

## 24 MAR 2019: UPSC EXAM COMPREHENSIVE NEWS ANALYSIS

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## GS 1 Related

Nothing here today!!!

## GS 2 Related

### POLITY AND GOVERNANCE

#### 1. Elections uphold values of democracy: Hamid Ansari

##### Note to Students:

- The issue concerning Electronic Voting Machines (EVM's) has been in the news for some time.
- In particular, keeping in mind the fact that the general elections are around the corner, this assumes importance again.
- We at BYJU'S have posted a video covering the issue concerning Electronic Voting Machines (EVM's) on YouTube which covers the issue in detail. The link is as below:

<https://www.youtube.com/watch?v=oCMMKHjpOV8>

- In the paragraphs that follow, we attempt to give a greater perspective to the issue concerning EVM's over and above the article featured in the Hindu today (24th March, 2019), that briefly touches on the issue again.

##### Context:

(Write Up Featured in the Hindu)

- Former Vice-President Hamid Ansari on 23rd March, 2019 expressed concern over the "inefficient" functioning of institutions like Parliament when it came to holding the rulers of the day accountable.
- Speaking at the launch of former Chief Election Commissioner Navin Chawla's book Every Vote Counts-The Story of India's Elections, Mr. Ansari said: "Democracy is all about certain values and institutions. Values are easily put across, that in periodical intervals the electorate elects the rulers. Over the decades we have polished that system and made it truly commendable."
- However, he said, the institutions — the elected bodies from which the actual rulers of the day emerged — were functioning "very inefficiently".
- The book launch followed a conversation between Mr. Chawla and N. Ram, Chairman of The Hindu Group of Publications.

- Mr. Ram said the Election Commission had over the years adopted technology and innovation, particularly the Electronic Voting Machines (EVM).
- On EVMs, Mr. Chawla said though controversy was sought to be created by losing candidates or parties periodically, he was convinced they could not be tampered with. He said all High Courts and the Supreme Court had upheld its use.

### **Larger Background:**

- EVMs were first used in 50 polling stations of Parur Assembly Constituency of Kerala in May 1982.
- Electronic Voting Machine (also known as EVM) is voting using electronic means to either aid or take care of the chores of casting and counting votes.
- An EVM is designed with two units: the control unit and the balloting unit. These units are joined together by a cable.
- The control unit of the EVM is kept with the presiding officer or the polling officer. The balloting unit is kept within the voting compartment for electors to cast their votes.
- This is done to ensure that the polling officer verifies your identity.
- With the EVM, instead of issuing a ballot paper, the polling officer will press the Ballot Button which enables the voter to cast their vote.
- A list of candidates names and/or symbols will be available on the machine with a blue button next to it. The voter can press the button next to the candidate's name they wish to vote for.

### **EVMs: How secure is it?**

- The ECI-EVMs are stand-alone machines designed to connect only amongst ECI-EVM units (Ballot Unit, Control Unit and VVPAT) through cables that remain in full public view.
- There is no mechanism in ECI-EVMs to communicate with any device through wireless communication on any Radio Frequency.
- All versions of ECI-EVMs are regularly and rigorously tested against low to high wireless frequencies.
- These tests include and go beyond the standard tests specified for electronic equipment.
- ECI-EVMs are regularly tested for proper functioning under all kind of operating conditions.
- ECI-EVMs are also regularly tested for code authentication and verification.

### **Technical Security of EVMs used by ECI:**

- a) The machine is electronically protected to prevent any tampering/manipulation. The programme (software) used in these machines is burnt into a One Time Programmable (OTP)/Masked chip so that it cannot be altered or tampered with. Further these machines

are not networked either by wire or by wireless to any other machine or system. Therefore, there is no possibility of its data corruption.

- b) The software of EVMs is developed in-house by a selected group of Engineers in BEL (Defense Ministry PSU) and ECIL (Atomic Energy Ministry's PSU) independently from each other. A select software development group of 2-3 engineers designs the source code and this work is not sub-contracted.
- c) After completion of software design, testing and evaluation of the software is carried out by an independent testing group as per the software requirements specifications (SRS). This ensures that the software has really been written as per the requirements laid down for its intended use only.
- d) After successful completion of such evaluation, machine code of the source programme code is given to the micro controller manufacturer for writing in the micro controllers. From this machine code, the source code cannot be read. Source code is never handed over to anyone outside the software group of PSUs.
- e) Micro controller manufacturer initially provides engineering samples to PSUs for evaluation. These samples are assembled into the EVM, evaluated and verified for functionality at great length. Bulk production clearance by PSU is given to micro controller manufacturer only after successful completion of this verification.
- f) The source code for the EVM is stored under controlled conditions at all times. Checks and balances are in place to ensure that it is accessible to authorized personnel only.
- g) During production in the factory, functional testing is done by production group as per the laid down Quality plan and performance test procedures.
- h) The software is so designed that it allows a voter to cast the vote only once. The vote can be recorded by an elector from the ballot unit only after the Presiding Officer enables the ballot on the Control Unit. The machine does not receive any signal from outside at any time. The next vote can be recorded only after the Presiding Officer enables the ballot on the Control Unit. In between, the machine becomes dead to any signal from outside (except from the Control Unit).
- i) Samples of EVMs from production batches are regularly checked for functionality by Quality Assurance Group, which is an independent unit within the PSUs.
- j) Certain additional features were introduced in 2006 in ECI-EVMs such as dynamic coding between Ballot Unit (BU) and Control Unit (CU), installation of real time clock, installation of full display system and date and time stamping of every key-pressing in EVM.
- k) Technical Evaluation Committee in 2006 has concluded that any tempering of CU by coded signals by wireless or outside or Bluetooth or WiFi is ruled out as CU does not have high frequency receiver and data decoder. CU accepts only specially encrypted and dynamically coded data from BU. Data from any outside source cannot be accepted by CU.

#### **Voter Verifiable Paper Audit Trail (VVPAT)**

- ECI based on consultation with political parties in 2010 considered to explore use of Voter Verifiable Paper Audit Trail (VVPAT) with a view to enhance transparency.
- Introduction of VVPAT implied that a paper slip is generated bearing name and symbol of the candidate along with recording of vote in Control Unit, so that in case of any dispute, paper slip could be counted to verify the result being shown on the EVM.
- Under VVPAT, a printer is attached to the balloting Unit and kept in the voting compartment.
- VVPATs use thermal printers which can print only on one side of thermal paper. The print is fully visible through the viewing window. The paper rolls used in VVPATs have only one-sided thermal coating and hence can be printed only on one side.
- The VVPAT paper print lasts at least for five years.

## 2. SC asks High Courts to act on police vacancies

### Context:

- Recently, the Honourable Supreme Court of India has asked High Courts across the country to take suo motu cognisance of large number of vacancies in State police forces and monitor the situation.
- A Bench led by Chief Justice of India Ranjan Gogoi recently observed in an order that “one of the central issues” canvassed in a PIL was the “large number” of vacancies in different posts in the police forces across States.
- The apex court said the High Courts, rather than the Supreme Court, would be in a better position to effectively monitor the filling up of these vacancies. It said the problem was State-specific.
- “The issue and problems are State-specific and can be appropriately dealt with by the respective High Courts,” the apex court observed.
- The PIL was filed by Manish Kumar seeking a series of directions, including the constitution of a Police Commission to deal with allegations of police action, redressal of grievances of police officers and their welfare.
- It also wanted the court to direct the Centre to evolve a mechanism to prevent violent mass agitations and destruction of life and property.

## 3. Initials hurdle hits PAN-Aadhaar link

### Why in the news?

- Tens of thousands of people may not be able to file income tax returns for the coming financial year as they are unable to link their Aadhaar to their PANs, for no fault of theirs.

**Context:**

- Since a person's identity is authenticated biometrically, Aadhaar can allow initials in the name.
- On the other hand, PAN is based on an old system that will not accept initials even if they are entered.
- A large number of people, especially in south India, are not being able to link the two because of the name mismatch. Currently, it is unfortunate to note that the officials have no solution to the problem from their end.

**Problem since the start:**

- "This is a problem we have encountered a number of times since the linkage process started," an official said.
- "In Aadhaar and passport, a person's identity is tied to their biometrics, so their name on the document can have initials. The PAN software is at least 30 years old, and even if we enter initials, it will not accept them."
- "This is a problem that has come up because the two separate software systems are at different levels of sophistication," the official said.
- "The number of people affected is at least in tens of thousands, and the problem is even more in south India where the names are very long, and abbreviated in many cases."
- It is important to note that the government has mandated that PAN and Aadhaar be linked for filing income tax returns from the next fiscal, a decision the Supreme Court has upheld.

## INTERNATIONAL RELATIONS

### 1. Italy signs new 'Silk Road' protocol with China

**Why in the news?**

- Italy on 23<sup>rd</sup> March, 2019 signed a "non-binding" protocol with China to take part in Beijing's new "Silk Road" of transport and trade links stretching from Asia to Europe.

**Larger Background:**

- China's Belt and Road train is steaming into the heart of Europe, with Italy being its next major destination.
- A signature project of the Mr. Xi, the BRI is a highly ambitious plan of linking China by sea and land with Southeast and Central Asia, West Asia, Europe and Africa through an infrastructure network. The result is a sweeping 21st century reincarnation of the ancient Silk Road.
- Though the most high-profile, the BRI is not the only game in town on mega connectivity.



- A fusion of Japan's Free and Open Indo-Pacific strategy and India's Act East Policy, for instance, is yielding new trans-Asia connectivity corridors, including one that will link landlocked Bhutan with South-East Asia through India's northeastern part and Bangladesh.
- The EU, too, has floated its Trans-European Transport Network plan.
- It has identified priority projects in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. In total, the big-ticket undertaking, requiring €13 billion of funding will deliver 4,800 km of road and rail, along with six ports, and 11 logistics centres.

### **American concerns**

- Yet, China's intent to draw Rome into the BRI has sparked volcanic protests, primarily because it would become the first country of the G-7 — the sanctum sanctorum of the trans-Atlantic alliance — to bond with an initiative from China, widely seen as the long-term strategic rival of the West.
- The echo of geopolitical friction is well-pronounced in the U.S. statement on Italy's proposed move.
- "Italy is a major global economy and great investment destination. No need for Italian government to lend legitimacy to China's infrastructure vanity project," said White House spokesman Garrett Marquis on Twitter on March 10, 2019.
- "We are sceptical that the Italian government's endorsement will bring any sustained economic benefits to the Italian people, and it may end up harming Italy's global reputation in the long run," he told The Financial Times.
- Meanwhile, China has scoffed at Washington's stance. "This position taken by the U.S. side is laughable," asserted Chinese Foreign Ministry spokesman Lu Kang. "As a major country, Italy knows exactly what policies serve its own interests and it can make its decisions independently."
- The EU has also begun to bicker about Italy's budding dalliance with China. "If the Belt and Road Initiative is providing financing to the projects, it means that the member states must pay the loans back. So, there are no free lunches," said European Commission Vice-President Jyrki Katainen, apparently warning Italy of a debt-trap.
- It is important to note that the possibility of an Italy-China BRI bonding drew prominence when EURACTIV.com reported that the two countries were working on a memorandum of understanding.
- China plans to cooperate with Italy in the development of "roads, railways, bridges, civil aviation, ports, energy, and telecommunications" as part of the BRI, the website said.

### **What does the leaked memorandum say?**

- The leaked memorandum includes new investments of Chinese companies in the Trieste port — a maritime hub in the Mediterranean, which has railway connections with Central and Northern Europe.
- China is already active in investing in key European ports as part of its Maritime Silk Road — the oceanic spur of the BRI.
- Cosco, China's leading shipping company, has already invested \$670 million in the Greek port of Athens-Piraeus — the second-busiest port in the EU.
- Despite the shrill alarm that has been sounded in the West that China is set to breach a major citadel of the alliance, Italian Prime Minister, Giuseppe Conte has stressed that Rome's traditional partners should exercise sobriety, and not rush to draw any hasty conclusions.
- "With all the necessary precautions, Italy's accession to a new silk route represents an opportunity for our country," Mr. Conte told a foreign policy seminar in the northern city of Genoa.
- "It won't mean that the next day we will be forced to do anything. It will allow us to enter into this project and have a dialogue," he added.

#### **Analysis:**

- Italy on 23<sup>rd</sup> March, 2019 signed a "non-binding" protocol with China to take part in Beijing's new "Silk Road" of transport and trade links stretching from Asia to Europe.
- In doing so, Italy became the first G7 country to sign up for the massive project which has sparked unease in the U.S. and the European Union (EU) as China aspires to a greater world role.
- Visiting Chinese President Xi Jinping and Italian Prime Minister Giuseppe Conte both attended a ceremony for the signing of 29 Memoranda of Understanding which Italian media said were worth €5 billion-€7 billion.
- Also signing the accords were the chairman of China's National Development Commission He Lifeng and Italian Deputy Prime Minister and Minister of Economic Development Luigi Di Maio.
- Some sources point out that the value of the Chinese investments could rise to €20 billion but would for now be limited to the strategic ports of Genoa and Trieste.

#### **Red-carpet welcome**

- Italy has rolled out the red carpet for Mr. Xi, who on 22<sup>nd</sup> March, 2019 sought to allay Western unease over his transformational infrastructure initiative by emphasising the \$1 trillion project's mutual benefits.
- The accords also foresee the opening up of the Chinese market for Italian oranges as well as a partnership for Chinese tourism giant Ctrip, notably with Rome's airports.



- Cultural tie-ups including town twinnings are also on the agenda while Beijing is pushing to have several Serie A football matches played in China — although that would currently contravene regulations of the game's governing body FIFA.
- In what some perceived as a snub, Italy's far-right Deputy Prime Minister Matteo Salvini did not attend the state dinner for Mr. Xi at Mattarella's Quirinal Palace, having stated that Italy would be "no-one's colony."
- Mr. Salvini has notably urged caution about using Chinese telecom giant Huawei's next generation 5G mobile technology, whereas coalition partner Luigi Di Maio is keener for Chinese partnerships.

## GS3 Related INDIAN ECONOMY

### 1. Indian pharma's cold reply to China call

#### What's in the news?

- A recent call for expression of interest from Indian pharma companies desirous of supplying medicines to a Chinese province has met with lukewarm response. Experts opine that this development is something which is bound to turn the spotlight on the regulatory approval process in China.

#### The end of a Deadline:

- There has not been one response thus far, Pharmaceuticals Export Promotion Council of India Director General Ravi Udaya Bhaskar said late on 22<sup>nd</sup> March, 2019, when a deadline for the companies to respond to the Yunnan province's call ended.
- A few companies had, however, sought to know the list of products the province wanted to source, he said.
- Pharmexcil, a body under the Commerce Ministry, had recently sounded out member-firms about the opportunity, in the wake of the Director General of Yunnan Provincial Foreign Affairs informing the Consulate General of India in Guangzhou about the province's interest to introduce Indian drugs to the city and the provincial health system.
- Indian pharma firms were asked to submit a list of products they can supply to Yunnan, along with certifications such as those from the U.S. Food and Drug Administration (USFDA), if any.
- The response may have been better had the companies been provided with a list of products Yunnan planned to source, Mr. Bhaskar said.

- Lack of information as well as the regulatory process in China, especially the time taken for product registration, were issues behind the level of response, he added.
- It is important to note that three to five years is the norm for getting a product registration from China's National Medical Products Administration (NMPA) and this comes to about \$58,000 per drug.
- Also, this is not the first instance of such a tepid response from pharma firms — they did not evince much interest when opportunities in Guiyang City were highlighted.
- Thus, Pharmexcil is keen on stepping up its efforts to pursue the Chinese government to fast track the registration and medicines procurement process from India.
- The Council is also working with the China Chamber of Commerce of Import and Export of Medicines and Health Products.
- Such an emphasis comes in the backdrop of the potential to grow pharma exports to China. In 2017-18, pharma exports to China rose 37% to \$200 million.

## **2. 'Centre must not look upon the Reserve Bank as a cash cow'**

### **Analysis:**

- The central government being fiscally dependent on the Reserve Bank of India (RBI) is undesirable, according to Dr. Indira Rajaraman, former member of RBI's central board.
- Delivering the Nani Palkivala Memorial lecture on 23<sup>rd</sup> March, 2019, she said, "The ₹68,000 crore that the RBI has paid to the government in the form of dividend or interim dividend since July 2018, forms 92% of the Centre's entire income from dividends from all public sector financial institutions."
- This, she added, "is very bad, as it makes the government fiscally dependent on the RBI."

### **The Centre looking upon the RBI as a cash cow?**

- It means the Centre would then look upon the RBI as a cash cow and start questioning every rupee that the central bank spends, she said. "What the central bank does is foundational for the nation, and hence it must have the freedom to choose its areas of expenditure, including choice of employees.
- "They need good training, remuneration, pension and housing. If the government constrains this, it is the people of India who will suffer." She cited the example of China, which fully pays for its central bank employees' PhDs in globally-acclaimed institutions in the West.
- "The RBI cannot be treated on par with a department of the Government of India. It is very separate, special" said Dr. Rajaraman, who was on the faculty of Indian Institute of Management Bangalore, and a member of the 13th Finance Commission.

- RBI is among the leanest and most efficient organisations in the country, with a headcount of about 15,000 executing myriad functions, she said.
- According to her, the RBI Act is clear that the government, as sovereign, is supreme and the RBI Governor functions under the pleasure of the government.
- “The regulator is a monopoly issuer of currency and hence the sovereign has to have ultimate control over such an issuer.”
- She felt that the media had played a role in building up the persona of the RBI Governor, who is not the chairman of the central bank board, but only convenes the board meetings and presides over them, she said. Dr. Rajaraman added, “There should be mutuality between the RBI and the government.”

### Critical role

- The RBI’s monetary policy is formulated keeping in mind the fiscal policy of the government, she said. **“So, the RBI should be free to be critical of the government’s fiscal policy.”**
- She added that the central bank must also be free to question the measurement of inflation. “After all, the consumer price index- based inflation is the measure by which RBI is judged. So, there should be professional mutual respect between the government and the RBI.”
- It was normal for governments and central banks to differ over interest rates, where the former would want low rates to spur growth, while the latter would be keen to raise rates if inflation seemed dangerously high. However, what was different in the recent “outbreak of hostilities”, as she called it, between the government and the RBI was the invocation of **Section 7 of the RBI Act**, which had never been invoked.
- “Sec. 7(2) leaves us in no doubt that the functioning of the RBI is entrusted to the central board of the bank. Clause 3 of the section sets out the role of the Governor; it clearly states that the Governor exercises powers vested in him by the central board.”
- The government not only questioned the decisions of the RBI, but also the process by which those decisions were arrived at. “The government was entirely within its powers to question the process,” she said.
- She also said it was ‘unfortunate’ that the services of director on RBI’s board, Nachiket Mor, were terminated just a year into his second four-year stint, in October 2018.
- “The Centre has the right to recall these nominations but it created ill-feeling. It was said that the termination was due to his being the country director of the Bill & Melinda Gates Foundation in India, resulting in conflict of interest, but that information was available at the time he was reappointed. So, it reflects poorly on the government’s due diligence if it did not know this.”

## SCIENCE AND TECHNOLOGY

### 1. Ooty's muon detection facility measures potential of thundercloud

#### What's in the news?

- For the first time in the world, researchers at the GRAPES-3 muon telescope facility in Ooty have measured the electrical potential, size and height of a thundercloud that passed overhead on December 1, 2014.
- At 1.3 gigavolts (GV), this cloud had 10 times higher potential than the previous record in a cloud. This is not because clouds with such high potentials are a rarity, but rather, because the methods of detection have not been successful so far.

#### Structure of the Cloud:

- It is important to note that clouds have negative charges along their lower side and positive charges on top and can be several kilometres thick.
- If balloons are used to measure the potential difference between the top and bottom, they will take hours to traverse the distance. Unfortunately, thunderstorms last only for about 15-20 minutes, and this method fails.
- The Ooty group did not really set out to measure the cloud's potential.
- Sunil Gupta from TIFR, Mumbai and corresponding author of the paper published in Physical Review Letters, says that he was first intrigued by the way the muon intensity dipped briefly in a manner correlated with the thunderstorm. Though it was known that thunderstorms had an effect on muon intensity, it had not been probed in detail earlier. Dr Gupta urged the researchers in his team to study this carefully.

#### Threshold of detection:

- Muons and other particles are produced when cosmic rays bombard air particles surrounding the earth.
- The muons produced can have positive or negative charge.
- When a positively charged muon falls through a cloud, it loses energy. If its energy falls below 1 giga electron volt (GeV), which is the threshold of detection of the GRAPES-3 muon telescope, it goes undetected. On the contrary, a negatively charged muon gains energy when falling through the cloud and gets detected. Since there are more positive than negative muons produced in nature, the two effects don't cancel out, and a net change in intensity is detected.

- From April 2011 to December 2014, the group studied the variation of muon intensity during 184 thunderstorms. In seven events they came across thunderclouds that corresponded to a large change in muon intensity, of above 0.4%.
- They also simultaneously monitored the profiles of the clouds using four ground-based electric field monitors. Only the cloud that crossed on December 1, 2014, had a profile that was simple enough to simulate.
- Using a computer simulation and the observed muon intensity variations, the group worked out the relationship with the electric potential of the cloud.
- They calculated that the potential of the cloud they were studying was approximately 1.3 GV. “To best of our knowledge no one has ever measured potential, size and height of a thundercloud simultaneously. That is the reason for all the excitement,” says Dr Gupta.

#### **Clue to the puzzle:**

- Dr Gupta and his colleagues surmise that this method can be used to solve a 25-year-old puzzle of terrestrial gamma ray bursts — huge flashes of light that accompany lightnings, but which have not been explained in theory until now.
- Learning about the properties of thunderclouds can be useful in navigation of aircraft and preventing short circuits. This serendipitous discovery might provide the means to making headway in this direction.

## **ENVIRONMENT AND ECOLOGY**

### **1. Protected areas matter to bumphead parrotfish**

#### **What's in the news?**

- The survival of the threatened bumphead parrotfish in the Andaman and Nicobar Islands hinges on the persistence of coral reefs and presence of marine protected areas.
- Implementing fishing regulations could help its population bounce back, say researchers.

#### **Analysis:**

- Bumpheads are the world's largest parrotfish.
- Ramming its enormous green head against corals to dislodge them, a single bumphead can nibble up to five tonnes of coral every year. Though seemingly destructive, this activity promotes coral growth and keeps reef ecosystems healthy. However, numbers of bumphead parrotfish have decreased worldwide. Overfishing is a concern, for the fish are highly prized catches.



- An important question arises: How are India's bumpheads in the Andaman and Nicobar Islands doing?
- In an effort to generate baseline data, a team comprising Vardhan Patankar (Wildlife Conservation Society-India) surveyed 75 coral reef sites off 51 islands to obtain information on the distribution of bumpheads. Diving underwater, they counted the numbers of bumpheads and quantified benthic cover (such as live coral, algae, sand and rubble) there. Their results, published in *Oryx*, reveal that the fish occurred only patchily in these waters at densities of just 0.0032 per hectare. The team spotted no juveniles, only 59 adults at merely nine islands.
- "The low densities are shocking, very similar to those of bumphead populations in southeast Asia where they are legally protected," said Dr. Patankar.
- Live coral cover and the presence of marine protected areas – where fishing is banned – emerged as crucial factors for bumphead presence. To supplement this information with local knowledge, the team also conducted 99 interviews with fishermen in the South and Middle Andaman islands and Central Nicobar. Most fishers were aware of the presence of bumpheads in their waters; and all fishermen in Central Nicobar and Middle Andaman had seen the fish feeding and aggregating (bumpheads tend to aggregate in numbers larger than 10). Most fishers had hunted the fish all their lives, using hand-held wooden spears or harpoons.
- Currently, this hunting is only opportunistic. However, if this changes to targeted fishing it could endanger bumpheads which could be easily conserved as a 'flagship species', says Dr. Patankar. "Bumpheads are not legally protected in India though the IUCN categorises them as Vulnerable," he says. "Now would be a good time to protect them legally and implement some fishing restrictions so their numbers can improve. Natural catastrophes such as bleaching may have already affected these large fish."

## **GS 4 Related**

**Nothing here today!!!**

## Editorials

### INTERNATIONAL RELATIONS

#### 1. The long reach of new silk roads

##### Editorial Analysis:

##### What is the Belt and Road Initiative (BRI)?

- The Belt and Road Initiative (BRI), also known as the One Belt One Road Initiative, is the most emblematic of China's economic and industrial might, as of its ambitions for global, political and strategic influence.
- The appellation has come to signify the many Beijing-backed infrastructure projects that predate Mr. Xi's ascent.
- When Mr. Xi announced the BRI's formal launch in Kazakhstan in 2013, there were few signs that the policy would command the heft and reach it has acquired since. BRI partnerships encompass infrastructure investments in the construction, transport, aviation, telecommunications and energy sectors stretching across many countries in Asia and Africa.
- A number of Latin American and Caribbean states recently signed a memorandum of understanding to join the BRI. The so-called 16+1 (China) grouping of central and eastern European countries includes 11 states from the European Union (EU).
- Rome endorsed the BRI recently, the first among the Group of 7 most industrialised nations to do so.
- The move has caused consternation in Brussels and Washington, which are grappling with the many fissures that have surfaced in the trans-Atlantic alliance.
- Typically, the terms around BRI bilateral tie-ups are fluid and amorphous in nature, premised on negotiation and accommodation rather than being underpinned by rigidly written-down rules and procedures. The upside to this style of doing things is the flow of investment on seemingly soft terms to places hard up for basic infrastructure.
- The politically neutral stance of Beijing-backed deals starkly contrasts with much western hypocrisy and high-mindedness about respect for the rule of law and human rights. The downside is the risk of falling into a prolonged debt trap and the uncertainty over contractual obligations between the parties.
- With the rise of populist forces in many countries in recent years, the world's open trading system has come under a protectionist strain. Perhaps, there are signs in the BRI of the beginnings of a different kind of globalisation.

##### Why did China push for it?

- The BRI is, above all, a response to slowing domestic economic growth earlier this decade, accentuated by a slump in Chinese exports to developed countries following the 2007-08 economic meltdown.
- As infrastructure spending at home became less sustainable, Beijing shifted the emphasis in a big way to boosting the global competitiveness of domestic businesses.
- During the BRI's fifth anniversary in September 2018, Mr. Xi described this flagship programme as an economic cooperation initiative rather than a geopolitical or military alliance.
- But the more common narrative is that the large infrastructure investments in the least developed and developing countries have enabled Beijing to leverage its influence around the world, potentially altering the established rules of the global order.

### **BRI projects in the works: A Perspective**

- It is hard to put a precise number on them because projects are negotiated informally between investor and recipient countries.
- But they are clearly in the thousands, unprecedented in the history of development cooperation, in terms of the volume of investment and potential benefits. Let us begin with the Greek harbour of Piraeus.
- Backed by Chinese investment, the port has climbed from the world's 93rd container port in 2010 to 38th in 2017.
- This stupendous success has apparently raised expectations even higher. A most strategic BRI venture is the East Coast Rail Link (ECRL), which would connect Malaysia's less developed east coast to southern Thailand and the capital Kuala Lumpur.
- The newly elected government of Prime Minister Mahathir Mohamad suspended the project last year, owing to reservations about the cost of financing by the China Communication Construction Company.
- Following Beijing's willingness to address Kuala Lumpur's concerns, the ECRL has been brought back on track with revisions to its pricing and size.
- There are other large Malaysian gas and oil pipeline projects that were suspended owing to the alleged misappropriation of funds during the previous government. They might eventually be revived, just as the rail project.
- By far the most ambitious BRI project is the \$60+ billion China-Pakistan Economic Corridor. Once the Gwadar city port in coastal Balochistan is built, its strategic location, near the Strait of Hormuz, will connect the Arabian Sea and the Gulf of Oman, the arterial route to world oil transport.
- The force of Balochi opposition to the China-Pakistan Economic Corridor, as to most other projects, essentially comes down to a demand to reallocate its promised benefits rather than an outright roll-back.

- India has opted to stay out of the BRI owing to concerns of national sovereignty and integrity, choosing instead to stick with the Shanghai Cooperation Organisation.
- New Delhi's reservations are entirely understandable, given that the China-Pakistan Economic Corridor, a core BRI endeavour, passes through the Pakistan-occupied Kashmir.

### **Where does the BRI go from here?**

- Many BRI projects are said to have overshoot their original estimated cost.
- The burgeoning debt burden recipient countries have thus accumulated has led to questions over the long-term viability and benefits of such ventures.
- While these may be legitimate concerns, it is equally true that it is still early days in the evolution of the BRI.
- Another concern for the BRI is its current dependence on the U.S. dollar to fund the bulk of its projects. But unlike some years ago, its stocks of the greenback are in limited supply.
- Conversely, the renminbi is yet to emerge as a full-fledged global currency. That may leave China with the option of adopting a co-financing strategy.
- Such cooperation with multilateral banking institutions would be a welcome balancing act.
- Western critics have attacked the initiative as new colonialism, or Marshal Plan for the 21st century. China has generally played down such comparisons, drawing parallels with the U.S. endeavour to rebuild Europe as a counter to the Soviet Union after World War II.
- Beijing has embarked upon a 'Made in China 2025' industrial policy, an audacious bid for global dominance in artificial intelligence, aerospace, and 5G telecommunication, among others. Washington's current trade dispute with China aims fundamentally to challenge this growing dominance.
- It has even portrayed Chinese competition in terms of an ultimate threat to U.S. national security, invoking provisions rarely used in international trade disputes.
- The outcome of negotiations between the world's two largest economies to break the deadlock would echo across the Belt and Road process. Italy's endorsement of the BRI is a potential game changer. Other major economies may follow Rome's lead, in much the same way as the initial resistance to China's Asian Infrastructure Investment Bank eventually evaporated.
- That opens room to indulge in some idle speculation about how closely or little the new Silk Road would one day resemble the current order of things.
- The answer would depend upon who among its innumerable participants can wield the maximum influence and ultimately emerge winners or losers. One day, the BRI might remain Chinese in all but name. That may be the next phase of globalisation in the making.

## INDIAN POLITY AND GOVERNANCE

### 1. Lokpal, powers and duties

#### Editorial Analysis:

#### Who are the public servants covered by the Act?

- The Lokpal has jurisdiction to inquire into allegations of corruption against anyone who is or has been Prime Minister, or a Minister in the Union government, or a Member of Parliament, as well as officials of the Union government under Groups A, B, C and D.
- Also covered are chairpersons, members, officers and directors of any board, corporation, society, trust or autonomous body either established by an Act of Parliament or wholly or partly funded by the Centre.
- It also covers any society or trust or body that receives foreign contribution above ₹10 lakh.

#### What happens if a charge is made against the PM?

- The Lokpal cannot inquire into any corruption charge against the Prime Minister if the allegations are related to international relations, external and internal security, public order, atomic energy and space, unless a full Bench of the Lokpal, consisting of its chair and all members, considers the initiation of a probe, and at least two-thirds of the members approve it.
- Such a hearing should be held in camera, and if the complaint is dismissed, the records shall not be published or made available to anyone.

#### How can a complaint be made and what happens next?

- A complaint under the Lokpal Act should be in the prescribed form and must pertain to an offence under the Prevention of Corruption Act against a public servant.
- There is no restriction on who can make such a complaint.
- When a complaint is received, the Lokpal may order a preliminary inquiry by its Inquiry Wing, or refer it for investigation by any agency, including the CBI, if there is a prima facie case.
- Before the ordering of an investigation by the agency, the Lokpal shall call for an explanation from the public servant to determine whether a prima facie case exists.
- This provision, the Act says, will not interfere with any search and seizure that may be undertaken by the investigating agency.
- The Lokpal, with respect to Central government servants, may refer the complaints to the Central Vigilance Commission (CVC).
- The CVC will send a report to the Lokpal regarding officials falling under Groups A and B; and proceed as per the CVC Act against those in Groups C and D.



### **What is the procedure for preliminary inquiry?**

- The Inquiry Wing or any other agency will have to complete its preliminary inquiry and submit a report to the Lokpal within 60 days.
- It has to seek comments from both the public servant and “the competent authority,” before submitting its report. There will be a ‘competent authority’ for each category of public servant.
- For instance, for the Prime Minister, it is the Lok Sabha, and for other Ministers, it will be the Prime Minister. And for department officials, it will be the Minister concerned.
- A Lokpal Bench consisting of no less than three members shall consider the preliminary inquiry report, and after giving an opportunity to the public servant, decide whether it should proceed with the investigation.
- It can order a full investigation, or initiate departmental proceedings or close the proceedings. It may also proceed against the complainant if the allegation is false.
- The preliminary inquiry should normally be completed within 90 days of receipt of the complaint.

### **What happens after the investigation?**

- The agency ordered to conduct the probe has to file its investigation report in the court of appropriate jurisdiction, and a copy before the Lokpal.
- A Bench of at least three members will consider the report and may grant sanction to the Prosecution Wing to proceed against the public servant based on the agency’s chargesheet.
- It may also ask the competent authority to take departmental action or direct the closure of the report. Previously, the authority vested with the power to appoint or dismiss a public servant was the one to grant sanction under Section 197 of the Code of Criminal Procedure and Section 19 of the Prevention of Corruption Act. Now this power will be exercised by the Lokpal, a judicial body. In any case, the Lokpal will have to seek the comments of the ‘competent authority’ as well as the public servant’s comments before granting such sanction.

### **Who are the functionaries of the Lokpal?**

- The Lokpal will have a Secretary, who will be appointed by the Lokpal Chairperson from a panel of names prepared by the Central government.
- The Secretary will be of the rank of Secretary to the Government of India. The Lokpal will have to appoint an Inquiry Wing, headed by a Director of Inquiry, and a Prosecution Wing, headed by a Director of Prosecution.
- Until these officers are appointed, the government will have to make available officers and staff from its Ministries and Departments to conduct preliminary inquiries and pursue prosecution. The institution will also have to appoint other officers and staff.

### Is there any norm for disclosure of assets?

- Yes. Public servants will have to declare their assets and liabilities in a prescribed form.
- If any assets found in their possession is not declared, or if misleading information about these are furnished, it may lead to an inference that assets were acquired by corrupt means.
- For public servants under the State governments, the States have to set up Lok Ayuktas to deal with charges against their own officials.

## INDIAN ECONOMY

### 1. Jet under pressure

#### What's in the news?

- Over the past few weeks, two-thirds of Jet Airways' fleet has been grounded as talks over a bailout continue among Jet, its lenders and Etihad, which owns a 24% stake in the airline.
- Jet Airways has cancelled flights and suspended operations to several destinations, including Abu Dhabi.

#### Editorial Analysis:

#### How did Jet's fortunes nosedive?

- Jet Airways is an example of what soaring fuel prices and loss of pricing power due to relentless competition in the market can do to an airline company.
- Aviation turbine fuel accounts for more than half of the costs of an airline company, and the company has no control over it.
- As a full-service carrier, Jet also has a higher cost structure than low-cost carriers such as IndiGo or SpiceJet. In the ten years to 2017-18, Jet has reported a net profit only thrice, for the years ended March 2017, 2016 and a small profit in 2011, according to BSE data.
- With a negative net worth of over ₹7,242 crore and cash flows under strain, the airline could not repay its dues to banks and aircraft lessors on time.
- While the banks — Jet owes them ₹8,414 crore — have exhibited patience and tried to work with the company to help it take off again, the lessors have lost patience and repossessed their aircraft. Now, just about a third of Jet's fleet is in the air, with the rest either grounded or repossessed by lessors.

#### What is Etihad's role?

- Jet roped in Etihad in April 2013 with a \$379 million investment, a move that was expected to help lower debt while bringing in operational efficiency.

- The airline has again sought the help of Etihad, but the latter, plagued by its own losses, has refused to play ball.
- The Gulf-based carrier hasn't cleared the restructuring scheme designed by a lender consortium as it would have meant a reduction in its equity stake in the company.
- Etihad also wants Jet promoter and chairman Naresh Goyal to play a less important role, going by its insistence on capping his stake in the airline at 24%. Mr. Goyal is obviously not pleased. The banks, whose money is at stake, seem to be caught between the two.

### **Is Jet the only carrier to suffer?**

- No, the entire airline industry is in trouble of one kind or another that can be directly traced to high costs. Fresh trouble arose when the new Airbus A320neo planes of IndiGo reported problems with the Pratt & Whitney engine that could lead to stalling of the aircraft or even a forced shutdown of the engine mid-air. IndiGo had to ground these planes until the engine manufacturer fixed the problem.
- The recent crashes of the Boeing 737 MAX 8 plane, flown by Indonesia's Lion Air and Ethiopian Airways, have caused problems for SpiceJet and Jet Airways which fly these aircraft in India.
- While Jet's planes were already grounded, SpiceJet was forced to ground 15 of its Max 8 planes, recently.
- IndiGo has already curtailed its schedule until the end of this month owing to pilot shortage. IndiGo, which reported profits for the three years ended March 2018, recorded a loss in the quarter ended September 2018.

### **Where is Jet placed now?**

- Etihad is said to have had enough and wants lenders to take over its 24% stake in Jet, which is also behind on salary payments.
- Mr. Goyal has written twice recently to the staff members, seeking more time. Jet's lenders, led by the State Bank of India, are said to have asked Mr. Goyal to step down.
- Mr. Goyal wrote to Etihad's board recently, saying that unless the latter infused at least ₹750 crore immediately, the situation at Jet could become "deleterious."
- The restructuring plan worked out with banks last month seems to have collapsed. It is also clear that banks have not been successful in identifying a "strategic partner," as envisaged in the plan.

### **What does the future hold?**

- With 16,000 jobs at stake and the general election coming up, the government is turning on the pressure on banks to find a quick solution.

- What that solution could be is unclear. Using taxpayer money to bail out Jet is not an option as it will be difficult for the ruling party to defend. But patience is running out for Jet's stakeholders.
- Lessors of the repossessed aircraft could soon lease them out to its competitors; SpiceJet is said to be interested in 40 of Jet's grounded aircraft. Pilots, who have threatened to stop work if dues are not paid by April 1, 2019, are queuing up for jobs with competing airlines.
- Lenders are said to be sounding out the Tatas again for buying out the airline. The Tatas did show interest a few months ago, but backed out. Any new investor would like total control of Jet, which Mr. Goyal is unwilling to concede.
- The final option is for lenders to take the airline to the bankruptcy court. They don't appear keen on this and would like to save the airline, given the jobs at stake and the disruption a collapse could cause in the industry.

## UPSC Prelims Practice Questions

1. Consider the following statements:
  1. The World Food Programme (WFP) is governed by a 36-member Executive Board. It works closely with its two Rome-based sister organizations, the Food and Agriculture Organization of the United Nations and the International Fund for Agricultural Development.
  2. WFP partners with more than 1,000 national and international NGOs to provide food assistance and tackle the underlying causes of hunger.

**Which among the above statements is/are correct?**

- a. 1 Only
- b. Both 1 and 2
- c. 2 Only
- d. Neither 1 nor 2

**Answer (b) both 1 and 2**

- The World Food Programme (WFP) is the leading humanitarian organization saving lives and changing lives, delivering food assistance in emergencies and working with communities to improve nutrition and build resilience.

- WFP is governed by a 36-member Executive Board. It works closely with its two Rome-based sister organizations, the Food and Agriculture Organization of the United Nations and the International Fund for Agricultural Development.
- WFP partners with more than 1,000 national and international NGOs to provide food assistance and tackle the underlying causes of hunger.

**2. Consider the following statements:**

1. Bumphead parrotfish are the world's largest parrotfish.
2. IUCN categorises Bumphead parrotfish as vulnerable.

Which among the above statements is/are incorrect?

- a. 1 Only
- b. 2 Only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer (d) neither 1 nor 2

- Bumphead parrotfish are the world's largest parrotfish.
- IUCN categorises Bumphead parrotfish as vulnerable.
- Bumphead parrotfish ram their enormous green head against corals to dislodge them, a single bumphead can nibble up to five tonnes of coral every year.

**3. Consider the following statements:**

1. An EVM is designed with two units: the control unit and the balloting unit. These units are joined together by a cable.
2. The control unit of the EVM is kept with the presiding officer or the polling officer. The balloting unit is kept within the voting compartment for electors to cast their votes.

Which among the above statements is/are **correct**?

- a. 1 Only
- b. 2 Only
- c. Both 1 and 2
- d. Neither 1 nor 2



Answer (c) Both 1 and 2

- An EVM is designed with two units: the control unit and the balloting unit. These units are joined together by a cable.
- The control unit of the EVM is kept with the presiding officer or the polling officer. The balloting unit is kept within the voting compartment for electors to cast their votes.

4. What separates the Andaman Islands and Nicobar Islands from each other?

- a) The Ten Degree Channel
- b) The Nine Degree Channel
- c) The Eight Degree Channel
- d) The Eleven Degree Channel

Answer a) the Ten Degree Channel

The Ten Degree Channel is a channel that separates the Andaman Islands and Nicobar Islands from each other in the Bay of Bengal.

## UPSC Mains Practice Questions

1. The recent deal between Italy and China on the Belt and Road Initiative (BRI) holds significance for the rest of Europe and raises concerns for India as well. Examine. (10 Marks; 250 Words)
2. Coral Reefs are often referred to as rainforests of the sea. Unfortunately, these rainforests are under threat. Elaborate (10 Marks; 250 Words)