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# **PANORAMA.....**

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## **CURRENT EVENT ANALYSIS**

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**November 22-27, 2013**

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## GEOGRAPHY

### Seismic Monitoring

#### Seismic zones of India



Zone - II: This is said to be the least active seismic zone.

Zone - III: It is included in the moderate seismic zone.

Zone - IV: This is considered to be the high seismic zone.

Zone - V: It is the highest seismic zone.

#### **Zone 5**

It is referred to as the Very High Damage Risk Zone. The state of Kashmir, the western and central Himalayas, the North-East Indian region and the Rann of Kutch falls in this zone.

#### **Zone 4**

This zone is called the High Damage Risk Zone, The Indo-Gangetic basin and the capital of the country (Delhi), Jammu and Kashmir fall in Zone 4. In Maharashtra the Patan area (Koyananager) is also in zone 4.

#### **Zone 3**

The Andaman and Nicobar Islands, parts of Kashmir, Western Himalayas fall under this zone. This zone is classified as Moderate Damage Risk Zone

#### **Zone 2**

It is classified as the Low Damage Risk Zone.

India's real-time seismic monitoring capabilities received a boost with the inauguration of a state-of-the-art permanent digital network of seismological and geophysical sensors spread across the

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country. The Indian Seismic and GNSS Network (ISGN) Project was inaugurated at the Indian National Centre for Ocean Information Services (INCOIS), which has been designated as the nodal agency for the implementation of the project.

It as critical services for disaster management, built for a resilient hazard mitigation system through a combination of knowledge expertise, organisations' response and community awareness. Geographical statistics of India show that almost 54% of the land is vulnerable to earthquakes. A fail-safe VSAT-aided Emergency Communication System (VECS) has inaugurated for Andaman & Nicobar Islands. The system has been set up in view of the proximity of the islands to the subduction zone.

It mainly consists of —

1. Voice over Internet Protocol (VoIP) Phone
2. Electronic Display Board (EDB)

The EDB is capable of displaying tsunami warning messages and can trigger a siren that would be audible up to 1 km radius. It is the computer-based earthquake alert and web-access system.

## Study on Monsoon

India and France will spearhead an international project to study the impact of melting polar ice caps and glaciers on the monsoon.

The other countries in the project include the United States of America, the United Kingdom, Japan, South Africa, Brazil and Germany.

Climate change was playing a critical role in day-to-day life and weather advisories. India joining Arctic Council as an observer, as what happens in Arctic directly affects weather and climate and India was keen to take up studies in Iceland, Greenland, Canada and other areas in the region.

## Lehar

The severe cyclonic storm 'Lehar' over southeast Bay of Bengal lay centred over southeast Bay of Bengal about 1,050 km east-southeast of Kakinada.

The system would intensify further gradually into a very severe cyclonic storm and move west-northwest wards and cross Andhra Pradesh coast between Machilipatnam and Kalingapatnam near Kakinada. Under its influence moderate rain or thundershowers are likely to commence over North Coastal Andhra Pradesh. The intensity of rainfall would gradually increase at most places with heavy to very heavy falls at a few places and extremely heavy falls over North Coastal Andhra Pradesh.

### Squally winds

Squally winds from a north easterly direction with speed reaching 45 to 55 kmph gusting to 65 kmph are likely along and off Andhra Pradesh Coast. Potential threat from flying debris, flooding of escape routes and extensive damage to crops is predicted.

**How cyclone gets its name?**

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Tropical cyclones in the Bay of Bengal and the Arabian Sea are being named since 2004.

IMD (Indian Meteorological Dept) has the mandate to provide weather advisories to seven countries -- Bangladesh, the Maldives, Myanmar, Oman, Pakistan, Thailand and Sri Lanka besides India.

The IMD says the practice of naming storms (tropical cyclones) was adopted years ago to help identify them so that people could be informed about their arrival quickly.

This decision, to give names to the cyclones that form over the North Indian Ocean region, was taken unanimously by eight countries — Bangladesh, India, Maldives, Myanmar, Oman, Pakistan, Sri Lanka and Thailand — in the year 2000.

The practice of naming storms was adopted because it was proved that short names are easier to remember than numbers and other technical terms. Names reduce confusion about what storm is being described, as more than one can occur in the same region at the same time.

IMD has list of 64 names contributed by eight countries of the Indian sub continent-- Bangladesh, India, Maldives, Myanmar, Oman, Pakistan, Thailand and Sri Lanka.

While India gave names like Agni, Akash, Bijli, Jal, Lehar, Megh, Sagar, Vayu; Bangladesh gave Onil, Ogni, Nisha, Giri; Maldives gave Goni; Myanmar gave Pyarr, Phyan, Thane; Oman gave – Baaz, Sidr, Murjan; Pakistan gave Fanoos, Nargis, Laila, Nilam, Nilofar; Sri Lanka gave Mala, Rashmi, Bandu, Priya and Thailand gave Mukda, Phet.

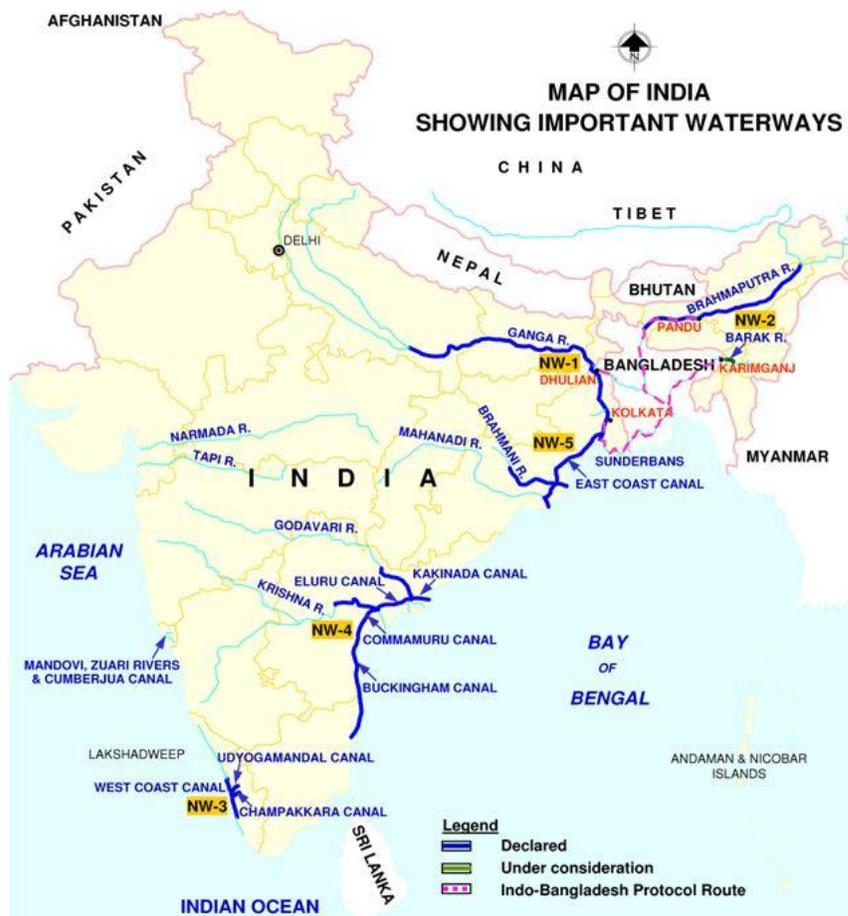
Each country gave eight names for the cyclones. Thus a list of 64 names was prepared. It was also decided that the 8 countries will take turns to name the cyclones.

## National Waterway 1

Utilisation of the vast network of the country's waterways for bulk movement of goods flagged off through National Waterway 1 (the Ganga-Bhagirathi-Hooghly River System).

This alternative mode of transport will ease the pressure on railway rakes and reduce road congestion by negating the need for transportation by trucks.

Inland waterways are economical and suitable for bulk cargo movement and the government was taking measures to improve the navigability of the various national waterways.



- National Waterway 1 Allahabad–Haldia stretch of the Ganges–Bhagirathi–Hooghly river system
- National Waterway 2 Sadiya — Dhubri stretch of Brahmaputra river
- National Waterway 3 Kottapuram-Kollam stretch of the West Coast Canal, Champakara Canal and Udyogmandal Canal.
- National Waterway 4 Kakinada–Pondicherry stretch of canals and the Kaluvelly Tank, Bhadrachalam – Rajahmundry stretch of River Godavari and Wazirabad – Vijayawada stretch of river Krishna.
- National Waterway 5 Talcher–Dhamra stretch of the Brahmani River, the Geonkhali – Charbatia Stretch of the East Coast Canal, the Charbatia Dhamra stretch of Matai River and the Mangalgadi - Paradip stretch of the Mahanadi River Delta.
- National Waterway 6 Lakhimpur to Bhanga of river Barak

## ENVIRONMENT

### Warsaw Mechanism

The Ministers decided that a Warsaw Mechanism on Loss and Damage would be agreed to and would be housed under the Conference of Parties (COP) a compromise for both the US and the G77+ China group. Conference of Parties refers to the highest and most empowered body of the U.N where each country is represented. The COP is empowered to make the most fundamental and critical decisions that lesser bodies are not. How this mechanism would get the funds in future remained the piece of the puzzle.

### Loss and Damage

It is the mechanism where the poorest and most vulnerable nations may get financial assistance on the premise that they had to suffer losses due to the damage caused by high emissions of greenhouse gases by rich countries over the years.

The U.S. wanted that the mechanism should not become an independent body and be placed under the existing Adaptation body. The G77+ China group wanted just the opposite. In the end, the compromise has ensured that while a channel of funding would be made available to address loss and damage the wordings that the U.S. had a problem with — compensation — has been dropped entirely. Three advanced countries — the UK, Norway and the US — have so far offered to pay for a green fund for developing countries which has been pledged by the rich countries at the Warsaw climate talks to act as an incentive for developing countries to cut down of greenhouse gas emissions. The money to be collected for this purpose will be managed by the World Bank's Bio-Carbon Fund. The money to be collected through contributions from rich nations will be used for increasing forest cover. Known as REDD+ (reducing emissions from deforestation & forest degradation) initiative, the move will be an incentive for developing nations.

### The Green Climate Fund (GCF)

It is \$100 billion annual kitty which is meant for adaptation and reduction of emission by poor countries to fight climate change. The Warsaw outcome, however, failed to impress green groups who wanted a clear roadmap for GCF so that the move could create an atmosphere of trust before the countries reach an agreement in 2015.

### For global cooperation on climate change

Nancy J. Powell (The Hindu)

Climate change caused by humans is real and it is happening now. Only a high degree of international cooperation can adequately address this global problem. The recently released report of the Intergovernmental Panel on Climate Change has reconfirmed the basic facts: Greenhouse gases, primarily carbon dioxide emitted from burning fossil fuels like coal and oil, as well as other gases emitted as a result of human activity, such as methane, black carbon (a major component of soot), and hydrofluorocarbons, or "HFCs," are responsible for an unprecedented

rate of warming of the planet. This warming is already causing severe disruptions and harm to communities. Left unabated, climate change will cause increased droughts, rising seas, and a host of other problems. Collaboration with India

India is the United States' biggest partner in the developing world on cooperative ventures to address climate change. The U.S. and India are collaborating on a wide range of climate change issues. For example, our National Oceanic and Atmospheric Administration and the Indian Ministry of Earth Sciences are working together to enhance capacity for monsoon prediction on a monthly basis for different States in India. This programme delivers quantifiable improvements in forecasting extreme events, therefore improving India's resilience to extreme and variable events wrought by climate change, such as flood and drought years, and active and dry spells of monsoons. We are also working jointly to protect India's forests, which store carbon dioxide while providing great value to local populations and ecosystems.

Beyond the critically important goal of improving our understanding of how the climate works, and putting in place preparedness systems to minimise harm, the United States and India are drawing on the creativity and forward thinking of our best scientists, engineers and policymakers to reduce carbon pollution while building a low-carbon future that promotes economic growth. In the United States we have already greatly reduced our emissions from transportation, and, as part of President Obama's Climate Action Plan, we will reduce carbon pollution from power plants and further reduce energy waste in appliances and buildings. India is also taking important steps such as ambitious measures to improve energy efficiency and expand renewable energy, including one of the world's largest national targets for solar power.

There is no doubt that the transition away from fossil fuels and other greenhouse gases requires upfront investment and hard work. The United States is committed to this effort domestically and to partnering with countries with more urgent development needs make this transition.

#### Funding

The United States together with other developed countries has met and exceeded a pledge to provide \$30 billion in financing from 2010 to 2012 for developing countries both to reduce greenhouse gases and to adapt to climate changes. The U.S. government alone provided \$7.4 billion during this period, including almost \$1 billion that benefits India.

In many cases, the United States amplifies the impact of public funds by leveraging a significant amount of private investment, an approach that is already creating new economic opportunities. We see this as the surest way to scale up funds to the levels needed for another commitment we made in 2009, to work with other countries to mobilise \$100 billion annually by 2020, from both public and private sources, to help developing countries address climate change.

Private investment in India has leveraged the impact of our public funds and yielded significant results. Using our national development finance institution and export credit agency, we have channelled hundreds of millions of dollars to strengthen India's ability to build technical capacity, reduce financial risk, and lower the cost of capital for low-carbon investments. These funds

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unlocked more than \$700 million in additional private capital that would not have otherwise been invested in India, over and above the nearly \$1 billion we have already.

U.S.-Indian joint initiatives promote clean energy development, a sector in which countries around the world are making strides on economic growth, poverty alleviation, and climate change simultaneously. In 2009, Prime Minister Manmohan Singh and President Obama created the Partnership to Advance Clean Energy to improve energy access and promote low-carbon growth through a focus on clean and renewable energy projects. One initiative under this programme — the \$125 million Joint Clean Energy Research and Development Center — is helping develop cutting-edge technologies in solar energy, energy efficiency in buildings, and new biofuels, enriching the technology base of both countries.

The cooperation between the U.S and India on climate change is strong, but it could be improved further. The United States is committed to working with India to make our work together a model for the global cooperation we so desperately need.

## POLITY – GOVERNANCE

### Constitutional row over Article 371A

The Centre and Nagaland government have landed in a constitutional row over the state's right to independently exploit its natural resources. The issue is the interpretation of Article 371A of the Constitution relating to Nagaland. The provocation was the state government's move to issue the Nagaland Petroleum and Natural Gas Regulations last year. The Centre immediately objected it as under the Constitution; state could not regulate mining of natural wealth under the ground as this was a Central subject. It argued that Article 371A only gives the state the right against implementing Central Acts in certain areas, and not to make new laws or regulations on these subjects. On the legal front, the Centre's interpretation of Article 371A is that it provides the state "negative power" as in the right to reject a Parliamentary Act in any of the areas mentioned in the provision. However, according to the Centre, it does not provide the state government the "positive power" to legislate or regulate aspects of the areas that may fall under Central control.

The Naga People's Front government insisting that Article 371A makes it clear that "no Act of Parliament in respect of Naga customary laws, administration of civil and criminal justice involving decisions according to customary law, ownership and transfer of land and its resources shall apply to the state of Nagaland unless the Legislative Assembly of Nagaland by a resolution so decides".

The state government produced a Petroleum Ministry response to a Parliament question in March 2011 conceding that the Constitutional provision applied to the exploitation of natural resources. However, admitting that this was a mistake, the ministry had pulled back the reply from Parliament last year and corrected its position. The ministry had then followed it up with a letter from Petroleum Minister Veerappa Moily in June to Rio, putting it on record that the notification on petroleum and natural gas regulations was "unconstitutional" and should be annulled.

This took the Centre by complete surprise and concerns only increased when Nagaland Governor Ashwani Kumar, a former CBI director, sounded the alarm bells. It's believed that he told the Central government through several communications that the issue was turning serious and even had long-term security implications besides the Constitutional question.

In other words, sources said, Nagaland can opt to retain status quo on any of the issues including mining but it cannot seek to change it on its own terms. If it seeks a change, the Centre's contention is that it has to do so as per the Constitution, just like in other states.

This has now been conveyed to the Rio government. Also, various backchannel options through special interlocutors and intelligence agencies are at work to ensure this time the state does not escalate matters further by sending back another rejection.

### Assisted Reproductio Technology Bill

It is estimated that 15 percent of couples around the world are infertile. This implies that infertility is one of the most highly prevalent medical problems. The magnitude of the infertility problem

also has enormous social implications. Besides the fact that every couple has the right to have a child, in India infertility widely carries with it a social stigma. In the Indian social context specially, children are also a kind of old-age insurance.

With the enormous advances in medicine and medical technologies, today 85 percent of the cases of infertility can be taken care of through medicines, surgery and/or the new medical technologies such as in vitro fertilization (IVF) or intracytoplasmic sperm injection (ICSI). It may be recalled that the birth of the first child, Louise Brown in 1978, through the technique of in vitro fertilization by Robert G Edwards and Patrick Steptoe, was a path-breaking step in control of infertility; it is, in retrospect, considered as one of the most important medical advances of the last century.

Most of the new technologies aimed at taking care of infertility, involve handling of the gamete – spermatozoa or the oocyte – outside the body; they also often involve the donation of spermatozoa or oocyte, or the use of a surrogate mother who would be carrying a child with whom she has no biological relationship. These technologies not only require expertise but also open up many avenues for unethical practices which can affect adversely the recipient of the treatment, medically, socially and legally.

The last nearly 20 years have seen an exponential growth of infertility clinics that use techniques requiring handling of spermatozoa or the oocyte outside the body, or the use of a surrogate mother. As of today, anyone can open infertility or assisted reproductive technology (ART) clinic; no permission is required to do so. There has been, consequently a mushrooming of such clinics around the country.

In view of the above, in public interest, it has become important to regulate the functioning of such clinics to ensure that the services provided are ethical and that the medical, social and legal rights of all those concerned are protected.

The bill details procedures for accreditation and supervision of infertility clinics (and related organizations such as semen banks) handling spermatozoa or oocytes outside of the body, or dealing with gamete donors and surrogacy, ensuring that the legitimate rights of all concerned are protected, with maximum benefit to the infertile couples/individuals within a recognized framework of ethics and good medical practice.

### **Expected changes**

Home Ministry lays down conditions for grant of visa to foreign couples commissioning surrogacy in India. It proposed to add suggestions by various departments of government.

In order to ensure that the surrogate mother's interests are protected, The Ministry will also insist that the Indian embassy enclose an acknowledgement that the country recognises surrogacy and that the child/children to be born to the commissioning couple through the Indian surrogate mother will be permitted entry into their country as a biological child/children of the couple.

Besides, the couple should produce a duly notarised agreement between the applicant couple and the prospective Indian surrogate mother.

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### Lok Adalats

Lok Adalats created a world record by disposing of 35.1 lakh cases within eight hours. The Lok Adalats were opened recently by Chief Justice P Sathasivam. It is the facility provided by the apex court's e-committee headed by Justice Madan B Lokur.

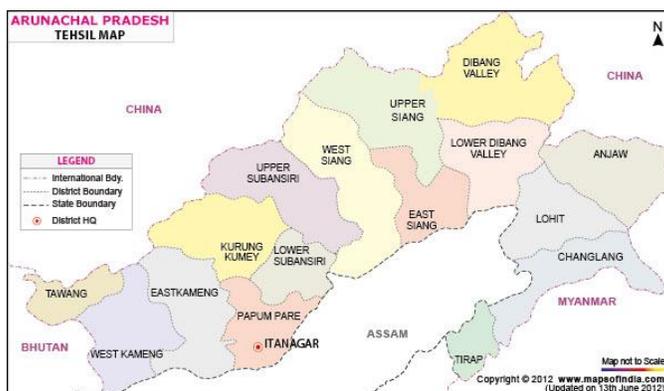
- Lok Adalats would provide immediate relief, which is more useful to a victim than the money he receives years later and realizes that inflation has significantly devalued the quantum of compensation.
- Strictly adhering to principles of natural justice, record settlement will give a fillip to Lok Adalats as a people-driven concept, Making justice affordable.
- Cases will be settled and reach a finality without litigants going back home with a sense of rancour that drives them to file appeal in higher courts

### EC for cooling off period for ex-babus before joining a party

Reiterating the need for a cooling off period for bureaucrats before joining any political party, the Election Commission of India has written to the government emphasising that such a provision would ensure a level-playing field ahead of the general election. The EC has, arguing that it is proposing a cooling off for retired bureaucrats only from joining a political party and not from contesting elections. The EC has also said there have been instances of government servants working in the interest of a certain political party while in service and then joining the same party immediately after retirement. That such officials would work neutrally through the election process may be doubtful, the EC has said while arguing for the mandatory cooling off period.

The Law Ministry has opined that bringing in such a provision will not be appropriate and that it is also against the provisions in the Constitution.

### Demand for Autonomous Council



Tawang district bordering China has demanded grant of an autonomous council under the Sixth Schedule for the twin districts of Tawang and West Kameng to preserve and promote the region's unique and diverse culture and religion.

Sixth Schedule Provides administration of Tribal Area in Assam, Meghalaya, Tripura, and Mizoram.

**Indu Mill land for Ambedkar memorial**

The Union Cabinet approved the transfer of Indu Mill land in Mumbai for the construction of a memorial for Dalit icon B R Ambedkar. The Central government will transfer the land to the Maharashtra government for a memorial which has been a long-pending demand of political parties in the state.

The ashes of Ambedkar, the architect of India's Constitution, are buried at Chaitya Bhoomi, which lies near the plot of land of India United Mill, popularly known as the Indu Mill, which comes under the control of the National Textiles Corporation. Various political parties and Dalits' organisations wanted the issue to be settled by December 6, which is Ambedkar's death anniversary.

## SOCIAL ISSUES

### CSR Funds for Elderly

The Union social justice ministry is likely to soon move for Cabinet approval for the 'national policy on older persons. The Centre plans for -

- ❖ make it mandatory 10% of 'corporate social responsibility' funds are spent on the welfare of elderly persons
- ❖ Ten-fold hike in the old age pension, in what is likely to be a new focus on senior citizens in view of their rapidly growing numbers and challenging living conditions.
- ❖ Hike the old-age pension from the current Rs 200 to Rs 1,000 per month for persons up to 80 years while it would be increased from Rs 500 to Rs 2,000 for those above 80 years.
- ❖ Calling the 80-plus as the "oldest old", they would be provided additional pension in case of disability or loss of adult children which leads to the added responsibility of looking after grandchildren.

Given the looming demographic change, the proposed policy seeks to position older persons as a "valuable resource" rather than a dependent group. In a key proposal to help them "age productively", the government may increase retirement age of employees beyond the present 60 years. The finance ministry may promulgate a 'social security scheme' to take care of the elderly in the unorganized sector. The new policy will also seek coverage of senior citizens under "take home ration" free meal scheme under the Food Security Act.

### Pilot Project on Malnutrition

A nationwide research and action programme will be launched in 200 backward districts to gather data on malnutrition. The pilot project for the programme, involving Central institutions like National Institute of Nutrition (NIN) and local medical colleges and agricultural universities, will be launched in Karimnagar soon.

On the sidelines of the National Conference of Nutrition Society of India the research programme will involve professionals from diverse fields to collect data and look into the problems of a specific area. To understand the problem of malnutrition, one must integrate economic, behavioural, medical, environmental, and social aspects.

Despite the presence of world-class institutions, India had more than 200 districts that were yet to see significant improvement in the field of health and nutrition and to solve these problems; bodies like NSI are coming forward to contribute on a large scale.

#### National Institute Of Nutrition

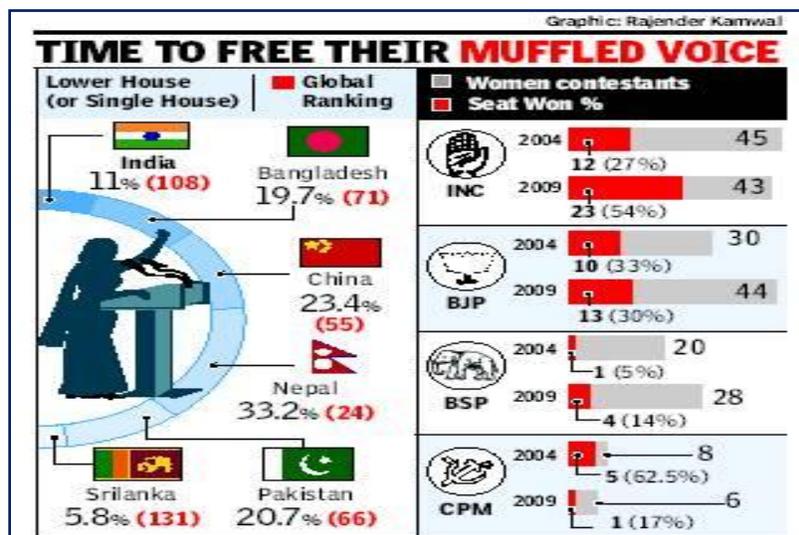
NIN has attained global recognition for its pioneering studies on various aspects of nutrition research, with special reference to protein energy malnutrition (PEM). Institute's activities are broad-based, encompassing the whole area of food and nutrition. The Institute has achieved close integration in its research activities between the laboratory, the clinic and the community.

The emphasis shifted to problem-oriented research, with a view to discovering practical solutions to nutrition problems that can be applied within the existing socio-economic framework.

### Objectives

- ❖ To identify various dietary and nutrition problems prevalent among different segments of the population in the country.
- ❖ To continuously monitor diet and nutrition situation of the country.
- ❖ To evolve effective methods of management and prevention of nutritional problems.
- ❖ To conduct operational research connected with planning and implementation of national nutrition programmes.
- ❖ To dovetail nutrition research with other health programmes of the government.
- ❖ Human resource development in the field of nutrition.
- ❖ To disseminate nutrition information.
- ❖ To advise governments and other organisations on issues relating to nutrition

### Only 11% women MPs in LS



India Ranked A Poor 108th In Gender Parity In Parliament.

Women have a poor 11% representation in India's Lok Sabha and 10.6% in Rajya Sabha, making India 108th among 188 countries covered in the annual analysis on statistics of women MPs conducted by the Inter-Parliamentary Union (IPU). The global average of women in Parliaments, as of November 2013, stood at 21.3% — a slight increase over the preceding two years (20.3% and 19.5%). IPU is an international organisation of Parliaments and works for establishment of representative democracies. Countries are ranked by IPU based on percentage of women in the lower house. The top three in the 2013 analysis were Rwanda, Andorra and Cuba.

India fared poorly even when compared with her immediate neighbours (see graphic). Here, Nepal, ranked at 24, led the pack, followed by China (55) and Pakistan (66).

With elections around the corner in India, several women's groups have come together under the umbrella of 'Time for 33% Coalition' and are seeking passage of the women's reservation bill

during the winter session that begins shortly. The bill proposes to reserve 33% seats for women in Lok Sabha and the state legislative assemblies. Various similar bills, introduced since 1996, have lapsed.

According to Election Commission statistics, for the 543 Lok Sabha constituencies, the number of elected women increased from 49 in 1999 to 59 in 2009, with 11% representation in the lower house. In 2009, the number of elected women over total seats was maximum in Punjab (30.8%), followed by Madhya Pradesh (20.7%) and Haryana (20.0%). Against this, the number of women voters in India has risen from 44.3% to 45.8%.

The patriarchal hereditary nature of Indian politics requires intervention at many levels and in many forms. A 33% reservation, which is the minimum mass required, will be one of the most significant changes in helping women attain their right to participate in Indian democracy not just as voters but also as leaders.

Even in highly patriarchal societies such as Afghanistan, a reservation mechanism is in place. Appropriate representation of women is possible only through a quota regime, and this in turn will bring more transparency, efficiency and even decency in Parliament's functioning. Many EU countries such as Belgium, France and Germany, besides others — Egypt, Iraq, and Nepal — legislatively provide for quotas for women candidates. Afghanistan, Bangladesh, China and Pakistan reserve seats for women in Parliament. Voluntary quotas adopted by political parties exist in countries such as Australia, Canada, Israel, the Netherlands and the UK.

Although quotas remain contentious in some parts of the world, they remain key to progress on a fundamental component of democracy — gender parity in political representation. Quotas need to be ambitious and women candidates should be placed in winnable positions on party lists. In the Indian scenario, where the ratio of women candidates winning their contested seats is not yet optimal, this is a suggestion that needs to be followed.

## ECONMOMY

### Goods and Services Tax (GST)

The Empowered Committee of State Finance Ministers on Goods and Services Tax (GST) has recommended substantial changes in the Constitutional Amendment Bill proposed by the UPA government. The committee has rejected the Centre's proposal to enter GST in the Union List in the Constitution. Including GST in the Union List will imply that in case of any disagreement between the Centre and the States, Parliament's decisions will be overriding and binding on the States.

- ✓ Comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at a national level and state level.
- ✓ It will reduce cascading effect of taxes. (double taxation)
- ✓ Increase revenue collection of center and state. (1.5 % rise in GDP )
- ✓ It does not discriminate between manufacturers and services.
- ✓ Reduction in prices for consumers so increasing demand n thus boom to production.
- ✓ Simplificationof tax structure in India.
- ✓ Broaden tax base.
- ✓ Creation of common market.

The bill has been postponed till 2014, winter session of parliament.

Several States are opposed to the shift in the balance of fiscal power between the Centre and the States that the proposed Goods & Services Tax (GST) will cause.

In the proposed GST Council the Union and States' Finance Ministers will collectively take decisions such as on fixing the rates of tax and the exemptions from the levy that at present individual Finance Ministers take in States. In its report on the Union Finance Ministry's draft Constitutional Amendment Bill for GST, the Empowered Committee of State Finance Ministers has demanded that alcohol and petroleum be kept in the exemption list. There is a proposal to compensate such States for the revenue they might lose after the shift to the GST.

### Currency Swaps Pacts

India is in talks with major trading partners, including Singapore and Japan, as well as oil suppliers like Iraq and Venezuela, to accept payment in rupee for a part of their exports. It is one more step to push the rupee closer to capital account convertibility. India has begun paying for oil imports from Iran in rupees that could help save \$8.5 billion in the current fiscal.

India's current account deficit shot up to \$88 billion in 2012-13 and its trade deficit widened to a record \$190 billion in last fiscal as the gap with major trade partners such as China soared to \$40 billion, and the combined deficit with South Korea, Japan and Venezuela touched \$30 billion.

A larger volume of trade in rupee will expand the onshore market for the currency, which is now dominated by offshore non-deliverable forwards market. Singapore and Japan, as well as oil

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suppliers like Iraq and Venezuela, are being approached to accept rupee payments for part of their exports

### Definition -'Foreign Currency Swap'

It is an agreement to make a currency exchange between two foreign parties. The agreement consists of swapping principal and interest payments on a loan made in one currency for principal and interest payments of a loan of equal value in another currency. Currency swaps are an essential financial instrument utilized by banks, multinational corporations and institutional investors. Although these type of swaps function in a similar fashion to interest rate swaps and equity swaps, there are some major fundamental qualities that make currency swaps unique. Currency swaps are over-the-counter derivatives that serve two main purposes.

1. They can be used to minimize foreign borrowing costs.
2. They could be used as tools to hedge exposure to exchange rate risk.

## Subsidies Scenario

The Centre's fiscal deficit target of 4.8 per cent of the gross domestic product (GDP) in 2013-14 seems to be coming under severe strain with the subsidy bill likely to shoot up much beyond expectations while tax revenues and proceeds from disinvestment may fall below expectations.

The top most concern is the oil subsidy bill, that it could be at least Rs 80,000 crore higher than estimated this fiscal. There is talk of a hike in diesel price deregulation. The finance ministry is also debating further expenditure cuts to improve the government's balance sheet but is concerned about its impact on growth.

While Budget 2013-14, had allocated Rs 65,000 crore towards fuel subsidy, the government has already paid Rs 45,000 crore from this to oil marketing companies (OMCs) for under recoveries from the previous fiscal. In contrast, OMCs have reported under recoveries at Rs 60,907 crore between April and September 2013 on sale of subsidised diesel, kerosene and cooking gas.

Ratings agency Fitch had recently pegged the total under recoveries in 2013-14 at Rs 1, 40,000 crore.

The Budget had pegged the fertiliser subsidy bill in 2013-14 at Rs 65,971.50 crore and the food subsidy was estimated at Rs 90,000 crore. The government's stake sale programme for the fiscal that includes disinvestment in blue chip PSUs including Coal India and Indian Oil Corporation has also been under a cloud due to choppy market conditions and a volatile currency. Of the Rs 40,000 crore targeted, it has generated just Rs 1,323 crore.

## Agriculture Export Promotion Plan Scheme

The Cabinet Committee on Economic Affairs has approved continuation of the Agriculture Export Promotion Plan Scheme of the Agricultural and Processed Food Products Export Development Authority (APEDA) with four components in the 12th Plan

The main objective of the scheme is to enhance the capability of the Indian exporters of agro products and support them in realizing their export potential. The components of the scheme

would help in catalyzing the efforts of the exporting community through need based interventions by APEDA at different stages of the supply chain.

## INDIA AND WORLD

### India at WTO deal

Negotiations at the World Trade Organization (WTO) for a deal in Bali as India ready to sign a four-year “peace clause” that will help it roll out the Food Security Act without any glitches and sign an agreement on trade facilitation, which will allow quicker flow of import consignments at ports and airports.

Under the Agreement on Agriculture, such support cannot exceed 10% of the value of goods, while the government is inching close to the ceiling, raising the prospects of a penalty in the absence of the “peace clause”. To push its interests further, the government wants the multilateral body to ensure that the “peace clause” is extended beyond four years in case the agreement on agriculture is not amended to address its concerns.

India also wants a green light to agree to the draft trade facilitation agreement, keeping in view “national interest”. Trade facilitation has been identified by WTO as the “biggest iceberg in the sea” given the concerns expressed by the poor and developing countries in implementing the proposed agreement that will make imports easier but requires massive investments in upgrading infrastructure. With no resolution in sight, Azevedo moved his own proposal in Geneva on that will carve out a special dispensation for the poorer countries and enable them to access funds to upgrade infrastructure and train manpower.

The challenge is to ensure a permanent solution to food security. The key is to ensure that G-33 (the alliance including India piloting the food security plan) and the others have an incentive to come to a permanent solution

So far, negotiations in Geneva have focused on Bali, with the draft ministerial declaration, expected later this week, going to outline the post-Bali plan.

These are issues which even the emerging market economies such as India and China are uncomfortable with. The deal would add \$960 billion to the world economy and create 21 million jobs, 18 million of them in developing countries. It would also revive confidence in the WTO as a forum for trade negotiations. The proposed accord includes elements of the Doha round of trade talks, which began in 2001 but repeatedly failed to produce an agreement over the subsequent decade.

### What is the peace clause?

The WTO's Agreement on Agriculture negotiated between 1986 and 1994 in the Uruguay Round seeks to limit the so-called "market distorting subsidies" at 10 per cent of total production. The original peace clause was included as a part of Article 13 of the agreement under which agriculture subsidies could not be challenged. The provision expired in 2003. The name refers to a period of peace or a time length agreed upon by the member countries when they were

forbidden to seek penalty against countries which still breached the cap. Its utility sort of came down in the new century and it expired in 2003.

But with the recent rise in global food prices, many countries have begun giving higher subsidies to farmers to promote agriculture, putting them in danger of breaching the 10 per cent cap and so the issues surrounding the peace clause have surfaced again.

The clause is now being offered as a carrot to developing countries by WTO director general Roberto Azevedo in the ministerial draft at Bali as an interim solution to take forward stalled WTO talks. The provision seeks to provide a four year relaxation - till the Eleventh Ministerial Talks, during which a WTO member will not again seek penalties on a developing country for breaching the cap.

#### **How will the peace clause impact the WTO talks?**

The WTO Ministerial Conference is the topmost decision making body of the global trade organisation. It meets about every two years. The talks in Bali, Indonesia will be the ninth in the series and will take place between December 3 and 6 to work out a deal on agriculture subsidies and trade facilitation.

The issue of farm subsidies is one of the most contentious issues between developing and developed countries. If an agreement can be reached on the issue, it will help take forward the 12-year-old Doha round of global trade talks. The talks started in 2001 but have been stalled since 2008 due to major differences between developing and developed countries on measures to protect farmers. Agreement amongst all 159 member nations is crucial to the way the WTO works, where even one country can veto the talks.

#### **What have the developing countries sought?**

Developing countries such as India and Indonesia provide subsidy for procuring food grains at a minimum support price and selling it through public distribution systems. They have sought an amendment to the Agreement on Agriculture for a relaxation on food subsidy and stockpiling provisions. The bloc, known as the G-33, had called for a longer duration of the peace clause and wants it to be for at least eight years, if not indefinite. Developed nations, however, are not in favour of such a long relaxation.

#### **What is India's stance on the peace clause?**

India, which leads the G-33, seems agreeable to a watered-down version of the peace clause with four-year duration. But it also wants inflation to be factored in while the subsidy is calculated, as the existing method of using food prices from 1986-97 is outdated.

However, farmer groups have rejected such a move and have urged Prime Minister Manmohan Singh, commerce and industry minister Anand Sharma and agriculture minister Sharad Pawar to reject any proposal that would harm the country's farm subsidy and impact subsistence level farmers

**How will the peace clause impact India?**

India is close to crossing the 10 per cent ceiling on farm support. Agreement to the peace clause will help the implementation of the UPA's flagship Food Security Act as well as its MSP programme to 24 crops. Developed nations including the US and Canada have already raised concerns over the Food Security Act on grounds that it would breach the mandated 10 per cent cap on subsidies.

The country needs 62 million tonne of foodgrain in a year to implement the law. However, commerce and industry minister Anand Sharma has made it clear to the WTO chief, the US and the EU that India's food security programme is non-negotiable.

**Task at Hand**

✓ What's to be decided?

A compromise formula on food security that will protect countries such as India from facing penalties if they breached the subsidy cap

A new agreement on trade facilitation to ease flow of goods through customs posts at ports and airports. India willing to accept it in return for the food security plan

Several areas of interest to poor countries

✓ What India wants post Bali?

Get Doha Round back on track with negotiations on reducing farm subsidies by the West, while giving more visas to service professionals. In return, it is willing to cut import duty on agricultural, industrial goods

✓ What developed countries want?

Go slow on Doha Round, get new issues such as link between trade and energy security, climate change, currency on the table. India opposed to plan.

**3rd BRICS International Competition Conference**

BRICS countries — Brazil, Russia, India, China and South Africa — had created structures for cooperation with two most significant agreements in the pipeline

- ❖ Setting up of a BRICS Development Bank
- ❖ Contingency Reserve Arrangement.

Participants stressed the need for greater economic and political coordination among BRICS countries for dealing with the common challenges emanating from global uncertainties as Monitoring and managing speculative capital flows is a challenging task in times of global uncertainty. India needs to incur significant public expenditures to raise the standards of living of a large population; a task that also needs to be grappled with continuously is maintaining a sustainable fiscal policy.

Effective competition in markets needs to be enforced through public policy as anti-competitive behavior hurts the poor the most. A competitive public procurement market can make bid rigging

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more difficult. Developing infrastructure at a pace that supports the growth of industry and the increasing aspirations of the people is yet another challenge before group.

## BRICS

In economics, BRIC is a grouping acronym that refers to the countries of Brazil, Russia, India and China, which are all deemed to be at a similar stage of newly advanced economic development. It is typically rendered as "the BRICs" or "the BRIC countries" or "the BRIC economies" or alternatively as the "Big Four".

The acronym was coined by Jim O'Neill in a 2001 paper entitled "Building Better Global Economic BRICs". The acronym has come into widespread use as a symbol of the shift in global economic power away from the developed G7 economies towards the developing world. It is estimated that BRIC economies will overtake G7 economies by 2027.

According to a paper published in 2005, Mexico and South Korea were the only other countries comparable to the BRICs, but their economies were excluded initially because they were considered already more developed, as they were already members of the OECD. The same creator of the term "BRICS" coined the term MIKT that includes Mexico and (South) Korea.

Several of the more developed of the N-11 countries, in particular Turkey, Mexico, Indonesia and Nigeria, are seen as the most likely contenders to the BRICs. Some other developing countries that have not yet reached the N-11 economic level, such as South Africa, aspire to BRIC status. Economists at the Reuters 2011 Investment Outlook Summit, held on 6–7 December 2010, dismissed the notion of South Africa joining BRIC. Jim O'Neill told the summit that he was constantly being lobbied about BRIC status by various countries. He said that South Africa, at a population of fewer than 50 million people, was just too small an economy to join the BRIC ranks. However, after the BRIC countries formed a political organization among themselves, they later expanded to include South Africa, becoming the BRICS.

Goldman Sachs has argued that, since the four BRIC countries are developing rapidly, by 2050 their combined economies could eclipse the combined economies of the current richest countries of the world. These four countries, combined, currently account for more than a quarter of the world's land area and more than 40% of the world's population.

Goldman Sachs did not argue that the BRICs would organize themselves into an economic bloc, or a formal trading association, as the European Union has done. However, there are some indications that the "four BRIC countries have been seeking to form a 'political club' or 'alliance'", and thereby converting "their growing economic power into greater geopolitical clout". On June 16, 2009, the leaders of the BRIC countries held their first summit in Yekaterinburg, and issued a declaration calling for the establishment of an equitable, democratic and multipolar world order.

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Since then they have met in Brasilia in 2010, met in Sanya in 2011 and in New Delhi, India in 2012.

In recent years, the BRICs have received increasing scholarly attention. Brazilian political economist Marcos Troyjo and French investment banker Christian Déséglise founded the BRICLab at Columbia University, a Forum examining the strategic, political and economic consequences of the rise of BRIC countries, especially by analyzing their projects for power, prosperity and prestige through graduate courses, special sessions with guest speakers, Executive Education programs, and annual conferences for policymakers, business and academic leaders, and students.

## Sethusamudram Shipping Canal Project

A comprehensive report on the environmental impact of the proposed Sethusamudram Ship Canal Project prepared by Sri Lankan experts raised concerns. Sethusamudram Shipping Canal Project is a proposed project that would link Palk Bay and the Gulf of Mannar between India and Sri Lanka by creating a shipping channel through the shallow sea called Sethusamudram and through a chain of islands collectively called Adam's Bridge. This would provide a continuously navigable sea route in and around the Indian Peninsula.



Ram Sethu is seen as a symbol that unites Sri Lanka and India in the context of culture and legend.

A few organisations are opposing damage to Adam's Bridge on religious, environmental and economical grounds. Many support the implementation of this project using one of five alternative alignments considered earlier without damaging the structure, which is sacred to Hindus. The alignment is currently planned to be roughly in the middle of the straits to provide the shortest course and the course requiring least maintenance.

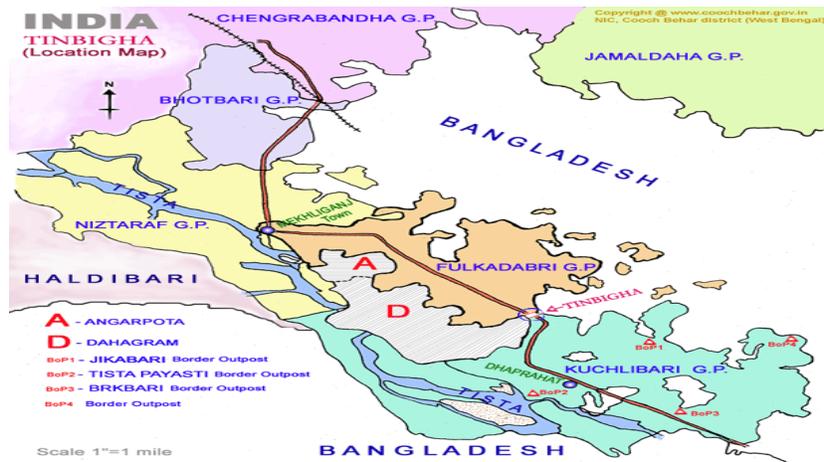
The Government of India appointed the Sethu Samudram Project Committee in 1955—headed by Dr. A. Ramasamy Mudaliar—which was charged with examining the desirability of the project. After evaluating the costs and benefits, this committee found the project feasible and viable. However it strongly recommended an overland passage instead of a channel cutting through Adam's Bridge. A land passage would have several advantages, such as avoiding shifting sandbanks and navigational hazards. Several reviews of the proposals followed until the United

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Progressive Alliance Government of India headed by Prime Minister Manmohan Singh announced the inauguration of the project on 2 July 2005.

In 2008, Prime Minister Manmohan Singh appointed Rajendra K. Pachauri as the head of a six-member committee to look at an alternative alignment avoiding the sensitive Ramar Sethu stretch. In 2013, the committee released its report calling the project "unviable both from the economic as well as ecological angles". The Indian government rejected the committee's report and decided to go ahead with the project in its current form. Opposition parties are demanding the implementation of the Sethusamudram canal project using one of five alternative alignments considered by the government earlier without damaging Adam's Bridge. The Indian government has constituted nine committees before Independence and five committees after independence, most of which have suggested a land-based alignment across Rameswaram Island. None of them have suggested an alignment across Adam's Bridge.

**Bangladesh - India Land Agreement**



Bangladesh has called on India to ratify the Indo-Bangladesh Land Agreement to pave the way for accelerating regional economic development at session on South Asia-ASEAN Land Connectivity a think tank of the National University of Singapore

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The Constitution (One Hundred and Nineteenth) Amendment Bill, 2013, which seeks to ratify the agreement. The Bill has met with opposition on the grounds that —

1. the proposed exchange of enclaves will result in a national loss of 10,000 acres of land;
2. it will fuel secessionist tendencies in other parts of India

By the Land Boundary Agreement of 1974 between the two countries, and the 2011 Protocol to the said Agreement, India and Bangladesh agreed to exchange these small parcels of land and better demarcate the land boundary between them. The borders of the Indian States of Assam, West Bengal, Meghalaya and Tripura will be affected by this exchange of territory. This Agreement has not been implemented yet. The Constitution (One Hundred and Nineteenth) Amendment Bill, 2013 proposes to give effect to this proposed land exchange. This long overdue exchange will endeavour to harmonise India's land boundaries and, more importantly, improve the lives of all those residents of the enclaves who, by an unfortunate twist of fate, have been living without a national identity and without enjoying or ever knowing the quality of life enjoyed by their neighbours.

The proposed India-Bangladesh Land Boundary Agreement, (India give 111 of its enclaves to Bangladesh in exchange for 51 enclaves within India that are currently held by Bangladesh.)

It has the potential to not only improve India's image regionally, but to increase its economic power there and improve the living standards of close to 150,000 stateless people in the disputed areas. The people of these areas struggle for identity and, due to a lack of citizenship, are often victimized.

## India connect in US-Iran nuke deal

Chidanand Rajghatta TNN (Times of India)

Washington: When the US led by President Richard Nixon and his foreign policy major-domo Henry Kissinger cut a deal with Communist China using Pakistan as a conduit in 1970, India was left out in a détente that changed the geo-political dynamics of the region. Some four decades later, India is front and centre in the American reconciliation with Iran, an event that when fully realized is likely to bring about an even greater seismic shift in Asia.

New Delhi may not have directly played errand boy in the latest diplomatic upheaval that Pakistan's Yahya Khan played in 1970. But almost every interlocutor who worked on the US-Iran agreement has an India connect — from William Burns, the deputy secretary of state who initiated and led the talks (he also wrapped up the US-India nuclear deal) to Puneet Talwar, the White House National Security Council staffer who did the grunt work for the deal, to Thomas Pickering and Frank Wisner, both former ambassadors to New Delhi, who opened the back channel with Teheran going back to the Bush administration.

More important than the personnel involved, however, the reconciliation carries multiple benefits for India, which has the second largest Shia population in the world after Iran.

In fact, PM Manmohan Singh and Indian officials have often pointed this out to US officials whenever the subject of Washington's relationship with Teheran came up, suggesting that a reconciliation would redound to the benefit of all sides—from making US withdrawal from

Afghanistan smoother to relieving India, which has close civilizational ties with Iran, from suffocating pressure on the energy front.

Sensex goes up 388 pts, gains as oil prices crash The Iran nuclear deal sent oil prices lower by more than 2.5% in global markets, which in turn led to a 388-point gain in the sensex which closed at 20,605 on Monday. The rally in stock market helped the rupee close 37 paise stronger at 62.50 to a dollar. Dalal Street investors were enthused by the prospect of a slide in petro-product prices in India— one of the main reasons for the current high inflation and weak rupee. P 17 Deal to avert Iran's nuke weaponization T he US-Iran deal, which is currently of an interim nature with much more groundwork to be done before it is set in stone, has other profound consequences for India and the region. For one, its extricates Washington from the Sunni stranglehold that had cast the US as an unremitting ally of Sunni-dominated countries such as Saudi Arabia, Pakistan, and Egypt against mostly Shia-dominated Iran, Iraq, and Syria. India, which has about a 70:30 Sunni-Shia mix, has an exemplary record of intra-communal harmony, and there were lurking fears that this might be disrupted if the Sunni-Shia conflict in the Muslim world expanded eastward.

On the nuclear front too, US exceptionalism is being applied to two countries with civilizational underpinnings (India and Iran) vis-à-vis their artificially created rivals (Saudi Arabia and Pakistan). Although the US-Iran deal precludes Teheran having nuclear weapons, and is in fact designed to avert its nuclear weaponization (unlike in the case of India where Washington implicitly recognized India's right to retain its nuclear weapons), the agreement is seen as being as bold a move by the Obama administration as the Bush administration's nuclear deal with India.

The nuts and bolts of this agreement, which still has many missing parts and is clearly a work in progress, was put together by Puneet Talwar, an Indian-American White House staffer whose formal designation is special assistant to the president and National Security Council senior director for Iran, Iraq, and the Gulf States. A long-time Washington DC political wonk, Talwar was a senior staffer on the Senate Foreign Relations Committee, chaired by then-Senator Joe Biden, with whom he came to the NSC when Biden became vice-president.

Even as a senate staffer, Talwar was among the few Washington pols (former U.S envoys to India Frank Wisner and Thomas Pickering were two others) who kept open back channel contacts with Iranian officials during the Bush era, when the U.S capital was a warmongering haven for neocons in a town where the Israeli lobby and the House of Saud had combined to successfully put Teheran in the doghouse. When President Obama came to office in 2009 determined to chart a different course with Iran and initiated the first secret outreach, Talwar was a natural choice to continue the back channel grunt work -- this time with official White House imprimatur.

## INTERNATIONAL

### Geneva: six-month window to negotiate permanent deal

The nuclear deal between Iran and P5+1 (the U.S, the U.K., France, Russia, China and Germany), signed, came after a diplomatic marathon of three intensive rounds, culminating in a late-night session in Geneva

The six-month life of the Geneva deal is intended to be used to negotiate a comprehensive and permanent settlement that would allow Iran to pursue a peaceful programme, almost certainly including enrichment, but under long-term limits and intrusive monitoring, that would reassure the world that any parallel covert programme would be spotted and stopped well before Tehran could make a bomb.

News of the deal united Iranians from across the political spectrum in celebration, reflecting widespread hope that it would reduce the threat of war and ease punishing sanctions. Hundreds of thousands of people stayed up through the night to follow the minute-by-minute coverage.

That agreement would lead to the lifting of the main sanctions on oil and banking that have all but crippled the Iranian economy, and the eventual normalisation of relations between Iran and the U.S. for the first time since the 1979 Islamic revolution.

The difficulties facing the negotiators in the coming months were highlighted by the different interpretations by U.S. and Iran taking on the fiercely disputed issue of whether the deal represented recognition of Iran's right to enrich uranium in principle. Iran was insistent that it did because it was based on the nuclear Non-Proliferation Treaty (NPT), which guarantees the right to a peaceful nuclear programme. US said that neither the NPT nor the latest deal specified a right to enrichment.

#### Key points of the nuclear deal

- ✓ Iran will stop enriching uranium beyond 5%, the level at which it can be used for weapons research, and stop developing centrifuges, which can produce fuel for a nuclear weapon
- ✓ Will neutralize its stockpile of uranium enriched to near 20% by diluting it
- ✓ Will give greater access to inspectors, including daily inspection at Natanz and Fordo nuclear sites
- ✓ There will be no further development of the heavy water reactor in Arak, which could produce enough plutonium for two nuclear weapons a year
- ✓ In return, there will be no new nuclear-related sanctions for six months if Iran sticks by the accord
- ✓ Iran will also receive relief worth about \$7bn on oil, gold, auto exports and educational cash reserves

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### Geneva-2

Bringing diplomacy into sharper focus as a means to resolve some of the most intractable problems besetting the region a long-awaited international conference to resolve the Syrian crisis will be held in Geneva in January 2014

#### Regional reactions

Israel Prime Minister Benjamin Netanyahu said it is not a historic agreement, it is a historic mistake Both Israel and Sunni Gulf States, especially Saudi Arabia, had come together and pressured the French to take a hard-line position on Iran. French policies towards Iran since the late 1970s have been those of suspicion, affected by France's position on Lebanon, Syria and their recent rapprochement with Israel. Saudi Arabia and other Gulf states have recently offered huge economic contracts to France and these have successfully acted as a carrot, pushing France into further intransigence towards Iran.

The fact that France is home to the largest Jewish community in Europe also plays a part in French calculations in the region. Iran's only two Arab friends —Iraq and Syria — were quick to praise the deal, as was the Palestinian Authority which welcomed it for putting pressure on Israel. Other Arab states have done little to hide their deep scepticism in recent weeks, but mostly managed to keep their wariness to themselves on Sunday, and some eventually spoke out in support.

All Arab countries apart from Syria and Iraq are ruled by Sunni Muslims who mainly regard Shia Iran as a foe and have been alarmed by the prospect of any rapprochement with the West that would benefit Tehran.

#### New Delhi's energy ties with Tehran

New Delhi welcomed it, as agreements are consistent with India's stand that the issue should be resolved diplomatically, with the recognition of Iran's right use nuclear energy for peaceful purposes and in accordance with Iran's international obligations as a non-nuclear weapon state. Iran will look to get a windfall of more than \$6 billion from its oil sales to India because the sanctions had cut off bank transfers.

- Invigorating the energy ties through increased shipments to refineries that have almost halved their consumption of Iranian oil.
- Exploration and drilling of gasfields allotted years ago by Iran.
- Resumption of talks for a gas pipeline.

In the longer term, government officials, analysts and academics are anticipating gains in geopolitics, energy and trade transport

### Syria- the most dire refugee crisis in a generation- Report

Nearly three years of civil war in Syria have created what the United Nations (U.N.), governments and international humanitarian organisations describe as the most challenging refugee crisis in a generation — bigger than the one unleashed by the Rwandan genocide and laden with the

sectarianism of the Balkan wars. With no end in sight in the conflict and with large parts of Syria destroyed, governments and organisations are preparing for the refugee crisis to last years.

Syrians have been pouring out of their country in recent months, fleeing an increasingly violent and murky conflict that is pitting scores of armed groups against one another as much as against the government. Numbering 300,000 one year ago, the refugees now total 2.1 million, and the U.N. predicts their numbers could swell to 3.5 million by the end of the year.

The exodus has stretched the resources of the region's host countries — Lebanon, Jordan, Iraq and even Turkey, the biggest and richest by far. Camps are full. But so are many neighbourhoods in cities, towns and villages, where the Syrians' presence has raised rents, undercut wages and increased tensions. In Lebanon, the smallest of the host nations and the most politically fragile, Syrian refugees are expected soon to make up a quarter of the population.

The flood has also raised fears that the refugees will import the Syrian conflict into the host countries and destabilise already fragile borders. Like the other host nations, Turkey, which is actively supporting the Syrian opposition, was struggling to control the mass movements across its border. Turkey has spent \$2 billion sheltering 200,000 Syrian refugees in 21 camps. But an estimated 400,000 live in Turkish communities, and many have exhausted their savings and are turning to Turkey for help. Turkish officials, who have been praised for their well-run camps, are expressing frustration.

The U.N. has asked for more than \$5 billion in humanitarian aid this year for Syria, its biggest financial appeal ever for a single crisis. Officials say the high costs result not only from the scale of the crisis, but also from the difficulties of catering to a refugee population used to middle-class conditions. Dry food rations have been typically distributed inside refugee camps during crises in Africa, while registered Syrian refugees are given vouchers or debit cards to buy food at supermarkets. The cost is greater, but the Syrians prefer the freedom of preparing their own meals. The practice also injects money into the host communities — \$160 million from the World Food Program has trickled into local stores in Turkey, Lebanon, Jordan, Iraq and Egypt so far this year.

Governments and humanitarian groups are increasingly working under the assumption that the crisis will be a long-lasting one. In Sunni-led Turkey, which backs the Syrian opposition, most of the Syrians in the camps and cities are believed to be Sunni. Alawite and Shia Syrians have gravitated to southwestern Turkey, a religiously mixed region, or tried to melt away in the Istanbul megalopolis. Syrians of both sects have fled to Lebanon, a country with a weak central government and a fragile balance between its Sunni and Shia populations. Syrian Kurds have gone to the Kurdish region of northern Iraq. Young refugee men are joining Kurdish militias that

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are increasingly locked in battles along the Turkish-Syrian border with Sunni-led Islamic extremists, who move easily between eastern Syria and western Iraq.

### Fear of contagion

Jordan, a Sunni country that supports the Syrian opposition, has received Sunni Syrians. But the kingdom, a U.S. ally, fears the contagion of an increasingly potent dimension of the Syrian conflict: the battle between moderate and radical Islam.

“The longer the conflict continues, the more we see Jordan becoming a destination for extremists,” said a high-ranking Jordanian government official.

Jordan is worried not only about extremists among the Syrian refugees, but also about their effect on its own jihadist Salafists. “More and more young Jordanians are becoming extremists because of Syria,” said Osama Shihadeh, a prominent moderate Jordanian Salafist. His own nephew, he said, had gone to fight inside Syria despite his parents’ opposition.

## Right to privacy

Human rights groups urged the U.N. General Assembly (UNGA) to approve a resolution to protect the right to privacy against unlawful surveillance in the digital age and criticised the U.S. and its key allies (Five Eyes - intelligence-sharing group comprise of U.S., Britain, Canada, Australia and New Zealand.) for trying to weaken it. Brazil and Germany, whose leaders have allegedly been targeted by U.S. eavesdropping, circulated a revised draft after intense talks. The draft resolution directs the U.N. human rights chief to report to the Human Rights Council and the General Assembly on the protection and promotion of privacy “in the context of domestic and extraterritorial surveillance ... including on a mass scale”.

The human right groups Amnesty International, Human Rights Watch, The Electronic Frontier Foundation, Access and Privacy International said this provision will ensure that the issue stays on the front burner at the U.N. The General Assembly’s human rights committee is expected to vote on the resolution in the next week. It would then need final approval from the General Assembly in December. General Assembly resolutions are not legally binding but they do reflect world opinion and carry moral and political weight.

## Bilateral Security Agreement (BSA)

### USA - Afganistan

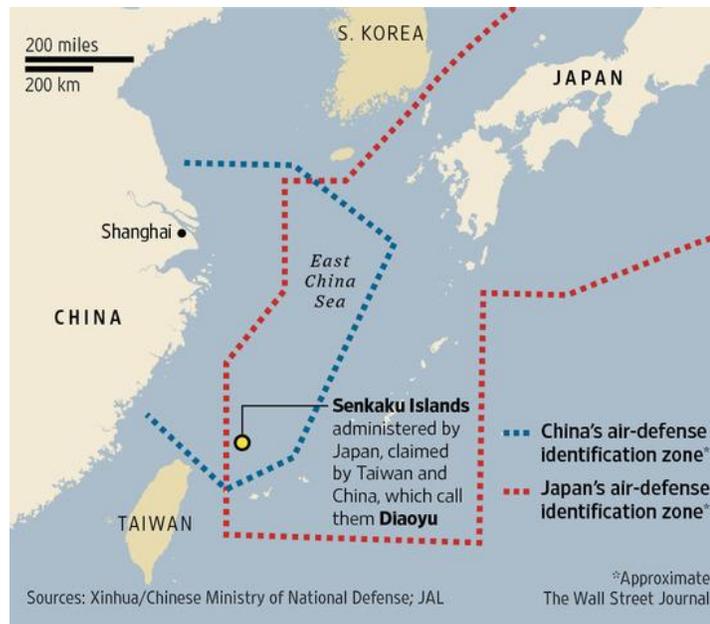
Proposed security pact between USA and Afganistan will see up to 15,000 foreign troops stay that will shape Washington’s future military presence in Afganistan after NATO’s 75,000 troops pull out. It has been touted as vital to the country’s future after 2014.

Afganistan stated it would sign pact when elections are conducted, correctly and with dignity. Afganistan goes to the polls on April 5 to elect a successor to Mr. Karzai, who told delegates Afganistan needed Washington’s cooperation in ensuring a clean, fair ballot.

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A draft text released by Kabul late on appeared to show Mr. Karzai had bowed to a U.S. demand that American troops would not be tried in local courts if they are accused of crimes — an issue that became a major hurdle in the negotiations.

### Air Defence Identification Zone (ADIZ)



An air defence zone covering the international airspace over parts of the disputed East China Sea requiring all non-commercial aircraft to notify its authorities of their flight set up by China. International flights will not be affected, but any other non-commercial flights that have not notified authorities of their flight plans will likely face interception, and could also be brought down.

The ADIZ is a predefined area over international airspace within which the Chinese military will monitor and track aircraft. Many countries, from India to the U.S. and Japan, monitor similar zones beyond their immediate territorial airspaces to track aircraft for security purposes. The zone extends into international airspace east of China's territorial airspace into the East China Sea, and up to 130 km from Japan's territorial airspace. . China faces territorial disputes with India in the west, and also maritime disputes involving at least 10 countries over the South China Sea. The Chinese ADIZ overlaps with the ADIZ that Japan has already established in the region, with both zones covering the disputed Diaoyu or Senkaku Islands in the East China Sea Japan lodged "a serious protest" in response to the move.

The move is likely to fuel tensions with Japan, coming at a time when both countries have sparred over the disputed Senkaku or Diaoyu islands in the East China Sea. The US "deeply concerned" and committed to defending its close ally Japan after China unilaterally decided to establish an air defence zone in the disputed East China Sea. This unilateral action constitutes an attempt to change the status quo in the East China Sea. Escalatory action will only increase tensions in the region and create risks of an incident.

Japan is not the only country in the region that has voiced concern over the move. South Korea said the ADIZ also overlaps with parts of its zone.

**What is an air defence identification zone?**

China shocked its neighbours and countries further afield when it announced the creation of an air defence identification zone in the skies above a set of islands administered by Japan but claimed by both China and Taiwan.

A zone that provides an early warning system to help a country detect possible incursions into its sovereign airspace. It stretches beyond the boundary of a country's national airspace. When an aircraft enters an ADIZ without warning, the country in question may scramble fighter jets to visually identify the aircraft and determine whether it poses a threat.

The US and Soviet Union relied on ADIZs during the Cold War to ensure they were not surprised by sudden incursions into their national airspaces.

**Which countries have ADIZs?**

Many countries have ADIZs, including the US, Canada, Russia, Japan, South Korea, Taiwan and Vietnam.

**How do you create an ADIZ?**

ADIZs are not binding legal agreements covered by international treaties. Countries can create an ADIZ just by providing its GPS co-ordinates. This is what China did on November 23 2013.

**Can a country legally shoot down an aircraft that enters its ADIZ without notification?**

No. ADIZs are considered to be international airspace.

**How does China's ADIZ differ from others?**

China requires commercial aircraft flying through its air defence zone to provide advance warning even when their final destination is another country. In contrast, commercial aircraft flying through the US ADIZ are only required to provide advance flight details when they are destined to land in the US.

**Do different countries ADIZs overlap?**

They can. The new Chinese zone overlaps with both the Japanese and South Korean zones.

**Some countries have had ADIZs for decades. Why did China wait until now?**

One theory is that China felt it needed an ADIZ for the Senkaku/Diaoyu Islands because Japan was publicising Chinese incursions into its ADIZ in an effort to rally public opinion

## SCIENCE – TECHNOLOGY

### Rashtriya Uchchatara Shiksha Abhiyan

To boost research and innovation, twelve states and four UTs have been considered eligible to receive Rs. 120 crore each under the Research, Innovation and Quality Improvement Component of RUSA – Rashtriya Uchchatara Shiksha Abhiyan.

#### The funds are meant to support

- ✓ Different types of research programmes like base research, key technology (R&D), High ends (R&D)
- ✓ Setting up of science parks
- ✓ Cutting edge technology and instrumentation facility
- ✓ Promotion of inter-disciplinary and trans-disciplinary research centers
- ✓ Promotion of entrepreneurial activities.
- ✓ Initiative to attract quality researchers and students
- ✓ Institutions that offer merit-based scholarships, fully funded doctoral fellowships, post-doctoral fellowships; faculty and students exchange programmes with world-class institutions
- ✓ Initiatives to scale up industry-academia partnership.

States will have to prepare a Research and Innovation Plan (RIP). PAB will be at liberty to approve the plan in its entirety or restrict it to a few selected interventions. States can leverage this plan through PPP, industry participation etc. Weights will be assigned wherever extra resources are promised in the RIP. States may decide about unit of implementation. It can either be the State as a whole or a few select institutions.

## HISTORY – CULTURE

### Reviving an ancient trade route

UNESCO and Kerala Tourism to get an inscription done by a team of experts to elicit the cooperation of the 31 countries involved to bring the ancient Spice Route back to life.

The project will go a long way in promoting heritage and peace. Archaeological evidence from excavations at Muziris, near Kochi, had given a boost to the project. The excavations pointed to spice trade between Muziris — a port that flourished two millennia ago – and the West, before it mysteriously disappeared.

The project aimed at sharing the heritage among the 31 countries along the ancient route. The initiative was expected to bring in a substantial number of foreign tourists to the State. Earlier, the project had received the support of the United Nations World Tourism Organisation (UNWTO). The initiative was expected to re-establish the State's maritime relations with the countries on the Spice Route.

## SECURITY

### BrahMos Missile

The Indian Air Force has chosen its frontline Sukhoi-30 fighter jets to mount BrahMos missiles the first test launch of which will be carried out by 2014-end. The first production order of 40 sets of BrahMos missile air-frame assemblies, a key component of the projectile, was handed over to BrahMos Aerospace Private Limited (BAPL). India has been committed to the cause of indigenous manufacturing of advanced weapon systems.

It is the world's fastest cruise missile in operation. The missile travels at speeds of Mach 2.8 to 3.0. Mach. The land-launched and ship-launched versions are already in service, with the air and submarine-launched versions launched recently. An air-launched variant of BrahMos will make India the only country with supersonic cruise missiles in their army, navy, and air force. A hypersonic version of the missile namely BrahMos-II is also presently under development with speed of Mach 7 to boost aerial fast strike capability. It is expected to be ready for testing by 2017.

### Mach Number

In fluid mechanics, Mach number is a dimensionless quantity representing the ratio of speed of an object moving through a fluid and the local speed of sound. Mach number varies by the composition of the surrounding medium and also by local conditions, especially temperature and pressure.

### Dhanush Missile

The Strategic Forces Command (SFC) of the armed forces test-fired a Dhanush missile from a warship off the eastern coast.

- ✓ Dhanush is the naval version of surface-to-surface missile Prithvi, which can carry nuclear warheads.
- ✓ Dhanush can cover a distance of 250 km and carry a 500-kg payload.
- ✓ While Prithvi-I has been phased out, Prithvi-II and Dhanush have been inducted into the Armed forces.
- ✓ Prithvi-II can also carry nuclear warheads. All these missiles are produced by Defence Research and Development Organisation (DRDO).

In the next few months, both DRDO and the SFC will launch a series of missiles. While DRDO plans to launch interceptor missile Agni-IV and subsonic cruise missile Nirbhay, the SFC will test-fire Agni-II and Agni-III. All Agni variants carry nuclear warheads. Agni-I, II and III have already been inducted into the Army. Agni-IV has a range of 4,000 km.

## Panorama

### INS Vikrant

India's first indigenous aircraft carrier, INS Vikrant, being built at the Cochin Shipyard Limited and formally launched in August this year, will be commissioned by 2017

With the commissioning of INS Vikrant, India will join the elite club of nations with the capability of designing and building aircraft carrier