC Outreach Summit

Link: https://youtu.be/KyCKlbY_sE

India invited leaders of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation; a select group of Asian nations for an outreach session with the leaders of BRICS nations in Goa recently. BIMSTEC groups 7 nations of the South and South East Asia i.e. Bangladesh, Bhutan, Myanmar, Nepal, India, Sri Lanka and Thailand. Formed in 1997 (Bangkok Declaration), BIMSTEC aims to promote economic cooperation among South and South East Asian countries. BIMSTEC region is home to around 1.5 billion people amounting to 21% of the world population with a combined GDP of $2.5 trillion.

Analysis:

In BRICS, a system has emerged over the years where the host countries invite some of the partner countries as a gesture in terms of their engagement and partnership for growth, technology and development. For example- South Africa invited South African countries and in Ufa, Russia invited the countries from Eurasia. Given the fact that SAARC is not moving ahead in any direction, BIMSTEC has emerged as a grouping which is extremely dynamic and reflects India’s foreign policy priorities and regional cooperation. India is one of the fastest growing economies and until and unless its neighbours also see that prosperity, it would be difficult to grow alone. Hence, this can be said to be a rational move to strengthen India’s Act East Policy.

Average rate of growth of BIMSTEC nations is around 6% of GDP. There is no other cluster in the world which growing at this rate presently. Naturally, India is the leader here as far as size and GDP is concerned along with Bangladesh (rate of growth of textile industry is highest among these nations), Thailand and Myanmar (more investment because of new democratic government). Because of their geographical locations, nobody can ignore them. Sri Lanka has also considerably invested in ports which are helping it in boosting trade through Indian Ocean.

The BRICS and BIMSTEC summits provided an opportunity to India to project itself as a stable, secure, dynamic and rapidly expanding economy and investments are being explored through institutions like New Development Bank. NDB is largely for facilitating the credit flows and investments made by China in trying to develop infrastructure in these countries as a part of its own bilateral and multilateral programmes. India has thought of developing a technology centre in Sri Lanka, there is more focus on renewable energy (solar) for which there would be a BIMSTEC centre in
India and a trade and economic policy underpinning cultural dimension for which a cultural-industrial observatory is to be established in Bhutan.

BRICS and BIMSTEC are leveraging each other. NDB is going to have a market in the BIMSTEC nations apart from BRICS nations because BIMSTEC nations also require infrastructure funding. NDB is innovating the products like rupee denominated bonds or local currency denominated bonds apart from clean and green energy investment projects. Many of these nations are also a part of Sunshine Countries which India had made regarding solar and renewable energy. However, the progress on free trade agreement among BIMSTEC nations has not much significant. LDCs (Least Developed Countries) have got duty free and quota free access to Indian markets, there is Early Harvest Scheme with Thailand and 100% access to Indian markets for Bangladesh is given. The main aim of FTA is to address non-tariff barriers which would further lead to custom harmonization and facilitation of trade. This would fall in very well with the idea of blue economy along with SEPA that India is thinking for whole IOR region of which these countries are also a part.

Conclusion:

These groups can only move to the next level if they are able to provide support to each other like inter BRICS trade.

The Joint Declaration that came out has 11 recommendations which can be classified into four broad categories:
1. The institutions proposed to be set up for technology, energy and others,
2. FTA
3. Areas for cooperation like agriculture, tourism, traditional medicine. As far as eco-tourism is concerned, Sunderbans have huge potential and it is also linked with India’s sustainable development goals.
4. Terrorism, transnational crimes and peace

The commitments are at multiple levels through different groupings. Keeping the agenda focused, lean and thin, the biggest challenge that lies across these nations is to sustain economic growth which will in turn address unemployment as it is a common denominator across all economies. These meetings might help in significantly raising the political image, clout and profile of India in the region and beyond.

Lok Sabha TV- Public Forum: Flying High With ‘UDAN’

Link: https://youtu.be/sNrCk_mUem8

The Civil Aviation Ministry recently launched its Regional Connectivity Scheme called UDAN (Ude Desh ka Aam Naagrik). It is termed as the first of its kind scheme in the world where a large number of unconnected places and people will become a part of the airways.

Features of UDAN:

1. Under the scheme, the centre has proposed to cap fares at Rs. 2500 for one hour flight for 50% of the seats with the idea to make flying affordable for common man and the remaining on market based pricing.
2. Airlines operating under this scheme will get Viability Gap Funding and other benefits such as lower taxes and airport charges to promote regional connectivity. A Regional Air Connectivity Fund will also be set up for providing viability gap funding to aircraft operators to serve tier 2 and tier 3 cities. The centre will share 80% of the cost of this viability gap funding while the states will share the remaining 20%. While this may prove to be an attractive scheme for consumers, there is also a lot for carriers, small and regional airlines and other players in the ecosystem.
3. Centre has also suggested that states provide incentives to airlines to encourage them to fly on regional routes specifically in unserved and underserved airports. This is in sync with the Draft Regional Connectivity Scheme Rules which was released in July 2016.
4. The government also plans to upgrade 50 unserved and underserved airports in the country which would further boost air connectivity pan India. For example: Recently, Spicejet connected Gorakhpur. Similar such small towns will be connected this way with short haul aircrafts.

Challenges:

1. The biggest challenge in regional connectivity is **technical infrastructure** like the aircraft has to go to the interiors, lack of airports, lack of equipment, technical manpower etc. Mostly, these are **day airports without night training facility**. If this is included, the costs would be very high and runways have to be improved as well.

2. Primary basic traffic flow in these areas has to be developed for the commuters. Mainstream airlines are already dealing with heavy traffic flow. It is unlikely that they would step forward in the regional sector.

3. The overhead cost for a small aircraft is almost same as that of bigger aircrafts. Therefore, **low cost operations might not ensure much profit for big airlines**. Investments have to be attracted here from new and local investors.

4. Ghost airports are technically operational but do not handle a single scheduled flight. These have to be connected with short haul aircrafts along with development of low cost airports with reasonable expenditure.

5. The type of aircraft which will work well for regional connectivity has to be decided based on cost benefit analysis based on **seating capacity** i.e. **Category 1 (less than 20), Category 2 (21-80) and Category 3 (more than 80)**. There are a lot of non-scheduled operators in India like chartered planes and others. These businesses might enter into this field. For the policy to succeed, the regulatory framework has to be analyzed and changed to be in sync with it.

6. The government’s move to impose a levy on every departure on major routes to fund the scheme seems to have not gone down well with many of the existing airlines as they feel that such a move could push the airfares higher.

7. There are some routes like Mumbai to Dharmsala which might cost Rs.8000 as these are monopoly routes while the cost for Delhi to Mumbai is around Rs.2100 because of more competition. In such cases, **application of subsidy** would help.

The Policy is very well intentioned which was being planned for last 1 year. For the first time, there is a policy dedicated to regional airlines. In the past, these policies have not worked. This time, the Ministry is taking a corpus from the national flights and is putting them into regional flights. Regional flights are difficult to run because these are expensive and have less traffic. So, these flights will be subsidized with these national flights. It is being hoped that this policy might act a baby step towards regional connectivity in next 1-2 years.