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I**National Issues****1. Jawaharlal Nehru National Solar Mission**

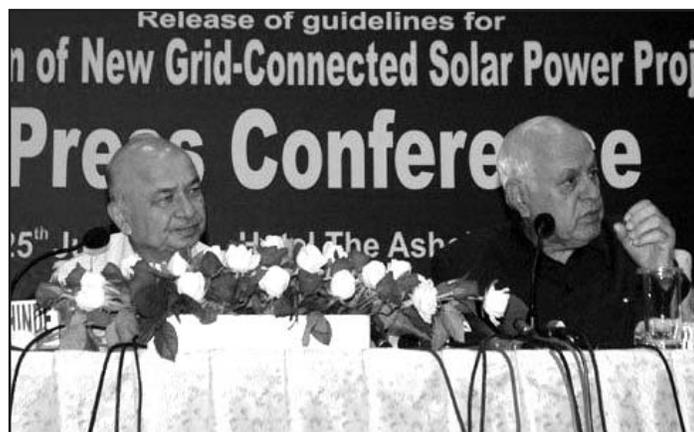
The **Jawaharlal Nehru National Solar Mission**, also known as simply National Solar Mission, is a major initiative of the Government of India and State Governments to promote ecologically sustainable growth while addressing India's energy security challenge. It will also constitute a major contribution by India to the global effort to meet the challenges of climate change. This is one of the several initiatives that are part of National Action Plan on Climate Change. The program was officially inaugurated by Prime Minister of India, Manmohan Singh.

Goals :

The objective of the National Solar Mission is to establish India as a global leader in solar energy, by creating the policy conditions for its diffusion across the country as quickly as possible. The immediate aim of the Mission is to focus on setting up an enabling environment for solar technology penetration in the country both at a centralized and decentralized level. The first phase (up to 2013) will focus on capturing of the low hanging options in solar thermal; on promoting off-grid systems to serve populations without access to commercial energy and modest capacity addition in grid-based systems. In the second phase, after taking into account the experience of the initial years, capacity will be aggressively ramped up to create conditions for up scaled and competitive solar energy penetration in the country.

Timeline :

The Mission will adopt a 3-phase approach, spanning the remaining



period of the 11th Plan and first year of the 12th Plan (up to 2012-13) as Phase 1, the remaining 4 years of the 12th Plan (2013–17) as Phase 2 and the 13th Plan (2017–22) as Phase 3. At the end of each plan, and mid-term during the 12th and 13th Plans, there will be an evaluation of progress, review of capacity and targets for subsequent phases, based on emerging cost and technology trends, both domestic and global. The aim would be to protect Government from subsidy exposure in case expected cost reduction does not materialize or is more rapid than expected.

Phase 1 :

The first phase of this mission aims to commission 1000MW of grid connected solar power project by 2013. The implementation of this phase is in hands of a subsidiary of National Thermal Power Corporation, the largest power producer in India. The subsidiary, NTPC Vidyut Vyapar Nigam Ltd (NVVN), will lay out guidelines for selection of developers for commissioning grid connected solar power projects in India. While NVVN is the public face of this phase, several other departments and ministries will play a significant role in formulating guidelines. NVVN will sign power purchase agreements with the developers. Since NVVN is not a utility, it will sell purchased power to different state utilities via separate agreements.

Tariff :

Tariff for solar power projects, like any other power projects, are determined based on guidelines issued by Central Electricity Regulation Commission of India (CERC).

Technologies :

For Phase 1 projects, NVVN proposed for 50:50 allocation towards Solar PV and Solar thermal. The latter is quite ambitious given India has no operational Solar Thermal projects and less than 10MW of Solar PV projects. While growing at a rapid pace lately, solar thermal technologies are still evolving globally.

A growing solar PV industry in India is hoping to take off by supplying equipment to power project developers. World's well known equipment manufacturers started increasing their presence in India and are sure to give a stiff competition to local Indian manufacturers. Due to generally high temperatures in India, crystalline silicon based products are not the most ideal ones. Thin film technologies like amorphous silicon, CIGS and CDTE could be more suitable for higher temperature situations.

Solar thermal technology providers barely have a foothold in India. Few technology providers like Abengoa have some Indian presence in anticipation of demand from this mission. Many global players are gliding around and taking a wait and see approach via joint ventures with local Indian partners.

Domestic Content Controversy :

Initial guidelines for the solar mission mandated cells and modules for solar PV projects to be manufactured in India. That accounts to over 60% of total system costs. For solar thermal, guidelines mandated 30% project to have domestic content. A rigorous controversy emerged between power project developers and solar PV equipment manufacturers. The former camp prefers to source modules by accessing highly competitive global market to attain flexible pricing, better quality, predictable delivery and use of latest technologies. The latter camp prefers controlled / planned environment to force developers to purchase modules from a small, albeit growing, group of module manufacturers in India. Manufacturers want to avoid competition with global players and are lobbying the government to incentivize growth of local industry.

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2. National Mission on Enhanced Energy

The Prime Minister's Council on Climate Change approved "in principle" the National Mission on Enhanced Energy Efficiency. The Mission will enable about Rs. 75,000 crore worth transactions in energy efficiency. In doing so, it will, by 2015, help save about five per cent of our annual energy consumption.

The Mission is the second of the eight missions under India's National Action Plan on Climate Change to be approved by the Council.

In his opening remarks, Prime Minister Manmohan Singh said "our success in reducing the energy intensity of our growth will also reduce the carbon intensity of our growth. This will have a beneficial impact on our emissions trajectory. The implementation of this Mission will also be a powerful signal to the international community that we are willing to contribute in a significant manner, to meeting the global challenge of climate change." Dr. Singh also emphasised "it must also have inbuilt provisions for monitoring and evaluation so as to ensure transparency, accountability and responsiveness."

The most innovative and challenging new initiative to be introduced under the Mission is the "Perform, Achieve and Trade" (PAT) mechanism which will assign energy efficiency improvement targets to the country's most energy intensive industrial units, with the provision of allowing them to retain any energy efficiency improvements in excess of their target in the form of Energy Savings Certificates, called ESCerts. Units will also be allowed to use purchase ESCerts to meet their targets.

Other Mission initiatives include expanded use of the carbon market to help achieve market transformation towards more energy efficient equipment and appliances, and the creation of two funds to help channel investment into energy efficiency projects. One of the funds, the Partial Risk Guaranty Facility, will provide back-to-back guarantees to banks for loans to energy efficiency projects so as to reduce the perceived risks of these projects.

The other fund, a Venture Capital Fund, will support investment in the manufacturing of energy efficient products and provision of energy efficiency services.

Another major goal of the Mission is the promotion of Energy Service Company (ESCO) based upgrades to energy efficiency in buildings, municipalities and agricultural pumpsets. Through this business model, ESCOs invest in energy efficiency investments, and are paid over several years from the resulting energy savings.

Union Power Minister Sushilkumar Shinde said: "We have already initiated a pilot ESCO project in the agricultural sector in Solapur district in Maharashtra." (The Power Ministry is coordinating this Mission.) He said energy savings from the replacement of inefficient pumpsets by BEE 5-star labelled pumpsets would not only pay the ESCO for the investment in pumpsets, but would also reduce the subsidy bill of the State government.

3. Caste Census

Caste based enumeration of the population has not been carried out in India since 1931. In the last 70 years, some caste names have changed, quite a few new ones have emerged, several castes have merged with others or have moved up or down the social hierarchy, and many have become politically active.

Arguments against caste based census :

Caste being a sensitive issue, the proposition of caste-based census naturally provoked serious debate. Social scientists such as Marc Galanter have argued that the census recording of social

precedence is a device of colonial domination, designed to undermine as well as to disprove Indian nationhood. They contend that even assuming that caste data are relevant, enumeration of the population on the basis of caste is bound to be vitiated by vote-bank and reservation politics, leading to the inflation of population figures and the suppression or distortion of vital information on employment, education and economic status, among other things

Arguments in favour of caste based census :

An argument in favour of caste enumeration is that if the complexity of castes, which have a significant bearing on society and the polity, is to be understood, authentic data on castes should be available. This was the general opinion of academics, politicians, government officials, representatives of various Backward Classes Commissions and mediapersons who gathered in Mysore in July for a seminar on "Caste Enumeration in the Census". According to the Chairman of the Karnataka Backward Classes Commission, Prof. Ravivarma Kumar, the first National Commission on Backward Classes (appointed in 1953) and also the various State Commissions have recorded the difficulty they faced in implementing reservation for want of caste-related Census data. While Census enumerators continue to collect caste data of all castes and tribes listed in the Schedules to Articles 341 and 342, they do not collect data on OBCs. Hence, for want of data, the Backward Classes Commissions resort to indirect methods to arrive at a head count of the OBCs, whose classification the judiciary most often invalidates.

Three Categories :

THE reasons which were laid out against enumerating castes in the Census broadly fell into three categories - **moral, pragmatic and technical**.

1. **Moral** : A vigorous moral argument against the collection of caste data is that it would "increase casteism", "legitimise castes", "perpetuate castes" and "create cleavages in society". But most of the participants felt that these apprehensions were baseless as non-collection of caste data in the last 70 years had neither eliminated caste distinctions nor ended caste inequality.
2. **Pragmatic** : A pragmatic argument was that there was a tendency to misreport and misrepresent data in order to garner benefits and privileges or to incite caste clashes. But then, non-collection of data has not helped reduce the frequency of caste clashes, which have become a reality especially in Bihar. Atrocities against Dalits occur with alarming frequency and intensity in many parts of the country. In fact, some experts argue that in order to address the issue of caste clashes there is a need for authentic data on the socio-economic and political conditions of caste groups.
3. **Technical** : The Census cannot enumerate castes for technical reasons, given the socio-economic complexities and political dimensions, was elaborated by Prof. K. Nagaraj of the MIDS and Prof. P.K. Misra and Suresh Patil of the Anthropological Survey of India. Based on a statistical analysis of the size and spatial distribution of castes in the 1881 Census, Nagaraj argued that "there are broad dimensions to the caste structure which make it extremely difficult to capture the phenomenon of caste through a massive, one-time, quick operation like the Census." He said the complexity arose primarily because of the **fragmentation, localisation, fluidity and ambiguity of castes**.
 - (i) **Fragmentation**: Of the 1,929 castes aggregated in the 1881 Census, 1,126 (58 per cent) had a population of less than 1,000; 556 (29 per cent) less than 100; and 275 (14 per cent) less than 10. There are a large number of single-member castes. At the other extreme, three caste groups - Brahmins, Kunbis and Chamars - accounted for more than a crore each.
 - (ii) **Localisation**: Of the 1,929 caste groups, 1,432 (74 per cent) were found only in one locality (out of 17); 1,780 (92 per cent) were spread across four localities; and only two, Brahmins

and the so-called Rajputs, had an all-India presence. The pattern of localisation also seemed to vary across space. For example, while the eastern and southern regions had high localisation of the big caste groups, in the northern and western regions they were spatially spread.

(iii) Fluidity and ambiguity: Socio-economic and political changes, particularly those since Independence, have introduced a number of ambiguities in the structure and conception of castes, posing enormous problems in enumerating them through a Census-type procedure. For example, the changes in migration patterns and caste agglomerations, the caste-occupation nexus and the mix of sacral and secular dimensions in the nature of the caste groups vary widely across space and castes. This introduces ambiguities in the very perception of caste at various levels - **legal, official, local** and so on.

There is the need for a decentralised, multi-disciplinary approach to caste enumeration involving all the stakeholders in the process. Thus the Census, which is centralised on several counts, is not the appropriate agency to enumerate something as complex as castes.

4. Dengue

What is dengue fever?

Dengue fever is a disease caused by a family of viruses that are transmitted by mosquitoes. It is an acute illness of sudden onset that usually follows a benign course with symptoms such as headache, fever, exhaustion, severe muscle and joint pain, swollen glands (lymphadenopathy), and rash. The presence (the “dengue triad”) of fever, rash, and headache (and other pains) is particularly characteristic of dengue. Other signs of dengue fever include bleeding gums, severe pain behind the eyes, and red palms and soles.

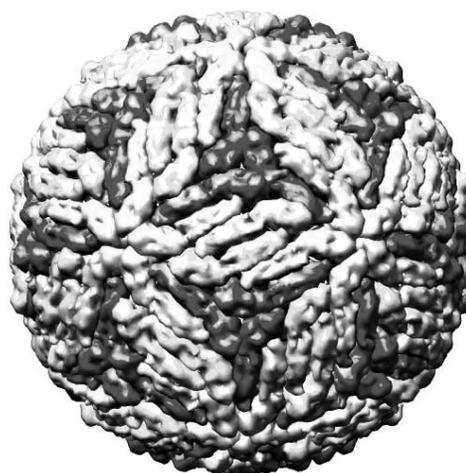
Dengue (pronounced DENG-gay) strikes people with low levels of immunity. Because it is caused by one of four serotypes of virus, it is possible to get dengue fever multiple times. However, an attack of dengue produces immunity for a lifetime to that particular serotype to which the patient was exposed.

Dengue goes by other names, including “breakbone” or “dandy fever.” Victims of dengue often have contortions due to the intense joint and muscle pain, hence the name breakbone fever. Slaves in the West Indies who contracted dengue were said to have dandy fever because of their postures and gait.

Dengue hemorrhagic fever is a more severe form of the viral illness. Manifestations include headache, fever, rash, and evidence of hemorrhage in the body. Petechiae (small red or purple blisters under the skin), bleeding in the nose or gums, black stools, or easy bruising are all possible signs of hemorrhage. This form of dengue fever can be life-threatening and can progress to the most severe form of the illness, dengue shock syndrome.

What areas are at high risk for contracting dengue fever?

Dengue is prevalent throughout the tropics and subtropics. Outbreaks have occurred recently in the Caribbean, including Puerto Rico, the U.S. Virgin Islands,



Cuba, and Central America. Cases have also been imported via tourists returning from areas with widespread dengue, including Tahiti, Singapore, the South Pacific, Southeast Asia, the West Indies, India, and the Middle East (similar in distribution to the areas of the world that harbor malaria and yellow fever). Dengue is now the leading cause of acute febrile illness in U.S. travelers returning from the Caribbean, South America, and Asia.

A 2009 outbreak of dengue fever in Key West, Fla., showed that three patients who did not travel outside of the U.S. contracted the virus. Subsequent testing of the population of Key West has shown that up to 55 of the people living in the area have antibodies to dengue. As of July 17, 2010, 17 individuals have been identified that acquired dengue in Key West in 2010.

Dengue fever is common, and statistics show it may be increasing in Southeast Asia. Thailand, Vietnam, Singapore, and Malaysia have all reported an increase in cases. According to the U.S. Centers for Disease Control and Prevention (CDC), there are an estimated 100 million cases of dengue fever with several hundred thousand cases of dengue hemorrhagic fever requiring hospitalization each year. Nearly 40% of the world's population lives in an area endemic with dengue.

How is dengue fever contracted?

The virus is contracted from the bite of a striped *Aedes aegypti* mosquito that has previously bitten an infected person. The mosquito flourishes during rainy seasons but can breed in water-filled flower pots, plastic bags, and cans year-round. One mosquito bite can inflict the disease.

The virus is not contagious and cannot be spread directly from person to person. There must be a person-to-mosquito-to-another-person pathway

Dengue fever in India :

- **New Delhi** : More than 590 cases of dengue fever were reported from Delhi and over 367 from neighbouring states who had come to New Delhi for treatment.
- **Rajasthan** : More than 35 patients were treated for dengue fever in Rajasthan
- **Chandigarh**: 159 cases of dengue fever were reported from the union territory of Chandigarh. These were reported from Post-graduate Institute of Medical Education and Research, the government run multi-specialty hospital. However out of 159 only 29 were from Chandigarh and the remaining were from Punjab, Harayana and Uttar Pradesh who had come to Chandigarh for treatment.
- **Uttar Pradesh**: Over 214 suspected cases of the diseases were reported from Uttar Pradesh.
- **Andhra Pradesh**: One person succumbed to the disease and at least five were treated for the dengue fever in Andhra Pradesh.
- **West Bengal**: Over 30 people were treated for dengue fever in Kolkata, the capital of West Bengal for suspected dengue fever.
- By October 9, 2006 more than fifty deaths were reported to dengue fever and more than 3613 patients were treated for this disease.

Prevention

- To prevent the outbreak Government of India's Ministry of Health set up a control room Directorate of National Vector Borne Disease Control Programme in New Delhi to monitor the situation and to provide technical guidance and logistic support to the affected states and union territories.
- To prevent the worsening situation health workers in New Delhi sprayed pesticides to eradicate the menace

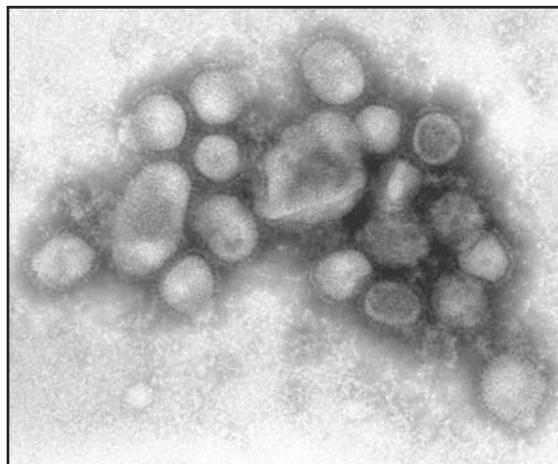
5. Swine Flu

Year 2009, when the first reported cases of A/H1N1 swine flu made global headlines; it was believed that this influenza emerged from Mexico. However, evidence proved futile to materialize and to confirm it as a Mexican origin. Then a new theory evolved which reported that the A/H1N1 virus originated in Asia. Whatever may be the case, but the matter of the fact is that the world came to know about this flu which is widely called swine flu.

What is a swine flu?

Swine flu is a kind of a respiratory disease which is common in pigs. The H1N1 virus is however not a strain which has been seen in the swine. The H1N1 virus is a combination of different viruses. It's a mixture of the swine flu, the bird flu and the kind of flu common during the winter months and the fall, seen among the people in Northern America. As it is a combination of different flu viruses, the H1N1 flu is much harder to treat.

Typical flu viruses include the potential to kill more than 350000 victims. Season after season this disease seems to appear, sometimes showing mild symptoms and sometimes severe. This disease appears to infect more of pregnant women and young adults.



Swine Flu Symptoms

One of the common symptoms of a swine flu disease is high fever. A victim will suffer from very high body temperature due to fever. Usually, young children found to be the victims of swine flu tend to report higher fevers than the young adults. In either case, high fever is reported. When the high fever is reported in adults, they can also have a high body temperature.

Another symptom of swine flu is coughing. The H1N1 flu virus causes many other cases of the upper respiratory problems. Aching, sore muscles and fatigue are some of the other symptoms of this illness. Some of the victims of swine flu may have stomach upset and associated problems like vomiting, diarrhea and nausea.

Between 1918 and 1919, medical facts reveal that a similar kind of a disease had killed nearly 50 million people. Due to the lack of modern medical system and care at that time, the spread of the disease couldn't be prevented.

With the modern technology and general awareness, the H1N1 virus can be best taken care of. Today, there is a huge diversity of medications present on the market to treat the swine flu victims. If caught in the initial stages, most of the cases can be treated properly with the patient having to experience the minimum discomfort.

Prevention of Flu Conditions

The Department of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH) is concerned about the growing number of H1N1 virus cases being reported from various parts of the country. It is of the view that Ayurveda / Unani interventions can be used for improving a person's

immunity to fight various flu like conditions. These measures can be adopted by normal healthy people as well as those who have mild cold, cough and body pain.

The Department of AYUSH set up a group of experts for suggesting AYUSH interventions which are helpful in the prevention / treatment of flu like diseases. Ayurvedic specialists have advised certain measures such as avoidance of 'Kapha' food items like curd, cold drinks, fruit juices, ice cream; drinking of hot water in place of cold water and use of decoctions made up of herbs such as tulsi, ginger, black pepper and Guduchi in the morning.

The Central Council for Research in Unani Medicine (CCRUM) also had a detailed consultation with Unani experts and recommended certain preventive measures such as use of decoctions, tea, arq, specific compound formulations, local application of particular 'Roghans' as well as suggesting a light diet and maintenance of personal hygiene.

Flu like illnesses may also be prevented through Homeopathy. The Central Council for Research in Homeopathy (CCRH) has recommended a homeopathic medicine for protection against such flu like conditions.

However, in cases where people develop severe symptoms (Category B and C), they are advised to visit the designated screening centres /hospitals set up by the Central and State Governments for the purpose. Medicines for the treatment of this illness are available in India. The Government has procured and stored the necessary drugs in sufficient quantities at designated hospitals. Citizens are strongly advised against procuring and taking medicines on their own, as it will lower their immunity.

The Government has also created a strategy to detect Influenza A (H1N1) cases among passengers arriving from affected countries either by air, land or sea and quarantine them. A standard process for screening, testing and treatment will be used across the country. If you have travelled from any of the affected countries in the past 10 days and display the symptoms of Influenza A (H1N1), then kindly visit a nearby hospital.

Swine Flu Vaccine in India

Launched against H1N1 influenza virus which feared whole world with its increasing death rates. This Swine Flu Vaccine unveiled with health minister Ghulam Nabi Azad. Swine Flu Vaccine created by Zydus Cadilla from an H1N1 strain given by WHO, the single-shot vaccine called Vaxiflu-S will cost a maximum of Rs 350.

H1N1 swine flu has killed more than 18,000 people and affected some 214 countries since the virus emerged in Mexico and the US in April 2009. In India, over 1,500 have died.

Cadilla is ready with 4.5 lakh doses of the vaccine but it will only be given by chemists against prescription. However, Cadilla's vaccine has some limitations as of now. It can only be used by people aged between 18-60 and can't be used on small children or pregnant women who are believed to be at high risk of getting infected.

The Swine Flu Vaccine, with a shelf life of a year from date of manufacture, will provide protection only for one year. Also, the inactivated vaccine is egg-based and cannot be used by those allergic to eggs.

However, the Swine Flu Vaccine has been found to be effective and safe with minor side-effects.

Three other Indian companies are also ready with their indigenous swine flu vaccines. Pune-based Serum Institute of India (SII) has developed an H1N1 vaccine in the form of a nasal spray, which can be used by anybody above the age of three except pregnant women.

Azad said, "Serum's vaccines should be available by end of June 2010 while Bharat Biotech

(Hyderabad) and Panacea (Delhi) will be out with their versions by July and August respectively. Once all these vaccines are in the market. Simple tip for swine flu prevention – Swine Flu prevention through N95 Mask.

Symptoms of Swine Flu in India :

1. Feeling Chilly
2. Runny nose
3. Sneezing
4. Cough
5. Headache
6. Fever
7. Loss of appetite
8. Body Aches
9. Nausea and vomiting
10. Throat irritation
11. Fatigue
12. Diarrhea
13. Symptoms related to pneumonia (In people with chronic conditions, pneumonia may develop)

World Health Organization

The WHO has raised the Influenza Pandemic Alert to the highest level which is 6. Already India has seen over 40 confirmed cases of Swine Flu and the threat of a full blown epidemic in India is very real. The best we citizens can do is keep ourselves informed about the happenings and the steps we can take to prevent the spread of the flu. With most of the affected people fitting the profile of a person with internet access, we believe the internet is the first place that people would come looking for information like symptoms, who to contact etc. Swine Flu India is an attempt to bring all the necessary information in one place. India cannot afford to fall sick. Keep yourself and others informed.

Some Vital Statistics

Total Confirmed Cases in India	38730
Total Deaths in India	2024
Total Confirmed Cases Worldwide Over	622482
Total Deaths Worldwide At least	18366
Last Updated Date and Time	04/06/2010 02:28 IST

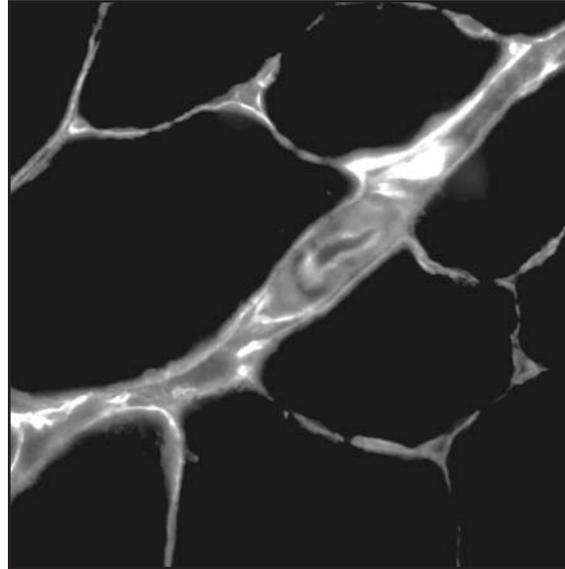
6. Chikungunya

Reports are coming from various research labs that the chikungunya virus is fast becoming deadly and cases where patients are dying with other complications such as multiple organ failure and heart attacks. While in the good news section to a cure/treatment for chikungunya, Scientists have now found a way to learn how the chikungunya disease spreads in the human body by using a genetic variation of mice. A special variety of mice was created to reduce their inherent capability to fight the virus.

According to the scientists, "It is hoped that further studies with the mice will explain how the virus spreads from the muscle and skin tissue to the central nervous system in the more severe cases of the disease, and how the virus penetrates the placenta barrier when it is spread from mother to child. The team hope that the work may also help to explain how viruses are transmitted across tissue barriers for other diseases too."

Chikungunya virus (CHIKV)

Chikungunya virus is an insect-borne virus, of the genus Alphavirus, that is transmitted to humans by virus-carrying Aedes mosquitoes. There have been recent outbreaks of CHIKV associated with severe illness. CHIKV causes an illness with symptoms similar to dengue fever. CHIKV manifests itself with an acute febrile phase of the illness lasting only two to five days, followed by a prolonged arthralgic disease that affects the joints of the extremities. The pain associated with CHIKV infection of the joints persists for weeks or months, or in some cases years. Chikungunya fever, is a viral illness that is spread by the bite of infected mosquitoes. The disease resembles dengue fever, and is characterized by severe, sometimes persistent, joint pain (arthritis), as well as fever and rash. It is rarely life-threatening. Nevertheless widespread occurrence of diseases causes substantial morbidity and economic loss



Chikungunya fever in India

Till 10 October 2006, 151 districts of eight states/provinces of India have been affected by chikungunya fever. The affected states are Andhra Pradesh, Andaman & Nicobar Islands, Tamil Nadu, Karnataka, Maharashtra, Gujarat, Madhya Pradesh, Kerala and Delhi.

More than 1.25 million cases have been reported from the country with 752,245 cases from Karnataka and 258,998 from Maharashtra provinces. In some areas attack rates have reached up to 45%.

Treatment

Chikungunya fever is not a life threatening infection. Symptomatic treatment for mitigating pain and fever using anti-inflammatory drugs along with rest usually suffices. While recovery from chikungunya is the expected outcome, convalescence can be prolonged (up to a year or more), and persistent joint pain may require analgesic (pain medication) and long-term anti-inflammatory therapy.

Prevention and control

No vaccine is available against this virus infection. Prevention is entirely dependent upon taking steps to (a) avoid mosquito bites and (b) elimination of mosquito breeding sites.

(a) To avoid mosquito bites :

- (i) Wear full sleeve clothes and long dresses to cover the limbs;
- (ii) Use mosquito coils, repellents and electric vapour mats during the daytime;

Use mosquito nets – to protect babies, old people and others, who may rest during the day. The effectiveness of such nets can be improved by treating them with permethrin (pyrethroid insecticide). Curtains (cloth or bamboo) can also be treated with insecticide and hung at windows or doorways, to repel or kill mosquitoes.

Mosquitoes become infected when they bite people who are sick with chikungunya. Mosquito nets and mosquito coils will effectively prevent mosquitoes from biting sick people.

(b) To prevent mosquito breeding

The Aedes mosquitoes that transmit chikungunya breed in a wide variety of manmade containers which are common around human dwellings. These containers collect rainwater, and include discarded tires, flowerpots, old oil drums, animal water troughs, water storage vessels, and plastic food containers. These breeding sites can be eliminated by

- (i) Draining water from coolers, tanks, barrels, drums and buckets, etc.;
- (ii) Emptying coolers when not in use;
- (iii) Removing from the house all objects, e.g. plant saucers, etc. which have water collected in them
- (iv) Cooperating with the public health authorities in anti-mosquito measures.

Role of Government

National programme for prevention and control of vector borne diseases should be strengthened and efficiently implemented with multisectoral coordination. Legislations for elimination of domestic/peridomestic mosquito-genic sites should be effectively enforced. Communities must be made aware of the disease and their active cooperation in prevention and control measures elicited. Minimizing Transmission of Infection: This can be done in the following ways:

1. **Risk Communication to the household members** : Educate the patient and other members in the household about the risk of transmission to others and the ways to minimize the risk by minimizing vector population and minimizing the contact with vector.
2. **Minimizing vector population** : Intensify effort to reduce larval habitats in and around the houses: remove stagnant water from all junk items lying around and in the household and in the peri-domestic areas. Stagnating water in flower pots or similar containers should be changed daily or at least twice weekly. Introduce larvivorous fish in aquaria, garden pools, etc.

Weeds and tall grasses should be cut short to minimize shady spaces where the adult insects hide and rest during hot daylight hours. Drain all water stagnating after rains. Fogging and street sanitation with proper waste management (fogging does not appear to be effective, yet it is routinely implemented in epidemic situation)

3. **Minimize the vector-patient contact** (Aedes mosquitoes bite during the daytime, mostly in the morning and late afternoon)

At household level :

Have the patient and infants in the house rest under bed-nets, preferably permethrin-impregnated nets. Insecticide sprays: bed rooms, closets and crevices, bathrooms, kitchens, nooks and corners; alternatively, coils, mats, vapourizers, etc. Have the patient as well as other members of the household wear full sleeves to cover extremities, preferably bright coloured clothes, Wire-mesh/nets on doors and windows

4. **Reporting to the nearest public health authority** : Occurrence of the case in the community needs to be communicated immediately to the nearest public health official for identification of clusters by person, place and time and for expansion of the control measures in the community and district levels.

7. New Law on Surrogacy Rights

THE Union Cabinet will shortly examine the draft **Assisted Reproductive Technology (Regulation) Bill, 2010**, and then table it in Parliament. Floated earlier in 2008, it envisages a national framework for the regulation and supervision of Assisted Reproductive Technology (ART). It legalises commercial surrogacy for single persons, married or unmarried couples. When it becomes law, the surrogate mother will have to enter into a legally enforceable surrogacy agreement.

Surrogate Mother

Surrogate mother is a woman who has a baby on behalf of another who is unable to have babies herself. Surrogacy is the practice of acting or being used as a surrogate, especially as a surrogate mother. Commercial surrogacy is growing in the USA and is much rampant in India. Commercial surrogacy is banned in Germany and in many European countries.

Provisions Under Act

It states that foreigners or NRIs coming to India to rent a womb will have to submit documentation confirming that their country of residence recognises surrogacy as legal and that it will give citizenship to the child born through the surrogacy agreement from an Indian mother.

1. This, perhaps, is in view of the two-year legal battle of the surrogate sons, Nikolas and Leonard, born to the German couple Jan Balaz and Susan Lohlad. The two kids, born to an Indian surrogate mother in January 2008, were rendered stateless with neither German or Indian citizenship. Subsequently, the Supreme Court got them exit permits in May 2010.
2. Similarly, after being stranded in Mumbai, a gay Israeli couple was granted Israeli passports only after a DNA paternity established in May 2010 that gay Dan Goldberg was the father of Itai and Liron born to a surrogate mother in Mumbai. This followed a debate in Knesset (Israeli Parliament) and the Jerusalem District Court ruled in appeal that it was in the children's best interest to hold the DNA test to establish their paternity.

Rent a womb: The proposed legislation

1. Renting of womb is legal in India but there is no law at present to regulate surrogacy. If Parliament passes the Assisted Reproductive Technology (ART) Bill, renting a womb by Indian and foreign couples looking for surrogate mothers is expected to become hassle-free.
2. The Draft Bill gives gays, singles the legal right to have surrogate babies. It defines a 'couple' as two persons living together and having a sexual relationship. After the Delhi High Court verdict on homosexuality, even two gay men can claim to be a couple.
3. A woman in the age-group of 21-35 can become a surrogate mother. She will be allowed five live births, including her own children. She will not be allowed to donate oocytes more than six times in her life.
4. In case of a single man or woman, the baby will be his/her legitimate child.
5. A child born to an unmarried couple using a surrogate mother and with the consent of both parties shall be the legitimate child of both of them.

6. During the gestation period, the couple will bear the surrogate's expenses and give monetary help to her. The couple may enter into an agreement with the surrogate.
7. Foreign couples must submit two certificates — one on their country's surrogacy policy and the other stating that the child born to the surrogate mother will get their country's citizenship.
8. Foreign couples have to nominate a local guardian who will take care of the surrogate during gestation.
9. ART banks, accredited by the government, will maintain a database of prospective surrogates as well as storing semen and eggs and details of the donor.
10. State boards will give accreditation to ART banks — private and government. The board will have a registration authority which, in turn, will maintain a list of all In-vitro Fertilisation (IVF) centres and monitor their functioning.
11. The Law Commission of India (2009) described ART industry as a "Rs 25,000-crore pot of gold". It recommended only altruistic surrogacy arrangements and not commercial ones. But the Draft Bill legalises commercial surrogacy as well.

Before Parliament passes the Bill, it must be debated thoroughly. Ethically, should women be paid for being surrogates? Can the rights of women and children be bartered? If the arrangements fall foul, will it amount to adultery? Is the Bill a compromise in surpassing complicated Indian adoption procedures?

Is the new law compromising with reality in legitimising existing surrogacy rackets? Is India promoting "reproductive tourism"? Does the law protect the surrogate mother? Should India take the lead in adapting a new law not fostered in most countries?

Special Legal Authority for Adjudication

The Draft Bill lacks the creation of a specialist legal authority for adjudication and determination of legal rights of parties by a judicial verdict and falls in conflict with the existing laws. These pitfalls need to be examined closely before enacting the legislation.

In the UK, no contract or surrogacy agreement is legally binding. In most states in the US, compensated surrogacy arrangements are either illegal or unenforceable. In some states in Australia, arranging commercial surrogacy is a criminal offence and any surrogacy agreement giving custody to others is void. In Canada and New Zealand, commercial surrogacy has been illegal since 2004, although altruistic surrogacy is allowed. In France, Germany and Italy, surrogacy, whether commercial or not, is unlawful.

What, then, prompts India to plan a legislation to protect the genetic parents, surrogate mother and the child? India's surrogacy boom began in January 2004 with a grandmother delivering her daughter's twins. The success spawned a virtual cottage industry in Gujarat. Today, India boasts of being the first to legalise commercial surrogacy soon to legitimise both intra-and inter-country surrogacy.

Reproductive Tourism

The would-be parents from the Indian diaspora in the US, the UK and Canada and foreigners from Malaysia, the UAE, Afghanistan, Indonesia, Uzbekistan, Pakistan besides Nepal are descending on sperm banks and In-vitro Fertilisation (IVF) centres in India looking for South Asian genetic traits of perfect sperm donors.

Moreover, renting wombs has become an easy and cheap option in India. Relatively low cost of medical services, easy availability of surrogate wombs, abundant choices of donors with similar racial attributes and the lack of any law to regulate these practices is attracting both foreigners and NRIs to sperm banks and surrogate mothers.

Surreptitiously, India has become a booming centre of a fertility market with its “reproductive tourism” industry reportedly estimated at Rs 25,000 crore today. Clinically called ART, it has been in vogue in India since 1978 and today an estimated 200,000 clinics across the country offer artificial insemination, IVF and surrogacy.

In Baby Manji Yamada’s case (2008), the Supreme Court observed that “commercial surrogacy reaching industry proportions is sometimes referred to by the emotionally charged and potentially offensive terms wombs for rent, outsourced pregnancies or baby farms”. It is presumably considered legitimate because no Indian law prohibits surrogacy. But then, as a retort, no law permits surrogacy either. Surely, the proposed law will usher in a new rent-a-womb law as India is set to be the only one to legalise commercial surrogacy.

In the absence of any law to govern surrogacy, the Indian Council of Medical Research guidelines (2005) for accreditation, supervision and regulation of ART clinics in India are often violated. Exploitation, extortion and ethical abuses in surrogacy trafficking are rampant and surrogate mothers are misused with impunity.

Surrogacy in the UK, the US and Australia costs more than US \$ 50,000 whereas advertisements on websites in India give varying costs in the range of US \$ 10,000 and offer egg donors and surrogate mothers. It is a free trading market, flourishing and thriving in the business of babies.

THE Draft Assisted Reproductive Technology (Regulation) Bill, 2010, is a step in the right direction. It will help regulate the functioning of the in-vitro fertilisation (IVF) centres and make the entire process of surrogacy legal. The setting up of ART banks will ensure quality check and accountability.

Everything would be in black and white and legal redressal for any failures will be possible. At present, there is no accountability of the IVF centres as they can deny everything as legally they don’t even exist.

However, with things becoming easier and legal, people might become overenthusiastic and have a baby for which they are not emotionally prepared on a long-term basis. Neglect and abuse of these children is an issue of concern and a mechanism should be put in place for monitoring their progress by social agencies.

Criticism of Draft Bill

Repugnant to human dignity

It is inconsistent with human dignity that a woman should use her uterus for financial profit and treat it as an incubator for someone else’s child. These words of the Warnock Committee reporting to the British Government in 1984 remain unanswerable even today. The proposed Bill, however, legalises not only surrogacy per se but even commercial surrogacy or surrogacy “for monetary compensation” or “on mutually agreed financial terms”.

Whatever the intentions, its inevitable consequence would be the creation of a market specialising in the sale and purchase of babies, or as the Court of Appeal in England put it in 1985, in “a kind of baby-farming operation of a wholly distasteful and lamentable kind”. The only proper way to pursue the Bill would be to abandon it.

Negative impact on society

For infertile couples wanting to have children, the ART would make things easier as regulations will be there for the entire process. But if it encourages single parenthood, it will not be in the interest of the children born out of such an arrangement and thus will have a negative impact on society.

Family togetherness, in traditional terms of having a father, mother and brother/sister, is important for the upbringing of any child and the same cannot be provided by gay or lesbian couples or individuals.

Children born to such couples or individuals may lack confidence. It will definitely affect the children in the long run.

Don't keep doctors out of the loop

Those who would run ART banks will not be professional doctors and hence won't be able to make the right decision. They will not have clinical knowledge about the quality of semen or oocytes. Doctors alone can run the IVF clinics. Keeping them out of the loop will not be in the interest of either the surrogate mothers or those hiring them.

8. Honour Killing

Recently, there has been a spate of honor killings in the country and this has led the government to decide what laws should be put in place to stop this heinous crime. Also whether the Hindu Marriage Act should be reformed or not is being debated. So what is the definition of honour killing and what leads families to commit this heinous crime so that they can protect their family honour? Is this practice prevalent only in India or is it prevalent in other parts of the world also? What are the misconceptions regarding honour killing and what are the solutions to stop this crime from spreading? These are the questions that this article seeks to find an answer to.

Honour Killing Definition

Honour killing is defined as a death that is awarded to a woman of the family for marrying against the parent's wishes, having extramarital and premarital relationships, marrying within the same gotra or outside one's caste or marrying a cousin from a different caste. Honour killing is different from the dowry deaths that are also a very common practice in India as, in the case of dowry deaths, the perpetrators of that action claim that they have not been given enough material rewards for accepting the woman into the family. In that case there is a lot of harassment from the in-laws and more times than one, it has been noted that the wife commits suicide rather than being killed by the in-laws, though it has to be said that she has been mentally killed, if not physically.

Background

We have had a tradition of honour killing. This tradition was first viewed in its most horrible form during the Partition of the country in between the years 1947 and 1950 when many women were forcefully killed so that family honour could be preserved. During the Partition, there were a lot of forced marriages which were causing women from India to marry men from Pakistan and vice-versa. And then there was a search to hunt down these women who were forced to marry a person from another country and another religion and when they returned 'home' they were killed so that the family honor could be preserved and they were not declared social outcasts from their region. At that time, the influence of religion and social control was much greater and hence there were at least a couple of honour killings a day, if not more. The partition years can be seen to be the beginning of the tradition of honour killing on a large scale. It's worth mentioning here that Honor Killing is not specifically related to India only. This is a practice that continues to be prevailing in North and South America, Africa, Turkey and many other countries. But the thing that has to be kept in mind is that the number of incidents relating to this crime is very low and there is a very strict punishment for committing this crime in other countries.

Reason

Now, there are various reasons why people or family members decide to kill the daughter in the name of preserving their family honour. The most obvious reason for this practice to continue in India, albeit, at a much faster and almost daily basis, is because of the fact that the caste system continues

to be at its rigid best and also because people from the rural areas refuse to change their attitude to marriage. According to them, if any daughter dares to disobey her parents on the issue of marriage and decides to marry a man of her wishes but from another gotra or outside her caste, it would bring disrepute to the family honour and hence they decide to give the ultimate sentence, that is death, to the daughter. Now as has become the norm, the son-in-law is killed as well. Sociologists believe that the reason why honour killings continue to take place is because of the continued rigidity of the caste system. Hence the fear of losing their caste status through which they gain many benefits makes them commit this heinous crime. The other reason why honour killings are taking place is because the mentality of people has not changed and they just cannot accept that marriages can take place in the same gotra or outside one's caste. The root of the cause for the increase in the number of honour killings is because the formal governance has not been able to reach the rural areas and as a result. Thus, this practices continues though it should have been removed by now.

Misconceptions : There are various misconceptions regarding the practice of honor killing.

- (i) **The first misconception** about honor killing is that this is a practice that is limited to the rural areas. The truth is that it is spread over such a large geographical area that we cannot isolate honor killings to rural areas only, though one has to admit that majority of the killings take place in the rural areas. But it has also been seen recently that even the metropolitan cities like Delhi and Tamil Nadu are not safe from this crime because 5 honor killings were reported from Delhi and in Tamil Nadu; a daughter and son in law were killed due to marriage into the same gotra. So it can be seen clearly that honor killing is not isolated to rural areas but also to urban areas and as already pointed out, it has a very wide geographical spread.
- (ii) **The second misconception** regarding honor killing is that it has religious roots. Even if a woman commits adultery, there have to be four male witnesses with good behavior and reputation to validate the charge. Furthermore only the State can carry out judicial punishments, but never an individual vigilante. So, we can clearly see that there is no religious backing or religious roots for this heinous crime.

How to Prevent : What can we do to prevent such a thing from happening?

Firstly, the mentality of the people has to change. And when we say that the mentality has to change, we mean to say that parents should accept their children's wishes regarding marriage as it is they who have to lead a life with their life partners and if they are not satisfied with their life partner then they will lead a horrible married life which might even end in suicide.

Secondly, we need to have stricter laws to tackle these kinds of killings as this is a crime which cannot be pardoned because. Humans do not have the right to write down death sentences of innocent fellow humans.

9. World Classical Tamil Conference

The five-day World Classical Tamil Conference was inaugurated by President Pratibha Patil with Tamil Nadu Governor Surjit Singh Barnala and Chief Minister M Karunanidhi attending the glittering function. Inaugurating the conference, the President praised Tamil language and said it reflected the heritage of the country, which was now following an inclusive growth paradigm to benefit all, particularly those in rural areas.

The President said, "The history of Tamils is our nation's pride. Many concepts intrinsic to India's society and basic to its polity are found in Tamil discourse over the millennium. For example, respect for each other's religion has long been part of Tamil cultural tradition."

“A principal tenet of the Constitution of our country is to secure social, economic and political voice to every adult citizen of the country. Universal Adult Franchise and our democratic framework have given a political voice to every adult citizen of the country,” she said, pointing out that adult franchise was in practice even during Chola dynasty rule in the state.

She also praised Tamil Nadu for leading in social reform, fighting social biases and working to achieve a society where all would be treated with equality. Patil said she has a special place for Tamil Nadu and recalled that it was in Chennai that she began her campaign for the Presidential elections. She also said that her first tour out of Delhi (as President) was to the state to address youth at Rajiv Gandhi National Institute of Youth Development.



Praising the Tamil ethos, the President said that they were based on pluralism, tolerance and humanistic approach and contributed towards the country from the early days to the present day.

“Tamil language, with its vibrancy and richness, has made India a proud multilingual society,” she said, adding Tamils such as poet Subramanya Bharathy had contributed to the freedom movement. She said Mahatma Gandhi had wanted to learn Tamil, especially to study the Tamil treatise Tirukkural.

First Kalaignar Karunanidhi Classical Tamil Award

Earlier, President gave away the first Kalaignar Karunanidhi Classical Tamil Award to Finnish scholar Asko Parpola.

The award contains a citation, a cheque for Rs 10 lakh and a statuette of saint Tamil poet, Tiruvalluvar.

Accepting the award, Parpola said the Government of India had rightly announced Tamil as a classical language due to its antiquity. Many critical scholars had agreed that even Rig Veda had spoken about half a dozen Dravidian languages, he said.

Karunanidhi in his address said Tamils should take note of the future growth of the language and plan its development in different spheres of human endeavour like literature, comparative studies, language studies, translation, history, philosophy, humanities and folklore.

Tamil A Classical Language

Karunanidhi have to plan and enthuse further meaningful research on these areas and encourage intense research on archaeological findings from the Indus valley through Adichnalur and Kumarikkandam, that was swallowed by the sea,” he said.

He said this conference was the first after Tamil got the classical language status and was different from the previous eight World Tamil Conferences. Tamil was not only an international language, but like a mother for all world languages, he said.

Karunanidhi said he had always served the cause of the language, irrespective of whether he was in power or not. T Sivathambi, Tamil scholar from Sri Lanka, said Tamil was the oldest Dravidian language of India. “It is an official language in six or seven countries and rightly deserves to be a classical language.”

Karunanidhi said that almost all world languages have some words originating from Tamil. “Hence Tamil has the status of the first mother tongue in the world,” Karunanidhi claimed.

Quoting from Sangha period and the Mahabharatha, he said there were 11 well-defined yardsticks for a language to be termed classical — antiquity, individuality, common character, neutrality, parental kinship, linguistic principles, literary prowess, noble ideas and ideals, culture, art and wisdom born of experiences.

“That Tamil possesses all these merits has been accepted unanimously not only by scholars in Tamil Nadu and other Tamil scholars in the rest of India, but by foreigners who learnt the language and attained enviable proficiency in Tamil,” he said.

In his address, Tamil Nadu Governor Surjit Singh Barnala said the richness of Tamil and its growth was that as a hoary language, it has its deep roots in almost all important languages families of the world.

“Development of a language depends on its reach, richness and growth, without losing its purity of standard and pristine form,” Barnala said.

He said the conference would work on modalities for further promotion of Tamil studies and Tamil research at global level.

While Thirukkural was the ‘crown’ of Tamil language and Sangam literature, Kamba Ramayanam and Silapathikarm were the jewels of Tamil language, Barnala said, adding that they bore testimony that Tamil language has a special claim for being a classical language.

10. Verdict on Bhopal Gas leak case comes after 26 years.

During the trial, 178 prosecution witnesses were examined and 3,008 documents were exhibited. CBI counsel C Sahay has argued that the world’s worst industrial disaster occurred due to defective design of the UCIL’s factory and poor maintenance. Sahay told the court that the Union Carbide Corporation, USA, surveyed the UCIL’s Bhopal factory in 1982 and found serious safety and maintenance lapses on nearly ten counts. He contended that even after UCC experts’ team visit adequate safety measures and maintenance work did not take place in the UCIL. The prosecution argued that even the experts’ team of the central government which visited the UCIL plant, after the toxic leak from it in 1984, found that safety norms and maintenance work had not been properly carried out in the factory. Sahay has contended that the expert team has found the design of the plant defective which led to the tragedy. On the other hand, the defence counsels D Prasad and Amit Desai maintained that maintenance and safety norms were properly adhered to in the factory. They said experts from Union Carbide Corporation, USA, who had visited the UCIL Bhopal’s plant did not find any fault in the unit following the death of a worker in 1982 — two years before the tragedy. The defence contended that the UCIL was so much concerned on safety front that after the death of one Mohammed Ashraf Khan, it reported the matter to the UCC, which carried out a safety



audit. After the UCC team's visit, its recommendations to further improve safety measures were taken care of in the stipulated time. The defence counsels have also refuted the charge that UCIL Bhopal was running into losses and as a result of it, the unit was not in a proper shape. Defence counsel Prasad told the court that the UCIL had 17 factories across the country and except Bhopal unit, all others were earning profit. The UCIL as a whole was running in profit and its Bhopal unit staffers' salary was hiked before the Gas tragedy took place. He said there was no retrenchment in the Bhopal unit and it had adequate work force. The defence refuted the prosecution charge that the UCIL had decided to dismantle and shift its Bhopal plant to foreign country — Brazil or Indonesia — following financial losses. The prosecution's theory that the factory was being shifted was based on a written communication between two officers — one of UCIL and another of Union Carbide Eastern, Hong Kong, it said. The communication was just related to preliminary study to look into feasibility of dismantling and shifting the unit, the defence has argued, adding such a big decision can not be taken by two officers. The defence counsels contended that their clients were not in any way responsible for the tragedy and also put forth the accounts of the witnesses and documents.

The accused in the case include Keshub Mahendra, then Chairman of UCIL, Vijay Gokhle, then Managing Director of UCIL, Kishore Kamdar, then former vice president, UCIL, Mumbai, J Mukund, then former Works Manager, UCIL, Mumbai, SP Chouhary, then former Production Manager, UCIL, Mumbai, K V Shetty, then Plant Superintendent, UCIL, Mumbai, SI Qureshi, the then Production Assistants, UCIL, Mumbai. The accused have been tried under various sections of IPC including 304 (A) (causing death by negligence, 336 (acts endangering life or personal safety of others) and 337 (causing hurt by act endangering life or personal safety of others). Warren Anderson, former Chairman, Union Carbide Corporation, USA is absconding in the case. On June 7, 2010 the verdict pronounced by the Chief Judicial Magistrate convicted all the eight accused including the former chairman of Union Carbide, Keshab Mahindra and awarded them a maximum of two year's imprisonment. They were later released on bail.

Bhopal gas tragedy : Timeline

December 3, 1984: Union Carbide India Ltd's (UCIL) pesticide plant in Bhopal releases Methyl isocyanate. Around 800, 000 people exposed to the gas. According to government estimates, 15000 people died. Others passed on the harmful effects of the gas, genetically. A FIR in the tragedy was filed. **December 4, 1984:** A case is registered against Union Carbide. The chairman Warren Anderson is arrested but later released on bail by the Madhya Pradesh police. **December 6, 1984:** The case was transferred to CBI. **1985:** India claims \$3.3 billion from Union Carbide in an American court. **December 1, 1987:** The CBI filed the charge sheet after investigation and subsequently, the CJM framed charges against the accused under section 304 Part (II) (culpable homicide not amounting to murder), section 326 (voluntarily causing grievous hurt by dangerous weapons or means) and other relevant sections of IPC. **1989:** Indian government and Union Carbide strike out-of-court deal, Union Carbide gives \$ 470 million. **1992:** Part of \$ 470 million disbursed among victims. Anderson declared fugitive from law for ignoring court summons. **September 13, 1996:** After the accused moved the Apex Court, it amended the charges to 304 (A) (causing death by negligence), 336 (acts endangering life or personal safety of others), 337 (causing hurt by endangering life or personal safety of others) and other sections of IPC. **2001:** Union Carbide refuses to take responsibility for former Indian arm's liabilities. **2004:** Supreme Court orders government to pay out rest of \$ 470 million paid by Union Carbide as compensation. **June 7, 2010:** Finally, after more than 25 years, a local court held all eight accused guilty in the case. However, all eight convicts were granted bail.

11. Amendment to Hindu Marriage Act and Special Marriage Act

Union Cabinet approved an amendment in the Hindu Marriage Act 1955 and Special Marriage Act 1954.

Talking to reporters after meeting, Minister for Information and Broadcasting Minister Ambika Soni said that this amendment provides for divorce of a couple in case of irretrievable differences. "This will have to be carried out with mutual consent and will help reduce the harassment," she added.

Untie the knot

The Bill would provide safeguards to parties to marriage who file petition for grant of divorce by consent from the harassment in court if any of the party does not come to the court or wilfully avoids the court to keep the divorce proceedings inconclusive.

At present, various grounds for dissolution of marriage by a decree of divorce are laid down in section 13 of the Hindu Marriage Act, 1955.

The grounds inter alia include adultery, cruelty, desertion, conversion to another religion, unsoundness of mind, renouncement of the world and not heard as being alive for a period of seven years or more.

Section 27 of the Special Marriage Act, 1954 also lays down similar grounds.

12. Defence Technology Commission (DTC)

Government announced setting up of a new Defence Technology Commission to provide a major boost to research and development and decided to go for the second generation of main battle tank 'Arjun' and 'Akash' surface-to-air missile.

The decision to set up the Commission with Defence Minister A K Antony as its chief forms part of a series of measures aimed at transforming and revitalising the Defence Research and Development Organisation (DRDO) in form and substance, Defence Ministry spokesperson Sitanshu Kar said.

DTC – Recommendation of P. Rama Rao Committee

"A new Defence Technology Commission will now be established with the Defence Minister as its Chairman and supported by a Secretariat located at DRDO Headquarters," he said, quoting Antony, who approved the recommendations of a committee under former Science and Technology Secretary P Rama Rao that was set up in February 2007 to restructure DRDO.

After the committee had submitted its report to Antony a year later, another team headed by Defence Secretary was formed to study the report and submit recommendations for implementation.

The government has also given its nod to development of second generation of main battle tank 'Arjun' and 'Akash' surface-to-air missile by DRDO.

With Arjun's performance in the comparative trials with Russian T-90 tanks coming in for praise and it proving itself to be a superior tank, the decision to go in for a second generation Arjun Mk-II tanks is only an indication that the Army would be inducting more of these tanks in the future.

Already, the Army has placed orders for 124 Arjun tanks of which about 50 tanks were finally handed over to it last year to form a regiment.

Decentralisation of DRDO Management

Other key measures on which Antony took a decision include the de-centralisation of DRDO management and making it a leaner organisation by merging some of its laboratories with other public-funded institutions with similar discipline, interest and administrative system.

The Defence Ministry would now engage an eminent Human Resource (HR) expert as consultant to revamp the entire HR structure of DRDO and establishment of a commercial arm of the Organisation.

Antony also decided to continue with the Aeronautical Development Agency (ADA) for design and development of combat aircraft, a continuation of the Kaveri aero-engine programme.

To increase private participation in DRDO activities, it has also been decided to select industry partners through a transparent process by evolving a suitable mechanism.

13. First Defence University in India

A meeting of the Union Cabinet, chaired by Prime Minister Manmohan Singh, accorded "in principle" approval to set up the Indian National Defence University (INDU) near Delhi, Information and Broadcasting Minister Ambika Soni told.

Expense

To be established at an estimated cost of Rs 300 crore, the university would come up on a 200 acre land at Binola in Gurgaon, Haryana. A sum of Rs 100 crore has been earmarked for acquisition of the land.

Drawing lessons from the 1999 Kargil conflict, the government decided to set up the first defence university in the country to enable holistic study of defence and strategic security challenges.

Curriculum

The existing defence educational institutions like the National Defence College in New Delhi, College of Defence Management at Secunderabad, National Staff College at Wellington and National Defence Academy in Pune, would be affiliated to INDU. At present, these institutions are attached to various universities.

"INDU will undertake long-term defence and strategic studies and create synergy between the academic community and government functionaries," Soni said.

The proposed university, which would be fully autonomous and constituted under an Act of Parliament, would promote policy-oriented research on all aspects of national security as part of the strategic national policy-making, she said.

"It will encourage awareness of national security issues by reaching out to scholars and an audience beyond the official machinery," Soni said.

INDU would educate national security leaders on all aspects of national strategies in the fields of security, military, information and technology, through teaching and research, she added.

INDU – Recommendation of K. Subramanyam review committee :

After the Kargil conflict, the government had set up a Review Committee, headed by eminent strategic expert K Subrahmanyam, which had recommended establishment of such a university to exclusively deal with defence and strategic matters.

The Committee had also recommended finding of ways and means to integrate the academic community, armed forces, paramilitary forces, intelligence agencies and the bureaucracy in strategic security policy making and related issues.

14. Indian Rupee gets distinct look

The Indian Rupee has finally got its official symbol, thus giving Rupee a distinct identity and international recognition. Currently, Indian Rupee is abbreviated as Re, Rs or INR.

“The symbol would lend a distinctive character and identity to the currency and further highlight the strength and global face of the Indian economy,” Information and Broadcasting Minister Ambika Soni told reporters after the cabinet meeting. Though the symbol will not be printed or embossed on currency notes or coins, it would be included in the ‘Unicode Standard’ and major scripts of the world to ensure that it is easily displayed and printed in the electronic and print media. The symbol will be adopted in a span of six months in the country, and within 18 to 24 months globally, Soni said, adding that it will feature on computer keyboards and softwares for worldwide use. Soni said that the symbol, which reflects the Indian ethos and culture, would help distinguish the currency from the rupee or rupiah of other countries like Pakistan, Nepal, Sri Lanka and Indonesia.

The New York Times adds:

For India, the next step after government approval is submission to the Unicode Consortium, a not-for-profit organization of many of the world’s largest software manufacturers, which has created standard computer coding to represent many of the world’s languages. An Indian technology trade organization, Nasscom, will ask software developers to include the symbol in their new products, and Indian keyboard manufacturers will be encouraged to include it new products.

Currency symbols are supposed to reflect status and economic strength. But when you think about the Kazakhstani tenge and the Nigerian naira, which both have their own symbols, that doesn’t quite hold up. Currency symbol has more of a nationalistic function in practice. It’s a way to unite a country and make its citizens proud.

The symbol was designed by D. Udaya Kumar, who is with the department of designer at IIT, Guwahati. “My design is based on the Tricolour with two lines at the top and white space in between. I wanted the symbol for the rupee to represent the Indian Flag,” said Kumar.

15. Education becomes a Fundamental Right

Education for children aged between 6 and 14 has finally become a fundamental right with the notification of the Right of Children to Free and Compulsory Education Act.

In an address to the nation, Prime Minister Manmohan Singh reiterated the government’s “national commitment to the education of our children and to the future of India”. He said: “The health, education and creative abilities of our children and young people will determine the well-being and strength of our nation. Education is the key to progress. It empowers the individual. It enables a nation.”

The Right to Education (RTE) Act :

While the notification is an important milestone, the government acknowledged that the real challenge lay in the effective implementation of the Act. In his short address, Mr Singh referred to the need for all stakeholders to work together to realise the Right to Education (RTE), describing it as a “common national endeavour”.

What would reassure members of the civil society and mandarins in Shastri Bhavan is the Prime Minister’s public commitment that “financial constraints do



not hamper the implementation of the Right to Education Act". The requirement of large funds and inadequate provisioning have been major reasons for the delay in the notification.

Welcoming the notification, UNICEF representative in India Karin Hulshof said: "Tens of millions of children will benefit from this initiative ensuring quality education with equity. RTE will propel India to even greater heights of prosperity and productivity for all, guaranteeing children their right to a quality education and a brighter future."

Real Challenges

And while the notification does mark a historic moment, the real challenge has just begun. A fact duly recognised by minister for human resource development Kapil Sibal. Referring to the work that lies ahead, Mr Sibal said: "The biggest challenge lies in provisioning for teachers, defining neighbourhood schools, helping less privileged private schools, many of them unrecognised, to improve their infrastructure and quality of education." Acknowledging the challenge, Mr Sibal said "none of it is going to be easy".

Mr Sibal stressed that the RTE provided the opportunity to "do away with the myth that government can't provide quality education". In a country, where the lure of the private school has led to the mushrooming of schools outside the government sector, this could prove to be the basic challenge that the government will face. Stressing on the historic opportunity that the government has to "reform and transform education", Malini Ghose of Nirantar, an NGO dealing with education and gender, said: "The right marks a transition from education as a welfare mechanism to one that is about rights and entitlement. It sets a variety of standards which have huge implications for quality, defining who a teacher is, what comprises a school, what are classroom practices. If properly implemented, RTE has huge implications in terms of equity."

Drawing attention to some of the major challenges before the government, educationist Vimala Ramachandran said: "The government has a three-year window, and if it is serious about fixing the education system then it will have to undertake fundamental reform, much like the reforms embarked on when the country took the decision to liberalise."

An important component of this reform would concern teachers. "It's not just about hiring 12 lakh more teachers, how are you going to get teachers to go and teach in these government schools, particularly in North India, West Bengal and Orissa, where they are not functioning. The right is not just about a physical space called school, but the learning experience," she said.

State Government to adopt the Model Rules

The government is alive to the huge task that lies ahead. Already Mr Sibal has written to chief ministers asking them to adopt/adapt the model rules for implementation. He has also suggested that states undertake school and social mapping exercises to determine where new schools would need to be set up. Besides this, efforts have to be made to facilitate the enrolment of out-of-school children in age-appropriate classes, and provide the requisite training for proper integration. On the issue of teachers, the minister has requested that "economy orders in the state against filling teacher vacancies" be lifted, so that posts can be filled expeditiously. The other teacher-related issue is to ensure that all untrained teachers acquire the requisite qualifications.

With education becoming an entitlement, efforts will have to be made to ensure that those on the margins are able to seek redressal. To this end, Mr Sibal has asked states to constitute the State Commission of Protection of Child Rights, as this is the body that will be charged with the monitoring of child rights under the Act.

While these are the initial steps, the government will need to ensure that allocations are made. The Thirteenth Finance Commission has provided for Rs 25,000 crore to the states over five years for

the implementation of RTE. This over and above allocations for centrally-sponsored schemes like Sarva Shiksha Abhiyan, Mid-Day Meal, teacher education. For the current year, the central allocation is to the tune of Rs 15,000 crore, and the centre will bear 55% of the burden. The ministry is keen that the Centre's burden is increased to 65% to ensure that states do not fall behind on implementation due to fund crunch.

Long and arduous journey

It has been a long and arduous journey for this fundamental right. Despite the unanimous support for the move, the enabling RTE legislation hasn't had an easy passage. Work on RTE was started by the NDA government soon after Parliament passed the constitutional amendment in December 2002. The first delay came when the NDA was voted out of power in May 2004. Work on the RTE was then taken up by the Kapil Sibal committee of the Central Advisory Board of Education (CABE).

The Sibal draft slated the financial implications, estimated by the then National Institute of Education Planning and Administration, at a minimum of Rs 3,21,196 crore to a maximum Rs 4,36,458.5 crore over six years. This is where the proposed legislation ran into trouble. The question of funding was to hold up the bill for the next four-and-a-half years. The ministry of human resource development then worked to bring down the financial implication of the bill. Finally, whittling it down to Rs 171,000 crore.

16. Justice Srikrishna Committee on Telangana Issue

After holding consultations with eight recognised political parties on the Telangana issue, the government constituted a five-member committee "to hold wide-ranging consultations with all sections of the people and all political parties and groups in Andhra Pradesh."

Composition of Committee

The committee will be headed by the former Supreme Court judge, Justice B.N. Srikrishna. The other members of the committee are: Professor (Dr.) Ranbir Singh, Vice-Chancellor, National Law University, Delhi; Dr. Abusaleh Shariff, Senior Research Fellow, International Food Policy Research Institute, Delhi; Dr. (Ms.) Ravinder Kaur, Professor, Department of Humanities and Social Sciences, IIT, Delhi; and Vinod K. Duggal, former Home Secretary, who will also function as its Member-Secretary. Mr. Duggal is also a member of the Justice Punchhi Commission on Centre-State relations.

Terms of references of B.N. Srikrishna Committee

The terms of references of the five member Shri Justice B.N. Srikrishna Committee constituted on 3rd February, 2010 will be the following :

1. To examine the situation in the State of Andhra Pradesh with reference to the demand for a separate State of Telangana as well as the demand for maintaining the present status of a united Andhra Pradesh.
2. To review the developments in the State since its formation and their impact on the progress and development of the different regions of the state.
3. To examine the impact of the recent development in the state on the different sections of the people such as women, children, students, minorities, other backward classes scheduled castes and scheduled tribes.
4. To identify the key issues that must be addressed while considering the matters mentioned in items (1), (2) and (3) above.
5. To consult all sections of the people, especially the political parties, on the aforesaid matters and elicit their views to seek from the political parties and other organisations a range of solutions

that would resolve the present difficult situation and promote the welfare of all sections of the people; to identify the optimal solutions for his purpose; and to recommend a plan of action and a road map.

6. To consult other organisation of civil society such as industry, trade, trade unions, farmers organisations women's organisations and students' organisations on the aforesaid matters and elicit their views with specific reference to the all round development of the different regions of the state.
7. To make any other suggestion or recommendation that the Committee may deem appropriate.

The Committee is requested to submit its report by December 31, 2010.

17. Gender Disparities Declined in India - A Report

A report released by the women and child development ministry claimed that gender disparity has declined in a number of key areas from 1996 till 2006 and many states have progressed in translating their growth into a better quality of life for women.

Gender Empowerment Measures :

The report — Gendering Human Development Indices : Recasting the Gender Development Index and Gender Empowerment Measure for Index — and said there was an overall improvement in performance on gender empowerment measures (GEM) over the decade, both in the all-India score and in the scores achieved by all the states and Union territories.

In fact, there are some states that have gone a step further and progressed fast in GEM and providing access to the resources. Delhi ranked on top among them with the highest GEM score, 0.564, in 2006. The state was third last time Nagaland, on the other hand, which was in the lowest rank in 1996 continued to remain down this time too along with Bihar and other northeastern states. About 14 states and Union territories achieved GEM scores above 0.485 in 2006, while in 1996, only two states Goa and Kerala — were above the cut.

GEM was calculated on political participation and decision-making power, economic participation and power over economic resources of women. The GEM score for all of India was 0.416 in 1996, which improved to 0.497 in 2006.

Talking about economic participation and decision-making power, it was found that Madhya Pradesh had highest number of women IAS, IPS and IFS officers in 2006. There were 272 women officers in the bureaucracy from the state, followed by Maharashtra (171), Karnataka (161), Uttar Pradesh (157) and Andhra Pradesh (141).

There is one-third reservation for women in urban bodies and Panchayati Raj Institutions (PRIs). It was found that representation of women in PRIs has increased well beyond the 1/3rd limited in several state and reached an all India average of 36.75% in 2006.

In comparison, representation of women in the 15th Lok Sabha was only 10.7%. It was only 9.52% in Rajya Sabha.

“This clearly shows that affirmative action has resulted in increased representation and participation of women in decision-making at the grass-root level” the report said.

18. Navjat Shishu Suraksha Karyakram

Navjat Shishu Suraksha Karyakram is a new programme in Basic new-born care and resuscitation (23% of neonatal death occurs due to asphyxia at birth).

A two-day training module for care providers at health facilities has been developed and training programme to train master trainers at State and district levels has been rolled out with the support of Indian Academy of Paediatrics and Neonatal Forum of India. Training for all care providers shall be completed by June 2010.

The NSSK will train healthcare providers at the district hospitals, community health centres and primary health centres in the interventions at birth with the application of the latest available scientific methods aimed at significantly reducing the infant mortality ratio.

The health and Family Welfare Ministry will organise district level trainers 'training programme for 10 states and master trainers' training programmes in other States and Union Territories.

The States will be expected to roll out training for medical officers, nurses and auxiliary nurse midwives on their own.

This program was launched in September 2009 by Union Health Minister Gulam Nabi Azad. The aim of the program is to reduce the Infant Mortality Rate (IMR) from 55 to 30 by the year 2012. IMR in India was 60 in 2003 & 55 in 2007. The new programme will enable the paramedical staff to save new born child and mother at various health centres across the country.

19. Armed Forces Tribunal

The Country's first Armed Forces Tribunal launched on 8th August, 2009. The Armed Forces Tribunal Act, passed by Parliament in 2007, came into effect in June 2008. It provides for adjudication by the tribunal of disputes and complaints about commission, appointments, enrolment and service conditions in respect of those covered by the Three Services Act and hearing of appeals arising out of orders, findings or sentences of court martial. The tribunal will have original jurisdiction in service matters and appellate jurisdiction in court martial matters.

The Armed Forces Tribunal, an exclusive court for nearly 2.5 million serving and retired defence personnel. The tribunal, which has been a long-standing demand of the servicemen, will deal with nearly 9,000 military cases pending in various courts across the country. The tribunal will be functional once the government issues the notification in this regard. Set up by an act of Parliament in December 2007, the tribunal will have its principal bench in New Delhi and eight regional benches across the country. It will have 15 courts in all - three each in New Delhi, Chandigarh and Lucknow and one each in Jaipur, Mumbai, Kolkata, Guwahati, Chennai and Kochi. The tribunal will also act as the appellate forum for the armed forces personnel against court martial rulings.

The tribunal will act as a civil court while adjudicating in service matters and as a criminal court when hearing appeals against court martial. The tribunal's chairperson will be retired or serving judge of the Supreme Court or chief justice of a high court. Justice AK Mathur, former judge of the Supreme Court, has been appointed the tribunal's first chairperson and he assumed charge September 1, 2008. The judicial members of the tribunal will be serving or retired judge of a high court while the administrative members would be officers of the rank of Major General or equivalent in either of the three services or an officer not lower than the rank of a Brigadier or equivalent who has rendered not less than one year of service as the Judge Advocate General of the Army, Navy or Air Force.

II

International Issues

1. UN imposes fresh sanctions on Iran

The 15-nation council passed a resolution that was the product of five months of talks between the United States, Britain, France, Germany, China and Russia. With 12 votes in favour, it received the least support of the four Iran sanctions resolutions adopted since 2006. The four Western powers had wanted much tougher measures — some targeting Iran’s energy sector — but Beijing and Moscow succeeded in diluting the steps outlined in the 10-page resolution. “This council has risen to its responsibilities. Now Iran should choose a wiser course,” US Ambassador Susan Rice told the council after the vote. Iran denies Western allegations that it is seeking nuclear weapons, insisting that its uranium enrichment program is for peaceful energy purposes only. The resolution calls for steps against new Iranian banks abroad if a connection to the nuclear or missile programmes is suspected, as well as vigilance over transactions with any Iranian bank. It also expands a UN arms embargo against Tehran and blacklists three firms controlled by Islamic Republic of Iran Shipping Lines and 15 belonging to the Islamic Revolutionary Guard Corps. The resolution also calls for setting up a cargo inspection regime similar to one in place for North Korea. US Defence Secretary Robert Gates on Tuesday said individual states will likely move quickly to pass their own measures that go beyond the UN sanctions.

Blacklist

Annexed to the draft resolution is a list of 40 companies to be added to an existing UN blacklist of firms whose assets around the world are to be frozen on suspicion of aiding Iran’s nuclear or missile programmes. The new blacklist includes only one individual, Javad Rahiqi, head of an Iranian nuclear centre where uranium is processed. His assets will also be blocked and he will face an international travel ban. The focus of heated last-minute negotiations, the new blacklist that emerged contained 41 firms, including two banks. By the end of the day China had demanded the deletion of one bank, the Export Development Bank of Iran. Brazil and Turkey voted against the resolution. Their UN envoys said before the vote that they saw no reason for more sanctions against Tehran. Turkey and Brazil revived parts of a plan brokered by UN nuclear inspectors in October for Tehran to part with 1,200 kg of low enriched uranium return for special fuel rods for a medical research reactor. They said

the deal bolstered the case against sanctions. But the United States, Britain, France and Germany say the deal did nothing to change Tehran's refusal to suspend uranium enrichment in defiance of five Security Council resolutions.

2. Somalia : on the verge of anarchy

Somalia has become the poster child for transnational threats emanating from Africa. By sea, pirates much more dangerous than their predecessors from centuries past prowl the Indian Ocean and Red Sea waterways and extort tens of millions of dollars in ransom. By land, extremist militias connected to al-Qaeda units ensure that Somalia remains anarchic and the only country in the world without a functioning central government.

US Connection to Somalia

Until recently, this seemed to matter little to most Americans, as our only perceived connection to Somalia was the receding memory of the Black Hawk Down incident over 15 years ago, when 18 American soldiers were killed in what was thought to be a humanitarian mission.

Suddenly, though, Americans have reconnected to Somalia in two distinct ways.

First, The drama that unfolded on the high seas which finally led to the rescue of the American ship captain from his pirate captors has provided a glimpse into a modern day profession that most of us had thought was limited to Johnny Depp movies and the shores of Tripoli. Ships carrying oil, tanks, and other prized cargo have been taken hostage by Somali pirates, and a naval armada from Europe, Asia and North America hasn't stopped these sea-based predators.

Second, at least 20 American citizens have gone to Somalia and joined jihadist militias there, mostly to fight against Ethiopian forces which until recently occupied swathes of southern Somalia. These Americans joined the al-Shabab organization, which the U.S. classifies as a terrorist group. Many came from America's Midwestern heartland, and were recruited mostly in mosques around Minneapolis.

Both the land and sea phenomena have similar roots: in the absence of any state authority, predatory mafia and insurgent networks drive the informal economy, combining to extort, tax and ransom their way to multi-million dollar incomes. This reinforces state collapse, as the economic incentive remains in favor of disorder and predation rather than stability and the rule of law. In this vacuum jihadist recruitment has flourished, and U.S. actions over the last fifteen years have only fanned the flames of extremism.

The Bush administration pursued a policy that prioritized military measures over political processes and state reconstruction. After the September 11, 2001 terrorist attacks in New York and Washington, U.S. policy emerged from years of neglect to one of its most counter-productive chapters, in which American intelligence agents began to funnel suitcases full of dollars to Somali warlords that professed willingness to attempt to capture al-Qaeda elements there. After that approach only galvanized further support for extremist militias, the U.S. then supported Somalia's regional rival Ethiopia to invade, which led to an even faster rise in jihadist recruitment in Somalia and back here in the U.S. Counter-terrorism and anti-piracy efforts are both failing because they prioritize military force over state reconstruction diplomacy and real development, much more effective long-term antidotes to terrorism, piracy and insurgency.

There have been fourteen distinct attempts to build a new government in Somalia in the past 17 years since the collapse of a U.S.-supported Cold War era dictator. The current effort has stumbled into something potentially successful, given the new president is a pragmatic Islamist himself, who

sees the need for an inclusive process of state-building and who can deal directly with jihadist hardliners in ways that previous secular leaders could not.

Challenges

The **first challenge** is rooted in security. The insurgency will be defeated primarily by political, not military means. News reports suggest that some Pentagon officials are advocating more military strikes inside Somalia. Airstrikes during the Bush administration occasionally took out one or two targets on the ground but inspired hundreds more Somalis to join the jihadist insurgency. Absent a state-building strategy, muscle-flexing military approaches are counter-productive for counter-terrorism.

The **second challenge** is governance. A nascent transitional administration led by Sheikh Sharif Ahmed requires support. In our travels over the years in Somalia, we have found that the basics most Somalis are looking for are security and services, primarily education. We should start there.

In fighting terrorism on land and piracy at sea, U.S. national security interests will be better secured if we aligned ourselves more with the interest of most Somalis in better security and effective governance. Helping to build the house and using the back door will be much more effective than barging into the front door of a house that has yet to be built.

3.US Af-Pak Policy

United States is at critical cross-roads today in South Asia facing the stupendous strategic challenge of retrieving Afghanistan and Pakistan from state-failures which endanger vital United States national security interests.

Afghanistan and Pakistan failure as a state

Afghanistan's state failure needs to be attributed to the United States and Pakistan. Afghanistan as significant geo-strategic and geo-political entity for United States national security interests stood abandoned after the Soviet withdrawal in 1989 and left to Pakistan's devices. Pakistan Army in the name of its doctrine of "strategic depth" exploited the vacuum by installing its protégé, the Taliban, who brutalized Afghanistan with medieval Islamic suppression. Had it not been for 9/11, Afghanistan would have continued in Pakistan's and Taliban's brutal clutches. 9/11 in its wake brought US military intervention to displace the Taliban regime and the Al Qaeda infrastructure.

The US military intervention which commenced in 2001 continues, and the Af-Pak strategy is a follow-up mid-course correction in US strategic approach to stabilize Afghanistan and reclaim it as a strategic asset in relation to Iran and Central Asia.

Pakistan's state failure arises from its own self-generated breakdown in governance, failure to forge a common national identity and failure to recognize and respect its strategic asymmetries with India, which it continues to challenge on the strength of the intrusive external powers in South Asia, namely USA and China.

The Afghanistan-Pakistan region today presents an embattled security environment for the United States resulting from United States policies or lack of policies over the last twenty years. "Strategic Inattentiveness" in Afghanistan and "Strategic Permissiveness" of Pakistan's "double-timing" the United States over Afghanistan has generated the emergence of these two failed states.

United States over-exaggeration of Pakistan's strategic utility to US national security interests prompted Pakistan to strategically box above its weight including the delusionary mindset of the Pakistan Army that Afghanistan and even Kashmir fall into its natural security perimeter and strategic backyard, rightfully.

In terms of overall perspectives of the Af-Pak region it can safely be asserted that while Afghanistan presents all the possibilities of retrieval from state-failure, Pakistan today is beyond retrieval from state -failure despite United States massive strategic, political and economic resuscitation.

The political and military turbulence in the Af-Pak Region not only affects Afghanistan and Pakistan but also complicates India's security environment and of the region. This presentation will not touch on it as it is a separate theme being discussed.

However in overall terms, it needs to be highlighted that in the pursuance of the Af-Pak Policy should the United States repeat its propensity to give primacy to Pakistan's India-specific strategic sensitivities, the United States risks putting US-India ties under strain and retard the evolution of the US-India Strategic Partnership.

President Obama seems to have embarked on a bold and calculated gamble to turn the situation around for the United States, by attempting to join at the strategic hip the adversarial and irreconcilable nations of Afghanistan and Pakistan. Realistically speaking Afghanistan and Pakistan stand integrated in the Af-Pak strategy only in United States strategic thinking and policy approaches in Washington. In terms of operational execution of the Af-Pak strategic blueprint there is no unified headquarters, joint planning staff or joint operations of the three Armed Forces involved. The Pakistan Army has already dismissed suggestions by the United States for joint operations on Pakistan's explosive Western frontiers.

The Af-Pak Strategy in terms of a detailed blueprint has not been released in the public domain. Only the broad conceptual approach and the United States intentions have been spelt out. So the analysis of the efficacy of the Af-Pak strategy perforce gets based on the broad contours available in the public domain.

Obviously, the United States would have worked out detailed plans for implementation of the Af-Pak strategy in which in addition to Afghanistan and Pakistan there would be many more sub-texts in the regional context and in the context of contingencies of Pakistan's nuclear weapons arsenal being taken over by the Al Qaeda and the Taliban.

Strictly going by details of Af-Pak strategy released in the public domain, in terms of objective analysis, even the broad thrusts of Af-Pak Strategy are debatable in terms of the efficacy of the overall strategy and the uncertain directions it presents even in the short term perspective. Essentially, what is debatable and creates doubts on the efficacy of the Af-Pak policy is Pakistan hyphenation.

The Af-Pak Strategy has been received with reservations within the United States policy establishment and strategic community. In Pakistan there is a virtual rejection of the US Af-Pak Policy across a wide spectrum of political and strategic thought, with the exception of the apex leadership. Pakistan today abounds in conspiracy theories spinning around the ulterior motives of the US Af-Pak Strategy.

The Pakistan Army's own responses on this account were sluggish in terms of implementation in NWFP and FATA until the United States jerked the Pakistan Army with a virtual ultimatum of US military intervention. Pakistan Army's record of 2001-2008 hardly inspires confidence that it will further the US end-objectives of the Af-Pak Policy.

Afghanistan and Pakistan stand designated as the major pivots by the United States on which the Af-Pak strategy hinges. The efficacy of the Af-Pak strategy would be heavily dependant on the committed approaches of these two pivotal states to the strategic aims of the United States in the Af-Pak Region.

United States Afghanistan Politico-military Strategy (2001-2008) :

Any politico-military review of US Afghanistan strategy for the period 2001-2008, that is the prelude to the Af-Pak Policy, needs to focus on the major question as to why the United States as the predominant global power unchallenged in Afghanistan by any other global power or regional power failed to exploit the stupendous strategic gains that were thrown up by the United States successful military intervention, made possible by Afghanistan's Northern Alliance.

Without going into the long history of 2001-2008 period, the politico-military strategic mistakes in what is now termed as the Af-Pak Region can be briefly summed up as two. These are:

- United States "Strategic Inattentiveness" in Afghanistan
- United States "Strategic Permissiveness" pertaining to Pakistan and its disruptive role in Afghanistan.

"Strategic Inattentiveness" in Afghanistan by the United States was the outcome of its fatal error in strategic choices between Afghanistan and Iraq. Retrospectively, it can be stated that Bush Jr Administration's military intervention in Iraq was a certainty even if 9/11 had not taken place.

The 9/11 attacks on homeland USA by the Al Qaeda hosted by the Taliban in Afghanistan and facilitated by Pakistan, necessitated the US military intervention in Afghanistan in December 2001.

In the wake of its military intervention, the United States committed a fatal policy mistake in terms of strategic choices.

Afghanistan post 9/11 became a "War of Necessity" but the US Gulf War II against Iraq was a "War of Choice".

The United States should have followed through its "War of Necessity" in Afghanistan to its logical conclusion. But the United States failed to do so and gave primacy to its "War of Choice".

The United States Af-Pak Policy may fail again for the same reasons. Afghanistan still continues as a "War of Necessity". Pakistan is only a "War of Choice".

The United States "Strategic Inattentiveness" in Afghanistan in the last eight years has led to the adverse military situation that US faces in Afghanistan today.

Three US shortcomings were:

- US failed to give proper priority and allocation of resources to build up the Afghan National Army. In eight years it would have been built to significant levels. US did not do so out of respect for Pakistan Army's sensitivities on Afghanistan.
- US failed to deploy troop levels commensurate to achieve decisive military results.
- US failed to develop adequate aid programs and allocate resources

The United States "strategic neglect" of Afghanistan because of its Iraq War distraction facilitated the Pakistan Army to generate the threatening scenarios which the US Obama Administration has now to face.

Pakistan Army generated threatening scenarios which challenge the United States today are:

- Al Qaeda and Taliban stand regenerated and regrouped courtesy the Pakistan Army in Pakistani sanctuaries in NWFP, FATA and Balochistan.
- The Taliban is now a force to be reckoned with in large areas of Southern Afghanistan.
- The two prized fugitives sought by USA, namely Osama bin Laden and Mullah Omar are sheltered by Pakistan Army, out of reach to United States, in Pakistani safe havens

Notwithstanding the above, what needs to be recorded at this stage is that despite the US Administration's strategic neglect of Afghanistan, the US & NATO Forces in Afghanistan with their limited numbers and political limitations have been "successful" in preventing the military re-occupation of Afghanistan by the Taliban, regrouped and re-generated by the Pakistan Army in the last eight years.

This strategic reality, therefore throws up a number of important deductions in relation to the efficacy of Af-Pak Policy. These are:

- US & NATO Forces given the required combat strengths are fully capable of restoring overall stability and security in Afghanistan.
- US & NATO Forces operational success can be speeded up if the United States accords top priority and allocates resources for rapid expansion and upgradation of the Afghan National Army. (The billions of dollars being provided to Pakistan Army could be better spent on Afghan National Army).
- US & NATO Forces operational success could be speeded up if the US Administration "surgically disconnects Pakistan's sensitivities from US policy formulations on Afghanistan.

During the period 2001-2008 the United States compounded its "Strategic Inattentiveness" in Afghanistan by its "Strategic Permissiveness" of Pakistan's propensity to a continuing destabilization of Afghanistan.

The United States is sheer disregard of Pakistan's proven complicity in the facilitation of 9/11 attacks on USA, the Talibanization of Afghanistan and WMD proliferation to states adversarial to USA, co-opted Pakistan as an "ally" in its war against Al Qaeda and Taliban. Nothing could have been strategically more preposterous.

The period 2001-2008 in terms of Pakistan's relations with USA is a sordid story of broken pledges, strategic de-stabilization of Afghanistan and working at cross-purposes against US national security interests.

The United States continued to be oblivious to these Pakistani transgressions until protestations by US & NATO Forces commanders broke out in the open in 2007-2008.

US strategic denouement with Pakistan first surfaced openly sometime in 2008. In the first quarter of 2009, this was being publicly aired at the highest levels of Obama Administration.

The Two Pivots Of United States Af-pak Policy

Afghanistan and Pakistan form the two vital pivots of the US Af-Pak Policy. The successful implementation of this critical United States policy hinges on the willingness and capacity of Afghanistan and Pakistan to deliver on the strategic end- aims of the Af-Pak Policy.

Afghanistan has a positive vested interest in the success of the US Af-Pak Policy as it would ensure that Southern Afghanistan presently in the grip of the Taliban could be liberated from their hold by US & NATO Forces. Similarly Taliban and the Al Qaeda sanctuaries in Pakistan's tribal areas opposite Eastern Afghanistan could be liquidated. Secured from Taliban threats and with greater reconstruction efforts under the Af-Pak Policy, Afghanistan could hope for greater peace and stability.

Contrarily, the Pakistan Army has a vested interest in impeding the successful implementation of the Af-Pak Policy: The Af-Pak Policy's successful implementation would rob the Pakistan Army of its policy of 'strategic depth' provided by a Pakistan-subjugated Afghanistan. It also destroys the main strategic assets of the Pakistan Army so effectively used against Afghanistan and India – the Al Qaeda and Taliban.

Rather briefly, a comparative contextual "Risk Forecast Survey" of Afghanistan and Pakistan highlights the following revelations.

Afghanistan - Pakistan

Security Environment :

- Afghanistan Security environment, not as dismal as media reports indicate
- North, Central and Western Afghanistan are relatively quiet • US & NATO Forces military operations concentrated in Southern and Eastern Afghanistan. These areas are contiguous to Pakistan
- Southern and Eastern Afghanistan are key areas of Al Qaeda and Taliban operations against US & NATO Forces, operating from sanctuaries in Pakistan
- Pakistan's Western Frontiers are explosive.
- Ongoing insurgency in Baluchistan.
- Suicide bombings and terrorist attacks in Pakistani heartland.
- Pakistan's internal security situation grave.
- Pakistan Army's aerial and artillery bombardments in current military operations have led to internal displacement of nearly 3 million people with adverse effects on internal security. • Pakistan Army's domestic image stands dented, morale is low and desertions rampant. Frontier Constabulary is distrusted by the Pakistan Army.

Political Environment :

- Presidential Elections due in August 2009.
- Despite some reservations US likely to back President Karzai's return as President.
- No noticeable political turbulence.
- Pakistan's political environment is combustible
- Political discord between Pak Army and political establishment.
- Political discord within polity itself.
- Political writ of the state extends to Punjab only.
- Fears of Pak Army Coup.
- President isolated.

Policy Establishment and Public Attitudes Towards US Military Presence :

- US presence welcomed both for security and reconstruction reasons
- Recent polls indicate that hardly 4% of Afghans would welcome return of Taliban.
- Afghanistan favors Af-Pak Policy. Its objection is to the hyphenation of Afghanistan with Pakistan
- Pakistan as a nation vehemently Anti-US right from 1979 onwards
- Currently, Anti-US sentiments are over-boiling due to Pakistani perceptions that they are being made to fight America's war on Afghanistan.
- Strong feeling that US is extending its Af-Pak war in Afghanistan deeper into Pakistan proper.
- Within Pakistan Army and its intelligence agencies, there is a growing proportion of Islamists presence and influence.

- Pakistan Army is growingly distrustful of United States motives and interventions in Af-Pak Region.

The Af-Pak Policy when viewed from the “Risk Forecast” perspectives in terms of successful implementing throws up the following major deduction for the United States.

- Afghanistan poses lesser challenges and imponderables to the successful implementation by the United States of its Af-Pak Policy.
- Afghanistan has hosted US & NATO Forces since the last five years, and they, but for Southern Afghanistan have secured the remainder of Afghanistan. This provides a “firm base” on which Af-Pak Policy successes can be built upon by a surge in both troop levels and reconstruction effects.
- Pakistan in terms of “Risk Forecasting” is a “High Risk” strategic investment for the United States in terms of its Af-Pak Policy.
- Pakistan poses high risks, vulnerabilities and imponderables when its perspectives suggest an impending internal implosion, its pronounced nation-wide anti-American sentiments and its unreliability as a strategic partner of the United States in strategic undertakings on the Af-Pak region.
- Increasingly, within the United States, there is a growing perception that in terms of perspectives and possibilities, in the Af-Pak Region it is not Afghanistan which may turn out to be United States next Vietnam. There are stronger possibilities that it is Pakistan which may eventually turn out to be United States next Vietnam.

Af-Pak Policy : United States Other Likely Strategic Aims

Strategic analysis of the period in the run-up to the release of the Af-Pak Policy provides clues that the United States has much larger strategic aims in the guise of the Af-Pak Strategy, beyond just the destruction of the Al Qaeda and its surrogates in the Af-Pak region.

Noticeably during this period there was a sustained public articulation at the highest levels of the US Obama Administration of a number of American strategic concerns pertaining to Pakistan. These were:

- Pakistan Army controlled Inter-Services Intelligence (ISI) continued to be in league with the Al Qaeda and Taliban and assisting them in their fight against US & NATO Forces in Afghanistan.
- Pakistan Army continued to view Taliban leaders as strategic assets and leaked intercepts which indicated that Pak Army Chief General Kayani saying so.
- More significantly and with greater emphasis was the US campaign questioning the safety and security of the Pakistan Army controlled nuclear weapons arsenal.

The Af-Pak Policy strategic aims as spelt out in the public domain gives the impression that the United States has selected limited aims in both Afghanistan and Pakistan.

Strategic naivety cannot be attributed to the global superpower like the United States. Obviously, the Af-Pak strategy detailed blueprint not released for public consumption has incorporated in it much larger strategic aims, especially in reference to Pakistan.

Inferring from the US propaganda campaign questioning the security and safety of nuclear weapons arsenal, against the backdrop of likely state failure of Pakistan it would be reasonable to expect that the United States would have contingency plans to take out nuclear weapons from Pak custody.

Pakistan’s strategic community has been alive to the possibilities of a direct US military intervention and been expressing concerns since 2008 when the United States strategic denouement with Pakistan burst in the open.

Following the release of the Af-Pak Policy, within Pakistan the response to Af-Pak policy from foreign policy and strategic analysts have been livid. They perceive that the deeper US underlying strategic aims of Af-Pak Policy are:

- United States is deliberately pushing its war in Afghanistan deeper into Pakistan.
- United States now seems to be converting Afghanistan into a front-line state against Pakistan as a base for United States possible military intervention.
- United States real strategic aim under the cover of the Af-Pak Policy is to facilitate the destruction of Pakistan's nuclear weapons arsenal.

Pakistan's perception of the underlying US strategic aims in Af-Pak Policy can best be illustrated by quoting the views of Shireen Mazari, who was earlier the Director General of Pakistan's Institute of Strategic Studies, unceremoniously sacked by the Government last year, and if Pakistani media reports are to be believed that this took place under US pressure:

- Claiming that Al Qaeda statements of using nuclear weapons against the USA was a US-inspired development, she stated "The absurdity of the statement, notwithstanding, it can be explained only if seen as part of the campaign to legitimize a US-NATO takeover of our nuclear assets since our security prevents the US from taking them over physically".
- "Once again the fact is that unless the Pakistan military is weakened from within the assets cannot be accessed at all. Hence the need of the US to get the military bogged down in a conventional battle against unconventional forces in Swat and FATA – without any overarching political strategy visible from the Government".

Af-Pak Policy : The Likely Directions In The Near Future

In view of the analysis presented so far, the likely directions in the near future that may emanate from the implementation of the Af-Pak Policy do not generate any hopes of optimism.

The main contributory reasons for the not so optimistic directions basically arise from United States present policy orientations. These are:

- United States obstinacy in not disconnecting Pakistan Army from its policy formulations on Afghanistan
- United States according primacy in its Af-Pak policy to retrieval of Pakistan from state-failure rather than a sole concentration on its aim of stabilizing Afghanistan

Should the United States have larger underlying strategic aims in its Af-Pak Policy pertaining to neutralization of Pakistan's nuclear weapons arsenal then the above criticism becomes invalid and primacy to Pakistan is then understandable.

Either way the 'likely directions' that may emerge in the near future essentially will be determined by two major factors, namely:

- Pakistan Army faithfully executing its role assigned in Af-Pak Policy by the United States of liquidating the Al Qaeda and Taliban and secondly hermetically sealing of Pakistan's borders with Afghanistan.
- United States strategic determination not to exit Afghanistan out of combat fatigue and a firm disciplining of the Pakistan Army should it deviate from the objectives assigned to it by the United States as part of the Af-Pak Policy

The United States itself concedes that the next 12-18 months are the most crucial for the United States in terms of success of the Af-Pak Policy.

In the next 12-18 months the likely directions that can emanate in Afghanistan and Pakistan are as follows :

Afghanistan

- United States completes its planned troop buildup in Afghanistan with concentrations in military strength in Southern and Eastern Afghanistan.
- Intensification of US & NATO Forces military operations in these regions against Al Qaeda and Taliban
- United States likely not only to intensify drone operations against the Taliban in their sanctuaries opposite Southern and Eastern Afghanistan but also extend drone operations to Balochistan
- Enhance reconstruction activities

Pakistan

- United States likely to put sustained pressure on Pakistan Army to liquidate Al Qaeda and Taliban
- Pakistan Army likely to face US ultimatums of direct military intervention within Pakistan, should Pakistan Army be sluggish in its operations against the Al Qaeda and the Taliban.
- US drone operations on Pakistani targets could intensify and extend to Balochistan.

Consequent to the above the following developments could emerge within Pakistan:

- Al Qaeda and Taliban along with their surrogates intensify Pakistan – specific terrorism war and insurgency within Pakistan
- Pakistan Army's becomes doubly embattled both on its explosive Western Frontiers and also battling terrorism and insurgency within heartland Pakistan.
- Pakistan Army's domestic image has already taken a beating. Its faithful execution of US Af-Pak Policy role assigned to it could damage Pakistan Army image still further by being projected as a US lapdog fighting an American war against its co-religionists.
- Pakistan Army could face a strong upheaval within its own widening ranks of Islamists who sympathize and lean towards Al Qaeda and Taliban.
- Al Qaeda and Taliban could make a concerted bid to gain control of Pakistan's nuclear assets not by direct attacks but through Islamist elements within the Pakistan Army engaged in nuclear assets security.

Pakistan Army in all these likely eventualities can turn in only two or three directions, namely :

- United States Af-Pak pressures on Pakistan be strategically deflected by military adventurism against India in Kashmir.
- Resort to Mumbai 9/11 type of attacks against India to provoke Indian retaliation and shift US pressures to India.
- Pakistan Army strategically defies the United States by refusing to be drawn into Af-Pak roles, stages a military coup with support from Al Qaeda, the Taliban and other Islamists and enters into a confrontation with the United States.
- Al Qaeda encouraged to inflict another 9/11 on USA provoking the United States into a military intervention in Pakistan.

Based on these likely directions that can emanate in the near future, one then enters the arena of scenario-building in terms of options for the United States should the Af-Pak Strategy unravel because of the Pakistan factor and Pakistan once again double-timing the United States, or even confronting the United States in league with Al Qaeda, the Taliban and other Islamic surrogates.

Notwithstanding any scenarios that may eventually emerge the stark strategic reality for the United States is that it cannot afford to exit from the Af-Pak region. Moreso, if the end aim of Af-Pak strategy is neutralization of Pakistan's nuclear weapons arsenal, neutralize the political primacy of the Pakistan Army in the country, governance and put the ISI under firm civilian control.

Failure is not an option for the United States in the execution of its Af-Pak Policy.

In the worst case scenario, the United States may be left with no options but to resort to a direct military intervention against Pakistan. This would be the worst case scenario for the United States and Pakistan too.

This however will most likely be preceded by the application of tremendous coercive levers available to the United States against Pakistan in the form of:

- Economic sanctions
- Cutting off all economic and financial assistance
- Cease all military and
- Naval blockade and aerial blockades
- Facilitate secessionist movements in Pakistan e.g. Balochistan

4. Politics of Iranian Impasse

Nuclear energy: A sign of 'development'

Akbar Etemad, is the father of Iran's nuclear program. He founded the Iranian Atomic Energy Agency (AEOI) and worked closely with the Shah of Iran at the project's birth. He describes how, from the very beginning, prestige was a factor: "Both the Shah and me felt conscious of the need for Iran to sit at the top table," he tells ISN Security Watch. "We knew that by developing nuclear technology in Iran all scientific activities would be elevated." Thirty years on, this feeling still dominates. In the words of ex-nuclear negotiator Hassan Rohani: 'The people feel great pride because our young Iranian scientists can produce nuclear fuel, the most important part of the fuel cycle, despite all of the sanctions and pressure from the West.'

And what of weapons? Would they be to fulfil Ahmadinjad's pronouncement that Israel be wiped off the map? One can never be sure; the mullahs are not always rational. But neither as they as irrational as people believe; they have one overarching goal: survival. The doctrine of mutually assured destruction is a simple one, and more than capable of being understood in Tehran. A nuclear strike against Israel would provoke a larger nuclear response and arguably lead to Iran's own destruction.

A weapons capability, in the eyes of the regime, would do several things. It would, like civil nuclear power, bring respect and prestige. We remember that for De Gaulle France's nuclear capability was more than a security guarantee – it was a symbol of French independence and its reaffirmation as a great power. More than this, though, is again the influence of history: the Iran-Iraq war lives on in the nation's collective memory. Iranians have not forgotten the indifference of the world to Saddam's use of chemical weapons and the failure of international institutions to act. In 1988, then commander-in-chief of the armed forces, Ali Rafsanjani, stated that the war:

“...[M]ade clear that the moral teachings of the world are not very effective when war reaches a serious stage and the world does not respect its own resolutions and closes its eyes to the violations and all the aggressions which are committed in the battlefield. We should fully equip ourselves both in the offensive and defensive use of chemical, bacteriological, and radiological weapons.”

This is heady stuff. It is also an instructive statement; in essence a mandate for the acquisition of WMDs. More importantly, it sheds light on the motivations for this: The world is indifferent, and no one can be relied upon. Iran has internalized these feelings until they have ossified into policy.

Axis of Evil

Iran has also faced practical dangers from Washington. The Bush administration labelled Iran a member of the “Axis of Evil” and actively supported “regime change.” The US has maintained a large military presence in the Middle East since the first Gulf War in 1991 with Saudi Arabia and the UAE home to numerous American bases, all within easy striking distance of Iran. Operation Enduring Freedom in 2001 saw huge numbers of US troops gathered on the country’s eastern border in Afghanistan. The overthrow of Saddam in 2003 undoubtedly removed a pressing security concern but saw yet more US troops massed now on its western border.

Now add to this the presence of US forces in the CIS republics of the former Soviet Union, notably Uzbekistan and Tajikistan: Iran has been encircled by the US on its own continent. There is a popular joke in Iran: There are just two countries in the world that have only the United States as their neighbour: the other one is Canada. US President Barack Obama has signalled a change in policy, but suspicion very much remains.

The Islamic Republic is a thuggish state, but it is not stupid. Compared with the interminable meanderings of the EU3 and the US, its nuclear negotiations have been balletic. Indeed, any examination of Iranian diplomatic behavior in the pursuit of nuclear power over the last five years reveals a sophisticated nation, playing a game of brinkmanship whilst simultaneously staying firmly within, (often barely) international diplomatic norms.

Through all its defiant rhetoric it has always expressed a willingness to negotiate –even if only as a stalling tactic. Apart from the occasional grumble it has shown no signs of withdrawing from the NPT and thereby turning itself into a genuine outcast. When compared to its clumsy and unreasonable ‘diplomacy’ during the 1979-1980 hostage crisis, the difference is immeasurable. By scrupulously exploiting fissures within the international coalition and seizing upon structural weakness of non-proliferation architecture, it has managed to creep ever onward with its program and enter more fully than at any time since the Islamic Revolution into the diplomatic game of nations.

Enriching uranium, creating suspicion

But this creates its own problems of course. The situation is summed up by Reza Khazaneh, the former head of the Isfahan nuclear technology center and advisor to ex-AEOI heads Reza Amrollahi and Golam-Reza Aqazadeh: “I think it is good to master any science or technology. It can be beneficial. If Iranian engineers have managed to enrich uranium with these centrifuges, this is a progress for Iran,” he says to ISN Security Watch. “But the problem is that because of issues such as heavy water and enrichment activities – which have created suspicion – our foreign relations have worsened, especially with the western countries.”

Iran is gambling a lot – possible military strikes from Israel, for a start - to obtain nuclear capability – either civilian or weapons - that it believes befits its status. And, ironically, this is what separates it from the truly rogue state. Iran does not want to abandon or tear down the international order; it wants to delay it on its own terms, from its self-perceived rightful place within that order; a Gulf strongman with much to say on global affairs.

This has its problems of course. The region, particularly the Gulf monarchies, has much to fear from Iranian designs – but it is not the squalid isolationism of North Korea. This has not been adequately understood or addressed. Once it is, a solution may be found.

5. Panda Diplomacy

The “repatriation” of two pandas born in captivity in the United States became a celebration of Sino-American friendship. The two animals born and raised in two US zoos are heading for Sichuan. The event is taking place after two highly tense weeks that saw the two countries at loggerheads over the internet, human rights, exchange rates, Dalai Lama and arms sales to Taiwan. “Panda diplomacy” remains one of the few channels of dialogue and cooperation between the two world superpowers.

Tai Shan, a four-year-old male, and Mei Lan, a three-year-old female, beloved by zoo-goers in Washington and Atlanta zoos, where they were born, are en route to their ancestral homeland, Chengdu, capital of the south-western province of Sichuan. Here, they will join China’s panda breeding programme, whose experts are desperately trying to encourage mating by one of the world’s most endangered species to ensure their survival.

The pandas’ departure turned into a major event in the United States. Their last days on US soil saw a flood of visitors who wanted to say farewell to the two animals.

“I just hope they can have a good time in China and be able to make their own families,” 10-year-old Kelly Davis from the District of Columbia is quoted as saying in China’s official news agency Xinhua

Zoo officials in Washington and Atlanta, who twice postponed the pandas’ departure, expressed mixed feelings.

“We’re very proud to have shared Mei Lan’s life to the point where she can now begin making her own contributions to the world’s population of giant pandas,” Atlanta zoo official Rebecca Snyder said.

Dozens of media reporters and members of the American public gathered outside the FedEx building at the Dulles International Airport on Thursday to bid a final adieu to the pandas.

Panda toys and pins were especially made for the event, with Tai Shan and Mei Lan’s images on them, along with Chinese and American national flags painted on the plane’s fuselage.

Dubbed the “FedEx Panda Express”, the flight was weeks in the making with and about a hundred staff members involved. The pandas’ luggage included water, 75 kg of bamboo and other items as well as a box of farewell letters from the American public.

“During the past four and half years, Tai Shan and Mei Lan have not only represented the crystallization of China-US collaboration on giant pandas’ preservation, but also served as special bonds between Chinese and American people and a symbol of their friendship,” said Xie Feng, deputy chief of mission at China’s Embassy in Washington.



The most touching moment came when a young American man knelt and proposed to his girlfriend with Tai Shan as a witness of love and romance, Xie recalled.

The “panda diplomacy” was started when China sent the first panda couple, Ling Ling and Xing Xing, to the National Zoological Park in Washington as a gift in 1972, even before the two countries officially established diplomatic relations.

Tai Shan and Mei Lan, on the other hand, will be forever remembered as “honourable American citizens,” said a DC government official. Chinese authorities hope that the two pandas can help the endangered species. Sichuan panda breeding programme officials are planning to mate the two specimens with other panda born and bred in China. Pandas are considered a national treasure in China but they are notoriously poor breeders.

Experts have used extreme measures such as rigorous “sexercises” and even showing them panda porn—films of pandas mating—to encourage them to have sex and procreate.

6. Jundallah Rebels

The Sunni rebel group Jundallah, which is battling the Iranian government in Sistan-Baluchistan province, has claimed responsibility for double, suicide bombing outside of a Shi’ite mosque in the provincial capital of Zahedan. The attack killed at least 27 people and wounded about 270. The blasts took place after Iran’s recent hanging of the rebel group’s leader, Abdolmalek Rigi.

The Sunni rebel group Jundallah claimed responsibility Friday for twin suicide bombings at a Shi’ite mosque in Zahedan, capital of Iran’s Sistan-Baluchistan province. A statement on the group’s website called the attacks a “response to the crimes and atrocities of the regime,” including the recent hanging of its leader Abdolmalek Rigi.

Both suicide bombers detonated their explosives at timed intervals during prayers inside the mosque. Jundallah claimed that its operation was aimed at what it said were the “many [Iranian] Revolutionary Guard members inside the mosque.”

Iranian government television denounced what it called the “barbaric” attacks perpetrated against innocent civilians. One man who survived the bombings condemned the perpetrators.

He says that those who perpetrated these awful crimes are not human and are not Muslims. He insists that the crimes were committed when innocent people were participating in a joyful religious celebration. Sistan-Baluchistan’s Sunni majority has long had tense relations with Iran’s central government. Jundallah rebels have carried out numerous bloody mosque bombings in recent years.

Iranian officials have repeatedly accused the United States and Israel of supporting Jundallah. U.S. Secretary of State Hillary Clinton, however, denounced bombings, calling them “terrorist attacks.” Jundallah also reportedly enjoys close ties with the Afghan and Pakistani Taliban. Jundallah members say they are fighting to secure rights in the Sunni Baluchis in Shi’ite-dominated Iran.

Iran analyst Meir Javedanfar of the MEEPAS Center in Tel Aviv notes that Jundallah claims to be defending the Sunni Muslim causes :

“Jundallah plays on the Sunni card,” said Meir Javedanfar. “It says that it’s defending Sunni rights in Iran. Therefore, by attacking a Shi’ite mosque, it would be trying to make a point, by saying that it’s targeting the people who are oppressing it. However, targeting a mosque full of innocent people, I wonder how it’s going to help them, unless the people who were killed were military officials.”

Former Iranian President Abolhassan Bani Sadr, who lives in exile in France, insists Jundallah’s acts of terrorism stem from the Iranian government’s mistaken policies of oppression in Sistan-Baluchistan:

He says that fact that these explosions occurred after the hanging of Rigi proves that the government's actions weren't wise. This terrorism, he argues, is born of a tyrannic relationship between the regime and its people, and the relationship must change for the terrorism to stop. He stresses that the Iranian government uses violence in Sistan-Baluchistan and that violence only begets more violence.

7. Russia Retifies European Rights Convention

Russia's upper house of parliament, the Federation Council, has voted overwhelmingly to ratify the European Convention on Human Rights.

The convention allows citizens the right to appeal to an international court in Strasbourg on human rights issues.

Russia signed the convention two years ago, when it joined the forty-member Council of Europe, but the ratification process only started when the communist-led lower house of parliament, the Duma, approved the convention last month.

8. SAARC International University takes shape

To reverse brain drain, provide an academic opportunity in the subcontinent and promote a sense of South Asian community, a plan first mooted in 2005 is finally and quietly taking shape - in the form of the first truly international university being set up by eight nations.

Tax-free dollar salaries for an international faculty, a variety of multi-disciplinary courses focused on research, a multinational exam for admission, an academic environment free of directions from commissions and a think tank to ponder over the shared problems of the subcontinent - these will be the key features of the South Asian University (SAU) being set up by SAARC nations.

The university, headed by former JNU V-C Prof. G.K. Chadha - once a student of Prime Minister Manmohan Singh - will start operating between August 2010 and January 2011, offering postgraduate courses in economics, computer applications and biotechnology. Faculty will be recruited largely from SAARC countries, but SAU has kept open options of looking beyond.

9. Landmark Deal in Northern Ireland

Northern Ireland's MPs have approved a landmark deal transferring crucial from London to Belfast, in what British Prime Minister Gordon Brown hailed as the "final end" to decades of conflict. The vote in the Northern Ireland Assembly was passed by 88 votes to 17 after a stormy debate and, in the hours leading up to it, a rare intervention from former US president George W. Bush.

Leaders of the two main power-sharing parties voted in favour of switching control over policing and justice powers from London to Belfast, but failed to persuade the Ulster Unionist Party (UUP) to join them.

Despite the opposition, Brown hailed the deal as the final stage in creating a devolved settlement in Northern Ireland, which was wracked by three decades of violence before a first peace agreement in 1998. "Today the politics of progress have finally replaced the politics of division in Northern Ireland," Brown said. "The completion of devolution... is the final end to decades of strife. It sends the most powerful message to those who would return to violence : that democracy and tolerance will prevail."

US Secretary of State Hillary Clinton praised the agreement as an "important step for the peaceful and prosperous future for all of the people of Northern Ireland for generations to come."

10. Pakistan Supreme Court Strikes down Amnesty Ordinance

Pakistan's president faced fresh calls to step down after the Supreme Court struck down an amnesty that had protected the increasingly unpopular leader and several of his political allies from corruption charges. While President Asif Ali Zardari is immune from prosecution while in office, rulling heaps pressure on his administration, which is a key partner of the United States in the fight against Taliban and al-Qaeda militants.

The Supreme Court hearing has churned up details of Zardari's alleged personal fortune and the president already faces plummeting public approval ratings and fractious relations with the powerful military. Interior Minister Rehman Malik and Defence Minister Ahmed Mukhtar were among more than 30 politicians and 8,000 people who had benefitted from the original amnesty contained in the National Reconciliation Ordinance (NRO).

"(The) promulgation of the NRO seems to be against the national interest... thus it violates various provisions of the constitution," said the ruling read out by Chief Justice Iftikhar Mohammad Chaudhary.

The NRO was passed in October 2007 by then-president Pervez Musharraf, under international pressure to hold democratic elections and end about eight years of military rule. The decision sharpened political tensions in the nuclear-armed nation just as the United States and its other western allies want it to unite and fight against al-Qaeda and Taliban militants based along the Afghan border.

The US was believed to have carried out another missile strike against militants along that border. Intelligence officials said the missiles hit a car carrying two suspected insurgents in Dosali village in North Waziristan, a Pakistani tribal area.

While it is generally agreed that President Asif Ali Zardari has immunity from prosecution as president, his opponents now plan to challenge his eligibility to hold the post. Zardari and his aides say any corruption charges against him are politically motivated and that he will not step down.

Critics said he was morally obligated to resign, at least while the court heard any challenges to his rule. "It will be in his own interest, it will be in the interest of his party and it will be good for the system," said Khawaja Asif, a senior leader from the opposition Pakistan Muslim League party.

The amnesty was part of a US-brokered deal with former military ruler Pervez Musharraf that allowed former Prime Minister Benazir Bhutto to return home from self-exile and participate in politics without facing charges her party says were politically motivated. Zardari, Bhutto's husband, took control of the party after Bhutto was assassinated in 2007.

The amnesty, known as the National Reconciliation Ordinance, either stopped corruption investigations or probes into other alleged misdeeds or wiped away convictions in cases involving up to 8,000 ministers, bureaucrats or politicians from across the spectrum.

11. Gulf Arab States Move Closer to Single Currency

Gulf Arab nations put into force a monetary pact moving a step closer toward the elusive goal of a single regional currency and greater integration between the mainly oil-rich states. The announcement by Kuwait's finance minister came as leaders from the six-member Gulf Cooperation Council nations were wrapping up a two-day summit in which they launched a regional electricity project and discussed, among other issues, Iran's nuclear program and the war in Yemen.

Mustafa al-Shimali told Kuwait's official KUNA news agency that the launching of the monetary pact would now allow the governors of the central banks of the six GCC nations to set up "a timetable

for the establishment of a regional central bank, with the aim of launching a unified Gulf currency. The GCC, which groups Kuwait, Saudi Arabia, Qatar, the United Arab Emirates, Oman and Bahrain, has been trying for years to develop a unified currency as a part of a push for broader economic integration between their predominantly oil-rich nations.

“This is something that a lot of people were looking forward to,” said John Stakianakis, chief economist at the Riyadh, Saudi Arabia-based Banque Saudi Fransi-Credit Agricole Group. “This is a good step forward, but we also need to have some clarity on the authority of the monetary council” such as the timeframe at which they will move ahead.

The plan has hit repeated obstacles, however, with the United Arab Emirates and Oman saying they would not participate. Still under review is whether the unified currency would be pegged to a basket of currencies, the U.S. dollar or some other currency. All GCC nations peg their currencies to the dollar except for Kuwait which relies on a basket of currencies.

Also unclear is whether the UAE - the second largest economy in the Arab world - will do an about-face and join the union. Oman has said it won't join because it is not ready. Al-Shimali voiced hopes that the two nations would join “in the near future”.

12. Political Turmoil in Kyrgyzstan

The political turmoil in Kyrgyzstan was caused by a lack of solid democratic institutions, a chief Kremlin ideologist told RIA Novosti. “The events in Kyrgyzstan are not just a political crisis, they are a tragic example of what happens to a society unable to create a strong state,” a deputy head of the Russian presidential administration, Vladislav Surkov, said. Kyrgyz President Kurmanbek Bakiyev had to flee the Kyrgyz capital Bishkek and later his traditional stronghold in the country's south following nationwide protests which broke out about five years after he came to power as a result of the 2005 Tulip revolution. Unlike the generally non-violent overthrow of Askar Akayev and his family clan in 2005, at least 82 people were killed and over 1,500 injured during April riots.

Surkov compared the current situation in Kyrgyzstan to Russia's turbulent 1990s. “[Such events happen when] instead of solid democratic institutions something else takes hold : clans instead of parties, corruption instead of economy, foreign loans instead of treasury, disorder instead of elections, a crowd of looters instead of civil society and personal ambitions instead of the will of the majority.” He said that Russia has learned a “clear and simple” lesson from the Kyrgyz turmoil. “A strong government [is needed] for a strong nation. By strong I mean fair, flexible, responsive and open to change,” he said hard line secularists have long suspected the AKP of having a hidden agenda to blur the line between religion and state Turkey.

13. Costa Rica elects first women President

Mrs. Chinchilla will become the first women to lead her country after securing a clear victory in the presidential election. “Thank you, Costa Rica!” said Mrs. Chinchilla, the candidate of the ruling National Liberation Party, addressing thousands of supporters after her top rival conceded defeat.

“This is a moment for joy, but above all, also a moment for humility.” the president-elect continued. “I will not betray your confidence because it is clear that it has not been given to me as a gift.” Mrs. Chinchilla, the protegee of Nobel peace laureate President Oscar Arias, is set to take office on May 8.

The 50-year-old career politician was born into a political family and served as public safety minister, congressional deputy and most recently as vice-president and justice minister in outgoing President Arias's cabinet.

Married with a teenage son, Mrs. Chinchilla is a social conservative - opposing gay marriage, abortion and any change to Roman Catholicism's position as the state religion. Costa Rica's development strategy in recent years has centred around boosting tourism and exports, mainly fruit and high-quality coffee, but increasingly also manufactured goods such as microchips, through free-trade pacts.

"These are priority issues for us," Chinchilla said.

"The greatest challenge we face in the coming years is to take the absolute most of these trade treaties."

14. Obama Signs Jobs Bill into Law

Speaking at the Rose Garden in the White House before signing the bill, Mr. Obama stuck a cautious note saying, "I'm signing it mindful that, as I've said before, the solution to our economic problems will not come from government alone. Government can't create all the jobs we need nor can it repair all the damage that's been done by this recession."

In a clear indication that jobs may dominate the administration's agenda in 2010, Mr. Obama said, "There is a lot more that we're going to need to do to spur hiring in the private sector and bring about full economic recovery." However, he said the government could promote a strong, dynamic private sector as the "true engine of job creation," and nurture the conditions that allow companies to grow and start hiring again.

Unemployment levels in the U.S. stabilised last month at 9.7%. While the economy has technically emerged out of recession, over 8 million Americans lost their jobs through the global economics downturn and new hiring is sluggish.

Apart from its strong focus on hiring in businesses, particularly small and medium sized business, the HIRE Act stands out for its focus on job creation through infrastructure project financing support. Touching upon this aspect of the bill Mr. Obama said it reforms the framework of municipal bonds to encourage job creation by expanding investment in schools and clean energy projects.

"Say a town wants to put people to work rebuilding a crumbling elementary school or putting up wind turbines. With this law, we'll make it easier for them to raise the money they need, to do what they want to do by using a model that we've called Build America Bonds - one of the most successful programme in the Recovery Act," Mr. Obama explained.

Commending a minority of republicans in Congress who supported the bill Mr. Obama said, "The jobs bill I'm signing today - and our broader efforts to achieve a recovery - aren't about politics. They're not about Democrat versus Republican. This isn't a game that we're playing here. They're about the people in this country who are out of work and looking for a job."

15. Coalition Government Assumes Power in Britain

Britain took a leap into the political unknown last night when the conservatives and liberal democrats formed the first full coalition government in Britain since 1945, with David Cameron serving as the country's 52nd prime minister and Nick Clegg becoming his deputy. The ending of Gordon Brown's premiership and 13 years of labour rule followed the collapse of last-ditch efforts to forge a progressive government of labour and the Lib Dems, provoking bitter recriminations on both sides over how Clegg's party arrived at the decision to decide to prop up a Tory government on what will be a five year fixed term.

Cameron finally entered Downing Street after seeing the Queen at Buckingham Palace last night - concluding a remarkable five-day political tug of war. On the steps of Downing Street, Cameron, Britain's youngest prime minister since 1812, said : "This is going to be hard and difficult work. A coalition will throw up all sorts of challenges. But I believe that together we can provide that strong and stable government that our country needs.

The deal with the Lib Dems, ensuring a 77-seat majority, was finally agreed after Clegg decided he could not create a stable coalition with Labour, partly due to a revolt inside the parliamentary labour party at the concept of a deal, as well as its likely terms.

If the deal works, it will change the shape of the conservative party - and if it fails, the Lib Dems could find themselves rubbed out as a progressive force.

The Lib Dems secured five cabinet posts and a commitment to 15 other ministerial jobs across Whitehall. On the conservative side, George Osborne will be chancellor of the exchequer and William Hague foreign secretary.

16. Russia, Kazakhstan, Belarus Launch Custom Union

After years of discussions Russia, Kazakhstan and Belarus have launched a customs union as a first step towards forming a broader EU-type economic alliance of former Soviet states. Meeting in Astana, Kazakhstan, the leaders of the three nations signed a declaration stating that the customs union comes into effect on July 6. The meeting was held on the sidelines of a summit of the Eurasian Economic Community (Eurasec), a looser alliance that also includes Armenia, Kyrgyzstan, Tajikistan and Ukraine. Russian President Dmitry Medvedev said the three ex-Soviet states would now move on to monetary union. "We are on the threshold of achieving a very high level of integration. Today we have a customs union; next we will set up a common economic space; ultimately I think we will have a single-currency union," Mr. Medvedev said addressing a joint press conference.

The customs union was to go into effect on July 1, but was delayed over Belarus' objections to export taxes Russia charged for its oil supplies. Moscow said the oil tax would be waived on January 2012, when the three countries establish a full-fledged common economic space. Kazakhstan's President Nursulatan Nazabayev said the customs union created a common market of 170 million people with a \$2 trillion economy, \$900 billion trade and 90 billion barrels of oil reserves.

The new President of Kyrgyzstan, Roza Otunbayeva and the President of Tajikistan, Imomali Rakhmov said their countries were keen to join the customs union.

III

Bilateral Issues

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1. India-South Africa Bilateral Cooperation

The **bilateral relations** between the Republic of India and the Republic of South Africa have grown strong since the end of apartheid in South Africa in 1994. Both nations have since developed close strategic, cultural and economic ties. India and South Africa also share an extensive energy partnership. In 2010, India imported 1.4 tonnes of South African coal making it the largest purchaser of coal from the country.

Historical background

There is a major resident Indian community in South Africa that made a significant contribution to the struggle for civil rights; Indian leader Mahatma Gandhi pioneered the non-violent civil disobedience in the struggle of Indian people for civil rights in the 1890s and 1900s. Indians also contributed to the African National Congress's struggle against the Apartheid regime. The Indian government was an outspoken critic of the apartheid-era South African government, refusing to maintain diplomatic relations. India's support evoked goodwill in South Africa and other African countries.

Bilateral Relations

Both nations established diplomatic relations after the end of apartheid in 1994. Bilateral trade grew exponentially from USD 3 million in 1992-93 to USD 4 billion in 2005-06, and the two governments have targeted increasing bilateral trade to USD 12 billion by 2010. Gold bullion constitute one-third of India's imports from South Africa, while India polishes and processes diamonds from South African mines. South Africa has promoted signing a free trade agreement with India and the Southern Africa Customs Union (SACU), which includes Botswana, Lesotho, Namibia and Swaziland along with South Africa. India and South Africa have also developed military cooperation, trading arms and joint exercises and programs to train forces. South African leader Nelson Mandela was awarded the Mahatma Gandhi Peace Prize by the Indian government. Both nations have also promoted sporting ties, with the Indian national cricket team and the South Africa national cricket team frequently exchanging visits and participating in cricket tournaments hosted by either nation.

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IBSA

On June 6, 2003 India and South Africa signed an agreement with Brazil, known as the Brasilia Declaration, establishing “South-South” cooperation, based on the premise of the three nations being regional powers of South Asia, Southern Africa and South America. The declaration called for extensive tripartite cooperation on strategic, commercial and cultural affairs, development of a tripartite free trade agreement and a united front in negotiating with Western nations in the World Trade Organization (WTO), calling for reform of the U.N. Security Council and supporting each other’s bid for permanent membership with veto rights. The IBSA Dialogue Forum was created to promote cooperation and consensus on issues of trade, poverty alleviation, intellectual property rights, social development, agriculture, climate change, culture, defence, education, energy, health-care, information society, science and technology, peaceful nuclear energy, tourism and transport. The fourth summit was held in Brasilia. The three nations pledged to boost trilateral trade to USD 15 billion by 2010. The three nations have also expanded military cooperation and conducted joint naval exercises in 2008.

2. India-Canada agreement on civil nuclear cooperation

India and Canada signed a Civil Nuclear Cooperation Agreement . The Prime Minister, Dr Manmohan Singh, described it as “breaking new ground in the history of our co-operation in this sector.” Driving home the point about India’s new status, he added, “It reflects the change in international realities.” India and Canada have had a long but rocky relationship on nuclear cooperation after the nuclear test at Pokhran in 1974. The Canadian Prime Minister, Mr Stephen Harper, also welcomed the nuclear agreement. Both countries resolved to ratify the agreement and complete all remaining steps as soon as possible. This is the next step before Canada can start selling nuclear reactors to India. Canada said that the “nuclear cooperation agreement will provide access for Canada’s nuclear industry to India’s expanding nuclear market.”

Areas of interest

- (a) **Bilateral Trade** : Dr Singh also said that India and Canada have agreed to try and take bilateral trade up to \$15 billion in the next five years, up from the current level of around \$5 billion now. A Comprehensive Economic Cooperation Agreement is also being envisaged and the initial work on it has begun.
- (b) **FIPPA** : The two Prime Ministers said they wanted a rapid conclusion of the Foreign Investment Promotion and Protection Agreement and to its early signing followed by ratification and implementation.
- (c) **Cooperation** : The other areas in which they agreed to increase cooperation earth sciences and mining, transportation, natural resources, infrastructure and agriculture and agri-food cooperation, and higher education.
- (d) **Kanishka Crash** : Referring to the Kanishka crash he reminded Canada that the victims of the crash “deserve full justice”.

G-20

Earlier, the G-20, in its declaration, said the advanced economies committed to fiscal plans that would at least halve deficits by 2013 and stabilise or reduce government debt-to-GDP ratios by 2016.

To deal with the differences that have arisen over the trajectory of fiscal adjustment, the Declaration says, “There is a risk that synchronised fiscal adjustment across several major economies could adversely impact the recovery. There is also a risk that the failure to implement consolidation where necessary would undermine confidence and hamper growth.”

It goes on to say that surplus economies have to and undertake reforms to reduce their reliance on external demand and focus more on domestic sources of growth. The target is clearly China.

The Members also agreed to strengthen financial market infrastructure by accelerating the implementation of strong measures to improve transparency and regulatory oversight of hedge funds, credit rating agencies and over-the-counter derivatives in an internationally consistent and non-discriminatory way.

Corruption

The Declaration also makes an explicit reference to corruption and says “corruption threatens the integrity of markets, undermines fair competition, distorts resource allocation, destroys public trust and undermines the rule of law. We call for the ratification and full implementation by all G-20 members of the United Nations Convention against Corruption (UNCAC) and encourage others to do the same.” It will be interesting to see what India does this in regard.

No reference was made to the idea of a transactions tax on banks. Instead the Declarations commits the Members to design and implement a system with powers and tools to restructure or resolve all types of financial institutions in crisis, without taxpayers ultimately bearing the burden. How this is to be done has not been spelt out.

3. India and Singapore decide to double trade

Seeking to put the trade relations between the two countries on a fast track, India and Singapore decided to double their trade in the next five years from \$16 billion to \$32 billion.

CECA

India also asked Singapore to recognise its professionals, such as doctors, nurses, accountants and architects in Singapore. Both the countries also launched the second review of the India-Singapore free trade and services agreement officially known as the Comprehensive Economic Cooperation Agreement (CECA). Officials would also work to expedite the conclusion of Mutual Recognition Agreements (MRAs) for dental, medical, nursing, architecture, accountancy and company secretary professionals.

General Drugs

India also signed a pact with Singapore for greater market access for its generic (off-patent) drugs in the Southeast Asian nation. The two countries also set new targets for their economic engagement in terms of further removing trade barriers and encouraging the flow of people from one country to the other.

Addressing a joint press conference with visiting Singapore Trade and Industry Minister, Lim Hng Kiang, and Commerce and Industry Minister, Anand Sharma, said, “We have agreed to work towards doubling bilateral trade from \$16 billion to \$32 billion by 2015. Mr. Sharma said officials from the two sides would meet every quarter to complete the second review in a time-bound manner.

India-Singapore CEO's forum

The two Ministers also agreed to establish an India-Singapore CEOs Forum to enhance business activities.

Mr. Sharma said India offered enormous investment opportunities in the infrastructure sector, especially the Delhi-Mumbai Industrial Corridor (DMIC) project.

Both signed a ‘Special scheme for registration of generic medicinal products from India’ that seeks to fast-track the registration process for domestic off-patent medicines in that country. The

pact would help create new opportunities for the \$25-billion Indian generic medicine market in Singapore. With the arrival of Indian generic drugs in the global market, the cost of life-saving medicines had come down significantly and helped people in African and Latin American nations, Mr. Sharma added. Mr. Lim said if an Indian generic drug had been cleared in the U.S., Canada, EU, the U.K. or Australia, Singapore would allow it into its market. "Accordingly, the registration process will become faster," he said.

4. India and Pakistan Business Meet

A landmark meeting of top Indian and Pakistani CEOs and entrepreneurs strongly endorsed the objectives of the Aman ki Asha initiative launched by the Times of India Group and the Jang Group. The largest and most high-powered meeting ever of the Indo-Pak business community resolved to take forward achievable objectives.

The Indian finance minister, Pranab Mukherjee, in his inaugural address also stressed the strong linkage and interdependence between peace and sustained economic growth and development of the two countries.

The corporate leadership of both countries urged the governments to take all steps necessary to realise the tremendous potential of trade and commerce between the two countries. The meeting noted with concern that South Asia is the world's least economically integrated region.

After a robust and interactive two-day discussion, industry leaders of both countries agreed that economic cooperation is crucial to peace and progress in a region that has the highest concentration of people living below the poverty line.

The business leaders resolved to aggressively pursue the benefits of economic cooperation generally and in particular recommended the following:

Six sectors were identified as having the highest potential.

- A. Textiles:** The largest employer in both countries - potential exists for the export of home textiles from Pakistan to India while a huge market exists in Pakistan for India's polyester textiles.
- B. Information Technology (IT):** The fastest growing sector in both countries and the easiest area to cooperate in, given its virtual nature. India can collaborate with Pakistan, which can provide skilled resources at competitive rates.
- C. Agriculture:** Considerable potential exists for trade through streamlining logistics and storage facilities. India and Pakistan can also collaborate on research for improved yields in, and greater export for, both countries.
- D. Healthcare:** Poor health infrastructure is a common problem. Opportunity for collaboration exists in research and combating the three major diseases in both countries - heart, diabetes and cancer. This also offers a great opportunity for people-to-people contact.
- E. Energy:** India and Pakistan have huge untapped reserves of energy. Collaboration can lend impetus to accelerated growth and development in both countries, which have a huge appetite for energy.
- F. Education:** Given the low average age in both countries (18.2 years in Pakistan and 22.5 years in India), education and skill development is an area of immediate concern and potential. Cooperation and sharing of strategies in education is the best investment that both countries can make. Student exchanges could also offer great opportunities for bridging the divide.

Committees comprising business leaders from both countries were established for the IT and textile sectors. Similar committees for other sectors are in the process of being set up.

In addition to the promotion of bilateral trade, the business meet proposed that specific steps be taken to change public perception and remove the existing mistrust. Removing the restrictions on uplinking from India to Pakistan and opening up news channels in both countries would be a positive first step.

Visa : Easing visa restrictions and simply letting people meet is the single greatest step the governments can take, that will have the greatest impact in all areas of concern. Business visas particularly need to be facilitated.

Telephone connectivity : India and Pakistan are probably the only two neighbouring countries in the world that disallow cell-phone roaming facility. The business and media representatives resolved to lobby against this unnecessary and counterproductive restriction.

The meeting agreed to set up a permanent secretariat to follow up all on these recommendations. It was unanimously agreed that the next economic conference would be held in Pakistan on a date of mutual convenience.

5. India and USA accord on reprocessing spent fuel

Final Steps in Civil Nuclear Deal

India and US have signed an agreement on reprocessing of American nuclear spent fuel by India, marking the final steps in terms of implementation of the landmark civil nuclear deal between the two countries.

Upon entry into force, the arrangements and procedures will enable reprocessing by India of the US obligated nuclear material at a new national reprocessing facility to be established by India, dedicated to the reprocessing of safeguarded nuclear material under International Atomic Energy Agency safeguards.

The agreement in this regard was signed by US under-secretary of state for political affairs Bill Burns and Indian ambassador to the US Meera Shankar, at the Foggy Bottom headquarters of the US state department.

“This arrangement, negotiated and concluded under president Obama, reflects the administration’s strong commitment to building successfully on the landmark US-India Civil Nuclear Cooperation Initiative and is a prerequisite for US nuclear fuel suppliers to conduct business with India,” the state department said in a statement.

Growing Strong Bilateral Relationship

The Indian embassy said signing of the agreement is a significant step which highlights the strong relationship and growing cooperation between the two countries.

It enables reprocessing by India of US-obligated nuclear material under IAEA safeguards and will facilitate participation by US firms in India’s rapidly expanding civil nuclear energy sector, the statement said.

“With this we have taken another significant step forward in the implementation of our bilateral agreement for cooperation in peaceful uses of nuclear energy,” Shankar said in her remarks on the occasion.

The hard and meticulous work done by the Indian and US negotiators that led to the completion of negotiations, well ahead of the stipulated period of one year, Shankar said reflects how the two countries are increasingly getting into the habit of working together.

The historic bilateral cooperation agreement for peaceful uses of nuclear energy, the 123 agreement, that the two countries signed two years back provided for reprocessing of US obligated nuclear material in an Indian national facility under IAEA safeguards, she said.

Previously, US had extended such reprocessing consent only to the European Union (EURATOM) and Japan.

“The Civil Nuclear Cooperation Initiative has facilitated significant new commercial opportunities across India’s multi-billion dollar nuclear energy market, including the designation of two nuclear reactor park sites for US technology in the states of Andhra Pradesh and Gujarat,” the state department said.

“Increased civil nuclear trade with India will create thousands of new jobs for the US economy while helping India to meet its rising energy needs in an environmentally responsible way by reducing the growth of carbon emissions,” it said.

“These Arrangements and Procedures are pursuant to Article 6 (iii) of the 123 Agreement and an important component of our bilateral civil nuclear cooperation,” said the Indian ambassador.

Shankar said India has an ambitious programme for development of civil nuclear energy to meet its growing energy needs.

The target is to increase our installed capacity more than seven fold to 35,000mwe by the year 2022, and to 60,000mwe by 2032.

Observing that international cooperation, including cooperation with US firms, is an important component of this plan, the ambassador said the agreement will facilitate the participation of US companies in India’s rapidly expanding nuclear energy sector.

India has already designated two sites for nuclear power plants to be established in cooperation with the US and the companies of the two countries are now engaged in discussions.

6. India and Australia Sign Education Deal

Indian students continued to come to Australia for higher studies and the government had not “prevented them” from doing so, Human Resource Development (HRD) Minister Kapil Sibal said as the two countries signed a major deal on education.

New Delhi wants to take the “relationship forward” with Canberra, Sibal told reporters as the education pact between India and Australia was signed. A joint ministerial statement was signed to expand the education exchange programme, Australian news agency AAP reported. An India-Australia Education Council comprising experts from both countries will now be set up. The relation between India and Australia had soured following the fatal stabbing of Nitin Garg Jan 2 in this city. A travel advisory had also been issued to Indian students coming to Australia.

Sibal told reporters that he believed the attacks on young Indians had declined. “The fact that I am here suggests we want to take the relationship forward, it does not mean that we are not concerned about what’s happening here. The advisory was given at a point in time when the incidents were at a height students are still coming to Australia, we have not prevented them,” he was quoted as saying.

“I think the Australian government is taking strong steps in that direction to prevent those things happening.”

The media report said it was recently revealed that International student numbers were down nationally three percent and 12 percent in Victoria. The drop in Indian student numbers in Victoria institution was 40 percent, from 6303 to 3761.

7. India and France Nuclear Deal

Ending 34 years of nuclear isolation and formally bringing the country into the nuclear mainstream, India signed its first agreement on civilian nuclear cooperation with France for supply of reactors and nuclear fuel. France becomes the first Nuclear Suppliers Group (NSG) country to formalise its intention of entering into civilian nuclear cooperation with India as the Indo-US civilian nuclear deal is still awaiting US Congressional approval.

The agreement, which is the first of many steps towards opening up of the Indian civilian nuclear sector to international nuclear trade, was signed after a meeting between Prime Minister Manmohan Singh and French President Nicholas Sarkozy at the Elysee Palace.

"France is the first country with whom we have entered into such an agreement after the lifting of international restrictions on nuclear cooperation with India by the NSG. I conveyed to President Sarkozy our gratitude for France's consistent support to our civil nuclear initiative," Mr. Singh said after the cooperation agreement was signed by Atomic Energy Commission chairman Anil Kakodkar and French foreign minister Bernard Kouchner.

Mr. Singh said that India would soon finalise agreements with other European countries. The India-France agreement on the "development of peaceful uses of nuclear energy", which is a political framework agreement, covers a range of areas of cooperation from nuclear safety to reactor and fuel supplies.

"This agreement will form the basis of wide ranging bilateral cooperation from basic and applied research to full civil nuclear cooperation including reactors, nuclear fuel supply, nuclear safety, radiation and environment protection and nuclear fuel cycle management," a statement on the agreement said.

The statement further said that France and India shared "common objectives" in the area of non-proliferation of weapons of mass destruction and their means of delivery including in view of possible linkages to terrorism.

As responsible states with advanced nuclear technologies, including in the nuclear fuel cycle, France and India are interested to promote nuclear energy with the highest standards of safety and security and in accordance with their respective nuclear policies and international obligations," statement said.

The Indian establishment was looking at signing the nuclear agreement with the US last week. But the US congress delay in ratifying the deal had ensured that Mr. Singh and US President George W Bush were unable to sign the deal during their meeting in Washington. India officials have said that even though India is entering into an agreement with France, it would be some time before actual cooperation starts.

India still needs to sign the IAEA safeguards agreement, separate its civilian and military reactors, complete negotiations on an additional protocol with the IAEA and amend its own laws to allow private participation in the nuclear field. Source said that this could take anything from a year to two years.

French energy firm Areva is already in preliminary discussion with Nuclear Power Corporation of India to sell two reactors. An Areva spokeswoman said the company is planning to sell two third-generation European pressurised Reactors and a supply of nuclear fuel to India.

In all 35 French firms are eyeing the civilian nuclear sector in India. But India has also assured the US government that US firms will not be disadvantaged.

8. India and Turkey to Cooperate on Global Terrorism

Newly appointed Indian Ambassador to Turkey Raminder Singh Jassal has said Ankara and New Delhi have similar problems and should cooperate in order to put an end to terrorism.

Ambassador Jassal was appointed to Turkey after his three-year mission in Washington and he recently presented his credentials to President Abdullah Gul. The Indian ambassador noted that Turkish Prime Minister Recep Tayyip Erdogan, who visited India in November, discussed with Indian Prime Minister Manmohan Singh what they needed to do in order to end terrorism. Recalling that both countries are located in regions with frequent cases of violence, Ambassador Jassi started that Turkey and India have democratic, secular and dynamic economies and that they both suffer from similar troubles such as terrorism.

Tourching on the meeting of Afghani President Hamid Karzai and Pakistani president Asif Ali Zardari in Istanbul through Turkey's mediation efforts, Jassal suggested that the Kabul and Islamabad governments adopt a multidimensional approach toward terrorism. He stressed that terrorism is a global issue and that countries should identify and solve their own problems. "The solution should also be found through cooperation with other countries. If a country can cooperate with one or more countries against terrorism, this is always a positive development," he said.

The Indian ambassador reiterated that countries should try to deal with the terror threat by cooperating with each other. "We expect our neighbours to take sizable steps against terrorist organisations and also to eliminate their infrastructure," he stated, adding that the incidents in Mumbai were horrible attacks against innocent local and foreign people. Nothing that India is a country with the second-largest Muslim community in the world, the Indian ambassador maintained that the attacks in Mumbai were insults to people from all religions and communities in the country.

Ambassador Jassal also touched on the project for transporting the oil India purchases from Russia via the Samsun-Ceyhan pipeline to Ceyhan, then to Israel and again via another pipeline to the Red Sea and finally to Indian ports via tankers. Jassal noted that India tries to obtain economically feasible and clean hydrocarbons in sufficiency quantities. "We are quite open minded on this matter. We are open to a natural gas and oil pipeline that would connect Turkey, Israel and India. As far as I know, feasibility studies are under way. On our side, there is nothing to block cooperation in this respect," he said.

Emphasizing that Turkey is a hub of oil and natural gas pipelines, Jassal added that Indians need a great deal of energy and that its energy requirements will increase in the future. "The two countries will have positive cooperation and approaches in the future. Turkey and India have the potential for great projects to be implemented," he stated. The Indian ambassador explained that the reason he was appointed to Turkey was to make positive contributions to the ever-increasing cooperation between the two countries.

He noted that he appreciated President Gul and Prime Minister Erdogan for launching the initiative to improve cooperation with India, which he said, is willing to reinforce bilateral relations as well. Nothing that the volume of trade between the two countries increased from \$1.5 billion in 2005 to \$3 billion today, Jassal indicated that Erdogan and Singh had set \$6 billion as a target for 2010. He stated that Turkey and India have an array of products and that Turkey is a passageway to the West. "Turkey is also an important with its construction sector. We would like to see more Turkish companies investing in India. Big Indian companies such as Tata and Mahindra are represented in Turkey," he said.

9. India and America Anti-terror initiative

India and the US signed a Counter Terrorism Initiative that includes steps to check financing of terror activities, joint probe in cases of bomb blasts besides cooperation in cyber and border security. "Today, with the formal signing of the initiative, we take several significant steps forward against terrorism." US Ambassador to India Mr. Timothy J Roemer, who signed the agreement along with home secretary Mr. G.K. Pillai, told reporters.

Terming the pact as symbolic of the "indispensable partnership" against terrorism, Mr. Roemer said both the countries will work closely in matters like intelligence sharing and probe into bomb blasts. "In the coming days and months there will be even closer information sharing and collaborative efforts on issues ranging from bomb blast probe and major event security to mega-city policing, cyber and border security," he said. The pact was initiated on the sidelines of the visit of Prime Minister Dr. Manmohan Singh to the USA in November, 2009.

"President (Barack) Obama and Prime Minister (Manmohan Singh) have acknowledged the common threat that international terrorism poses to all people," Mr. Roemer said.

The agreement seeks to further enhance the cooperation between two countries in counter terrorism as an important element of their bilateral strategic partnership. The initiative provides for strengthening capabilities to effectively combat terrorism; promotion of exchanges regarding modernisation of techniques; sharing of best practices on issues of mutual interest; development of investigative skills and promotion of cooperation in forensic science laboratories.

Besides, it seeks to establish procedures to provide mutual investigative assistance; enhancing capabilities to act against money laundering, counterfeit currency and financing of terrorism; exchanging best practices on mass transit and rail security; increasing exchanges between Coast Guards and Navy on maritime security. Exchange of experience and expertise on port and border security; enhancing liaison and training between specialist Counter Terrorism Units including National Security Guard with their American counterparts are part of the agreement. The US envoy described it as a historic day for the US and India as the pact would bring the two countries closer together on issues of intelligence sharing, border security, mega policing efforts and "to fight together on a global basis against a common enemy, against terrorism". "Terrorism that has brutally attacked the US on 9/11, terrorism that has attacked the people of India, particularly on 26/11 in Mumbai, where six Americans were killed. So, this effort I think symbolises Prime Minister Singh's and President Obama's efforts to create this indispensable partnership for the 21 century. "It is an exciting day, an unprecedented day and a very proud day for the people of USA," he said.

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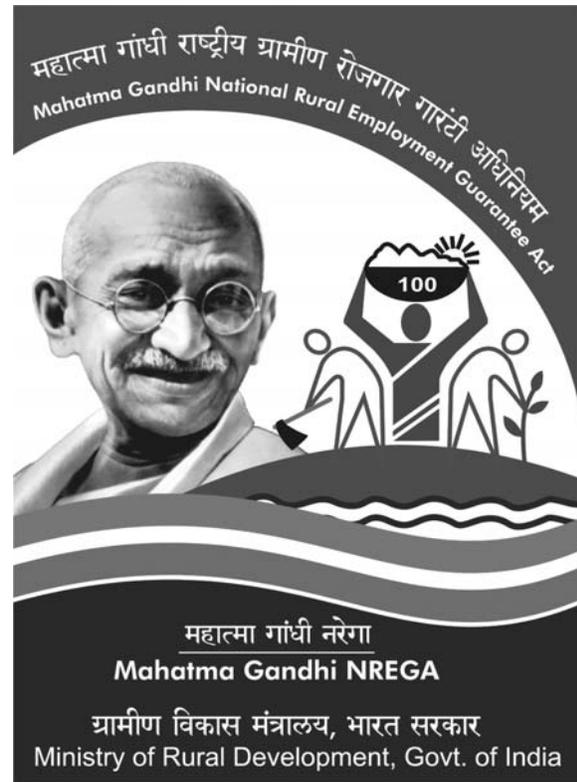
IV

Economic Issues

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1. MNREGA

The **National Rural Employment Guarantee Act (NREGA)**, also known as **National Rural Employment Guarantee Scheme, NREGS** is Indian legislation enacted on August 25, 2005. The NREGA provides a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage. The Ministry of Rural Development (MRD), Govt of India is monitoring the entire implementation of this scheme in association with state governments. This act was introduced with an aim of improving the purchasing power of the rural people, primarily semi or un-skilled work to people living below poverty line in rural India. It attempts to bridge the gap between the rich and poor in the country. Roughly one-third of the stipulated work force must be women. Adult members of rural households submit their name, age and address with photo to the Gram Panchayat. The Gram panchayat registers households after making enquiry and issues a job card. The job card contains the details of adult member enrolled and his /her photo. Registered person can submit an application for work in writing (for at least fourteen days of continuous work) either to panchayat or to Programme Officer. The panchayat/programme officer will accept the valid application and issue dated receipt of application, letter providing work



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will be sent to the applicant and also displayed at panchayat office. The employment will be provided within a radius of 5 km: if it is above 5 km extra wage will be paid. The scheme was introduced in 200 districts during financial year 2006-07 and 130 districts during the financial year 2007-08 In April 2008 NREGA expanded to entire rural area of the country covering 34 States and Union Territories, 614 Districts, 6,096 Blocks and 2.65 lakhs Gram Panchayats.

MNREGA Humble Tribute to Father of Nation

50 years ago on 2nd October, 1959, Pt. Jawahar Lal Nehru, the 1st Prime Minister of India laid the foundations of Panchayati Raj at Naguar in Rajasthan. To mark the occasion a National Convention was organized at Vigyan Bhawan. The occasion was a witness to the two major announcements – the renaming of the National Rural Employment Guarantee Act (**NREGA**) after the Father of Nation Mahatma Gandhi as Mahatma Gandhi National Rural Employment Guarantee Act (**MNREGA**) and observing the year 2009-10 as the “Year of Gram Sabha” by the Prime Minister Dr. Manmohan Singh in presence of the UPA Chairperson Sonia Gandhi , Panchayati Raj and Rural Development Minister ,Dr.C.P. Joshi and a large number of Gram Pradhans, Sarpanchs and village representatives from all over the country.

In his key note address , the Prime Minister said that Panchayati Raj Institutions need to play a pivotal role in the nation’s development. Highlighting the fact that peoples’ participation is a must to implement the Government’s programmes and schemes in a transparent and effective manner, he called upon the Panchayati Raj institutions to take the lead. Dr. Singh stressed the need to strive continuously to make panchayati raj institutions an effective instrument of people’s power. On observing year 2009-10 as the “Year of Gram Sabha”, the Prime Minister said that the Gram Sabha provides a forum for the villagers to discuss, deliberate, accept or reject the proposals of Gram Panchayat. Dr. Singh said that the decision to rename National Rural Employment Guarantee Act (**NREGA**) as the Mahatma Gandhi National Rural Employment Guarantee Act (**MNREGA**) is a humble tribute to the Father of our Nation.

In his welcome address, the Union Minister for Panchayati Raj and Rural Development Minister Dr. C.P. Joshi said it is the need of the hour for the Panchayati Raj institutions to play a pro-active role in the developmental process of our country. Dr. Joshi called upon the people’s representatives especially those from the rural areas to work as a catalysts of social change and add to the process of economic development and social justice .Dr. Joshi also cited the Unique Identification Scheme and the Cabinet Decision of Article 243 D ensuring 50% reservation to women in Panchayats as major initiatives to change the face of rural India . He expressed hope that with the empowerment the panchayats can play a more effective role.

Addressing the gathering the UPA Chairperson Smt. Sonia Gandhi said that we should tread the path suggested by the father of the nation and should strive to reach out to the rural masses. She underlined the need to have a bottoms up approach of inclusive growth for the socio economic development. Smt. Gandhi highlighted the role of PRIs in the implementation of NREGA and said it should have to be made more effective as well as transparent. She said the real tribute to Mahatma Gandhi will be in the form of ensuring that the benefits of development reach out to the last mile.

Secretary Panchayati Raj Shri A.N.P.Sinha said Central as well as State Governments have to play a major role in making the role of panchayati raj institutions more effective. He called upon the leadership to give a push to the panchayati raj institutions so that they can deliver the goods for the benefits of the needy and the poor in rural areas.

The day long convention organized by the Ministry of Panchayati Raj is being attended by the Panchayati Raj Ministers, Zila Parishad Presidents and elected representatives who have served

more than 25 years from all the States/UTs. Later in the day presentations on 1) Activating Gram Sabhas 2) Gram Panchayat and Participatory Planning and 3) Panchayats and **NREGA**, NRHM, SSA and TSC will be made by the Ministry of Panchayati Raj, Ministry Of Rural Development, Ministry Of Health & Family Welfare and Ministry Of Human Resource Development during the day long meeting. Among other attractions of the convention include a film on Hiware Bazaar and . Deliberations and interventions from elected representatives of States regarding their plans for strengthening Panchayati Raj and observing 2009-10 as the 'Year of Gram Sabha, will also feature during the course of proceedings.

With the objective to provide every rural household a guarantee of at least 100 days of employment during a financial year by providing unskilled manual work in rural areas to those members of the rural household who volunteer to do such work, the Ministry of Rural development & Panchayati Raj has undertaken several measures to streamline the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA).

New Initiatives Under Mnrega

1. **Dedication of NREGA to the memory of the Father of the Nation** Mahatma Gandhi and re naming the Scheme as the Mahatma Gandhi National Rural Employment Guarantee Act.
2. **Guidelines have been issued to states to set up Ombudsman** at district levels for effective grievance redressal : Instructions on Ombudsman have been issued. Ombudsman will be an agency independent of the central or state government. The Ombudsman will receive complaints from NREGA workers and others on any matters consider such complaints and facilitate their disposal in accordance with law. The Ombudsman will be appointed by the State Government on the recommendation of the selection committee. Ombudsmen will be well-known persons from civil society who have experience in the field of public administration, law, academics, social work or management.
3. **NREGA partnership with Unique Identification Development Authority of India (UIDA):** NREGA partnership with UIDA has been initiated. The database of NREGA will be utilized by the UID Authority to expedite the development of the identification system for the residents.
4. **National Helpline set up for receipt of complaints** : The Ministry has set up a **Toll free National Helpline 1800110707** to enable the submission of complaints and queries to the Ministry for the protection of workers entitlements and rights under the Act. This is being CT enabled and linked with the State and District Level Helplines to create a National Network of NREGA Helpline. It will also be linked to Office of the Ombudsman at district level for registration of complaints.
5. **Social Audits:** Social Audits enable the rural communities to monitor and analyze the quality, durability and usefulness of NREGA works as well as mobilize awareness and enforcement on their rights. Social Audit is an important tool by which the people can improve and devise strategies to enhance the quality of implementation of NREGA. The Ministry has accorded utmost importance to the organization of Social Audits by the Gram Panchayats and issued instructions to the States to make necessary arrangements for the purpose. The Act was amended to provide for procedures on conducting social audits. **Social audits have been undertaken in all the Gram Panchayats of the country.**
6. **NLM Visit:** Thirty two National level Monitor were deputed in different states for special monitoring of the social audit campaign initiated by the Ministry.
7. **Eminent Citizens Monitors for NREGA** : Eminent Citizens will be identified to further Report on the progress of NREGA. Their reports and findings will be placed on the website and discussed at an annual workshop to enable the programme to improve itself.

8. **Convergence of the Mahatma Gandhi NREGA:** The Ministry of Rural Development has developed and disseminated Guidelines for convergence of the Mahatma Gandhi NREGS with different Schemes and specific programmes. 115 convergence pilot districts in 23 state, independent organisations have been instituted by the Ministry. The National Institute of Rural Development (NIRD) is monitoring the convergence projects.
9. **Construction of Bharat Nirman Rajiv Gandhi Sewa Kendra / Gram Panchayat Bhawans** would be constructed under the scheme to create durable assets in the Villages
10. **Business correspondent Model** is being adopted in Rajasthan with the help of Central Bank of India to ensure timely payment of wages to the workers under the MNREGA

Presently the MNREGA is being implemented in all 619 districts of the country. The Ministry proposes to spent **Rs. 39,100 crore** during the current year and out of this **an amount of Rs. 18950 crore has been utilized** upto December, 2009. **160 crore persondays** employment has been generated. MNREGA has resulted into major financial inclusion wherein bank/post office account have been opened for the families getting employment. Ministry has advised all the States to ensure payment of wages fully through the accounts. About 880 lakh accounts have been opened. A sizeable proportion of all the benefits have gone to the weaker sections of the society like SCs (30%), STs (21%) and women (50%).

The new initiatives under MNREGA will ensure transparency and accountability in the process so that benefit of the Government's flagship program reaches out to the millions of rural poor across the country and in the process making it an effective instrument of poverty alleviation.

2. Monetary Policy 2010-11

The RBI raise the reverse repurchase rate to 4.5% from 4% and the repurchase rate to 5.75 from 5.5%

This First Quarter Review is being made in a macroeconomic environment that has changed significantly since our April policy announcement. At that time, there was some optimism about the sustainability of the global recovery, however modest the pace may be. This was reinforced by the International Monetary Fund (IMF) forecasts published earlier this month, which suggested that global growth would be marginally higher than their April 2010 projection. While most of that would come from emerging market economies (EMEs), the advanced economies would hold steady. However, in the aftermath of the Greek sovereign debt crisis and other visible soft spots in Europe and the US, there is renewed uncertainty about the sustainability of the recovery. In contrast, on the domestic front, the recovery has consolidated and is becoming increasingly broad-based. There are rising concerns about capacity constraints being reached over a wide range of sectors.

While inflationary pressures have also risen, the performance of the monsoon so far has been significantly better than during last year. While rainfall is still below the long period average at the all-India level, it has been enough to induce a significant increase in sown area across a range of crops, the high prices of which have been a source of great worry. The dominant concern that has shaped the monetary policy stance in this review is high inflation. Even as food price inflation and, more generally, consumer price inflation have shown some moderation, they are still in double digits. Non-food inflation has risen and demand side pressures are clearly evident. With growth taking firm hold, the balance of policy stance has to shift decisively to containing inflation and anchoring inflationary expectations. This policy review should be read and understood together with the detailed review in Macroeconomic and Monetary Developments released yesterday by the Reserve Bank. This statement is organised in four sections: Section I provides an overview of the global and domestic macroeconomic

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developments; Section II sets out the outlook and projections for growth, inflation and monetary aggregates; Section III explains the stance of monetary policy; and Section IV specifies the monetary measures.

The State of the Economy Global Economy

In its July Update of the World Economic Outlook (WEO), the IMF raised its global growth projection for 2010 to 4.6 per cent from its April projection of 4.2 per cent on the strength of Q1 growth rates. However, the IMF's expectation of slightly faster global growth is largely driven by somewhat greater optimism about EMEs. Several assessments of advanced economies show increasing pessimism about the sustainability of the current pace of recovery. There is widespread expectation of a slowdown of the global economy in the second half of 2010. In the US, recovery remains constrained by high unemployment, modest income growth, lower housing wealth and tight credit. In the euro area, economic activity is weak, though more resilient than expected in the face of the recent turbulence. The growth outlook remains clouded by concerns about the sustainability of sovereign debt in some of the euro area economies. In contrast, EMEs are witnessing strong growth, driven by strong domestic demand, restocking of inventories and, thus far, recovering global trade. In many EMEs, especially in Asia, growth is fast approaching the trend. Robust macroeconomic fundamentals, unimpaired balance sheets of corporates and households, sound banking sector and effective fiscal and monetary stimuli contributed to a significantly faster recovery in EMEs. Inflation in advanced economies is subdued due to large output gaps and high unemployment rates. Inflation expectations also remain well anchored. In contrast, inflation in EMEs has been rising due to fast emerging capacity constraints, prompting many to reverse their expansionary monetary policies.

Domestic Economy

The Indian economy grew by 7.4 per cent in 2009-10. The momentum was particularly pronounced in Q4 of 2009-10 with growth at 8.6 per cent as compared with 6.5 per cent in the previous quarter. At constant market prices, the pick-up in Q4 growth was even sharper at 11.2 per cent, reflecting a significant turnaround in indirect tax collections. The double digit growth in the Index of Industrial Production (IIP) that began in October 2009 continued during the current financial year although there was modest deceleration in May 2010. In the first two months of this fiscal, April-May 2010, the IIP recorded a year-on-year growth of 14 per cent with as many as fifteen out of the seventeen industry groups (two digits NIC classification) showing positive growth. The lead indicators of service sector also suggest increased economic activity.

The cumulative rainfall has been 14 per cent below its long-period average (LPA) during the current monsoon season so far (as on July 21, 2010). Even so, monsoon performance has been much better than it was last year, which augurs well for agricultural production. Data on crop-wise area, indicate a significant increase over the relatively low levels of last year. However, the current inflation scenario is worrisome for a number of reasons.

First, WPI inflation has been in double digits since February 2010. Headline inflation, as measured by year-on-year variation in WPI, rose to 10.6 per cent in June 2010, up from 10.2 per cent in May 2010. Notably, WPI inflation based on revised data for March at 11.0 per cent and for April at 11.2 per cent, were higher by over one percentage point as compared with the provisional numbers. If this pattern continues, final WPI inflation numbers for recent months can be expected to be higher.

Second, even as primary food articles inflation continues to be in double digits (14.6 per cent), year-on-year WPI non-food manufactured products (weight: 52.2 per cent) inflation, which was (-) 0.4 per cent in November 2009, rose sharply thereafter to 5.4 per cent in March 2010 and further to 7.3 per cent in June 2010. Non-food items inflation (WPI excluding food products and food articles),

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which was near zero in November 2009, rose sharply to 10.6 per cent by June 2010. Significantly, non-food items contributed over 70 per cent to WPI inflation in June 2010, suggesting that inflation is now very much generalised.

Third, notwithstanding some moderation in recent months, consumer price inflation, measured by various indices, remains in double digits. Money supply (M3) growth on a year-on-year basis moderated from 16.8 per cent at end-March 2010 to 15.3 per cent as on July 2, 2010 reflecting a slowdown in the growth in bank deposits. Time deposits decelerated mainly because of withdrawal of deposits by public sector undertakings and mutual funds. In order to finance higher credit growth in the face of declining deposit growth, banks unwound their investments in mutual funds and accessed the repo window of the Reserve Bank. Year-on-year non-food credit growth accelerated from 17.1 per cent in March 2010 to 22.3 per cent as on July 2, 2010, which was higher than the indicative trajectory of 20 per cent set out in the April 2010 Monetary Policy Statement. This reflects the combined impact of a pick-up in industrial activity and financing of the 3G and broadband wireless access (BWA) spectrum auctions. The increase in bank credit to the commercial sector has also been supplemented by higher flow of funds from other sources.

Rough estimates show that the total flow of financial resources from banks, non-banks and external sources to the commercial sector during Q1 of 2010-11 was at Rs.2,50,000 crore as against Rs.61,000 crore during Q1 of 2009-10. Disaggregated data suggest that credit growth to all major sectors such as agriculture, industry, services and personal loans had begun to improve from November 2009 onwards. On the deposit side, banks increased their term deposit rates by 75-100 basis points between March 2010 and July 16, 2010. On the lending side, benchmark prime lending rates (BPLRs) of scheduled commercial banks remained unchanged from July 2009 till end-June 2010. The banking system switched over to the Base Rate system with effect from July 1, 2010. The Base Rates set by major banks are in the range of 7.25-8.0 per cent. While information on effective lending rates to major categories of borrowers is not yet available, it is expected that the Base Rate system will make credit pricing more efficient. Further, it will enhance transparency in lending rates and improve monetary policy transmission.

Money markets remained orderly during Q1 of 2010-11. A significant development was that the Liquidity Adjustment Facility (LAF) window of the Reserve Bank, after remaining in surplus mode for nearly 18 months, switched into deficit mode towards the end of May 2010 and has remained there since. This liquidity pressure was triggered by the increase in government cash balances on account of larger than expected 3G and BWA spectrum auction receipts combined with advance tax payments. Consistent with the stance of active liquidity management and in order to prevent a disruption in credit flow, the Reserve Bank took several measures to ease the pressure.

First, on May 26, 2010, the Reserve Bank announced additional liquidity support under the LAF to scheduled commercial banks to the extent of up to 0.5 per cent of their net demand and time liabilities (NDTL). A second LAF (SLAF) was also made available on a daily basis. Both these facilities, which were initially available till July 2, 2010, were later extended. While the additional liquidity support facility was extended up to July 16, 2010, the SLAF remains extended up to July 30, 2010.

Second, in consultation with the Government, the notified amounts for the issuance of Treasury Bills during June 2010 were reduced by Rs.22,000 crore.

Third, during June 16-21, 2010, the Government bought back securities worth Rs.9,614 crore, ahead of schedule. There was net injection of liquidity by the Reserve Bank in June and July 2010 (up to July 23).

As a result, overnight interest rates, which generally remained around the floor of the LAF corridor



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up to May, moved up to the ceiling of the corridor in June 2010 and have remained there in July 2010 so far. Similarly, yields on other money market instruments increased, reflecting autonomous tightening of monetary conditions by 150 basis points, equivalent to the prevailing width of the LAF corridor. At the longer end of the market, the monthly average yield on the 10-year benchmark government security fell to 7.59 per cent in June 2010 from 8.01 per cent in April 2010 in the expectation that the Government will reduce market borrowing because of higher realisations from spectrum auctions. Subsequently, the yield moved up to 7.73 per cent by the third week of July 2010. Equity markets exhibited volatile conditions during the current financial year, although they have firmed up in recent weeks. Resource mobilisation by the corporates through public issues in the primary segment of the capital market continued its uptrend. The foreign exchange market saw volatility increase relative to the previous quarter, with the rupee showing two-way movements in the range of Rs.44.33-Rs.47.57 per US dollar. During the first quarter of 2010-11, both the nominal and real effective exchange rates (NEER and REER) have appreciated. While the appreciation in 36-currency NEER/REER at about 1.5 per cent (up to May) was similar, real appreciation on the basis of 6-currency REER was higher at 3.3 per cent as compared with 6-currency NEER appreciation of 1.4 per cent, reflecting higher inflation differentials between India and major advanced economies.

Of the budgeted net market borrowing of the Central Government for 2010-11 at Rs. 3,45,010 crore, about 38.5 per cent (Rs.1,32,900 crore) of the borrowing was completed by mid-July 2010. As against the budgeted amount of Rs 35,000 crore, the actual realisations under 3G and BWA auctions were about Rs. 1,06,000 crore, resulting in an increase in receipts by over one per cent of GDP. It is, however, important to ensure that this one-off increase does not slacken the much needed efforts towards fiscal consolidation. During the first two months of 2010-11, both exports and imports continued to expand in contrast to the contraction they showed during the corresponding period of last year. The trade deficit widened during April-May 2010 to US\$ 21.7 billion, up from US\$ 14.4 billion in the corresponding period of the previous year, reflecting the sustained increase in domestic activity.

Outlook and Projections Global Outlook Growth

In its July Update of the World Economic Outlook, the IMF revised upwards its growth projection for the global economy for 2010 to 4.6 per cent from 4.2 per cent in April 2010 on the strength of robust Q1 growth. However, as indicated earlier, recent data and analysis suggest slowing down of the global growth momentum and the expectation is that global growth in the second half of 2010 will be lower than that in the first half.

Inflation

Just like growth, inflation around the world too has been multi-speed. The inflation scenario in advanced economies has been shaped by high unemployment, low capacity utilisation and renewed uncertainties about the financial sector. Headline inflation in advanced economies, which inched up during January-March 2010, softened thereafter. Inflation expectations too remain well anchored; indeed, concerns about deflation have re-emerged in some of the advanced economies. In contrast, the relatively rapid recovery in EMEs has also been accompanied by faster growth in prices. Significantly, with increasing uncertainty about the pace of global recovery, global energy and commodity prices have softened. This trend has been reinforced by the slowdown of the Chinese economy. Consequently, global inflationary pressures are expected to be subdued over the next few months.

Domestic Outlook Growth

The growth prospects of the Indian economy have improved since April 2010. Although cumulative rainfall so far has been 14 per cent below the LPA, the monsoon has been better than during last year. Should overall monsoon performance turn out to be as projected (102 per cent of LPA), there will be

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a pick-up in rural demand. This should give further momentum to the performance of the industrial sector, which has been growing firmly since October 2009. Growth in exports, which turned positive in October 2009, picked up further in subsequent months despite concerns over the external demand outlook due to the sovereign debt problem in euro area. Service sector activities have also shown buoyancy since the latter half of 2009-10. The leading indicators of various services have shown significant improvements. The strength of the recovery is also reflected in the sales and profitability growth of the corporate sector. Besides replenishment of inventories, investment intentions are being translated into action across sectors, particularly in power, telecom and metals. Increase in resource mobilisation by the commercial sector from both banks and non-banks and the widening of the current account deficit also suggest strong underlying growth momentum. Domestic drivers of growth are robust. However, if the global recovery slows down, it will affect all EMEs, including India, through the usual exports, financing and confidence channels. Taking into account the progress of monsoon so far and the prevailing global macroeconomic scenario, for policy purposes, the baseline projection of real GDP growth for 2010-11 is revised to 8.5 per cent, up from 8.0 per cent with an upside bias as indicated in April 2010 policy statement. This upward revision is primarily based on better industrial production and its favourable impact on the services sector, giving due consideration to the global scenario. The Reserve Bank's growth projection for 2010-11 is consistent with the median growth forecast from its professional forecasters' survey and other agencies. It must be noted that the IMF growth forecast for India at 9.4 per cent for calendar 2010 is based on GDP at market prices, whereas other projections, including that of the Reserve Bank, are based on GDP at factor cost. Adjusting for this, the IMF projections are in line with others.

Inflation WPI inflation moved to double digits in February 2010 and has remained there since then. Even as food price inflation and consumer price inflation remain at elevated levels, inflation is now being significantly driven by demand side factors. In its policy statement of April 2010, the Reserve Bank had placed the baseline projection for WPI inflation for March 2011 at 5.5 per cent. Subsequently, there has been an increase in prices of many administered/regulated items such as petroleum products, iron ore and electricity. The recent partial deregulation and increase in administered prices of petroleum products is welcome from the long-term fiscal consolidation and energy conservation perspective. Nevertheless, it will have an inflationary impact in the short term. Assuming that global crude oil prices remain stable, the immediate impact on inflation will be about one percentage point on WPI inflation, with second round effects coming through in the months ahead. Minimum support prices (MSPs) for some agricultural commodities have also been increased to incentivise farmers. Food price inflation has remained at an elevated level for over a year now, reflecting structural bottlenecks in certain commodities such as pulses, milk and vegetables. The Reserve Bank's quarterly inflation expectation survey conducted during the first fortnight of June 2010 indicates that short-term inflationary expectations have increased marginally. Going forward, the outlook on inflation will be shaped by the following factors.

First, the spatial and temporal distribution of rainfall in the remaining period of south-west monsoon 2010 is critical. A good kharif harvest will act as a major dampener on short-term food price inflation.

Second, global energy and commodity prices have been showing distinct signs of softening over the past few weeks as expectations of global growth have moderated. If energy prices continue to decline, this will offset the inflationary impact of the recent fuel price hike. Further, idle global capacity in a range of sectors will allow competitive imports to reduce the momentum in domestic prices.

Third, consequent on the strengthening of domestic growth drivers, demand-side pressures are building up. Taking into account the emerging domestic and external scenario, the baseline projection for WPI inflation for March 2011 has been raised to 6.0 per cent from 5.5 per cent as indicated in the April policy statement.

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The Reserve Bank will endeavour to achieve price stability and anchor inflation expectations. In pursuit of these objectives, the Reserve Bank will continue to evaluate an array of aggregate and disaggregated measures of inflation in the context of the evolving macroeconomic situation. Notwithstanding the current inflation scenario, it is important to recognise that in the last decade (2000-01 to 2009-10), the average inflation rate, measured both in terms of WPI and CPI, moderated to around 5 per cent from the historical trend rate of about 7.5 per cent. A combination of factors played a role in this transformation. One of these was a monetary policy committed to keeping inflation low and stable. This record is an important foundation for the credibility of monetary policy and, more generally, the broader inflation management framework. Against this backdrop, the conduct of monetary policy will continue to condition and contain perception of inflation in the range of 4.0-4.5 per cent. This will be in line with the medium-term objective of 3.0 per cent inflation consistent with India's broader integration into the global economy.

Monetary Aggregates

While the current year-on-year money supply (M3) growth at 15.3 per cent is below the indicative projection of 17.0 per cent, non-food credit growth at 22.3 per cent was marginally higher than the indicative projection of 20.0 per cent. It is expected that even with the higher growth projection, monetary aggregates will evolve along the projected trajectory indicated in the April policy statement. Accordingly, the M3 and non-food credit growth projections for 2010-11 have been retained at 17 per cent and 20 per cent respectively. As always, these numbers are indicative projections and not targets.

Risk Factors

The above macroeconomic and monetary projections are subject to a number of upside and downside risks. The main risk emanates from the global scenario and has two key dimensions. First, if the global recovery falters, the risk of which has increased since the April 2010 policy announcement, the performance of EMEs is likely to be adversely affected. While India's trade linkages with the advanced economies are appreciably smaller than those of other major EMEs, a widespread slowdown in global trade will have an impact on important manufacturing and service sectors. The more significant risk, though, is from a potential slowdown in capital inflows. India's rapid recovery has resulted in a widening of the current account deficit, as imports have grown faster than exports. Even if exports slow down, the strength of domestic growth drivers will keep imports buoyant, suggesting a widening of the trade deficit. However, in the face of a global slowdown, increasing risk aversion amongst global investors may significantly reduce the flow of capital into EMEs, including India. Apart from narrowing the comfortable buffer between the current account deficit and net capital inflows, this may constrain domestic investment, which is critical to achieving and sustaining high growth rates. Admittedly, the risk of capital flows runs both ways. Given the present state of global economy, central banks in advanced economies are likely to maintain accommodative monetary policies for an extended period. With the strong growth potential of EMEs, including India, this is likely to trigger large capital inflows. Large capital inflows above the absorptive capacity of the economy will pose a challenge for monetary and exchange rate management. This also has implications for asset prices. In this scenario, a widening current account deficit will help absorb a larger proportion of the inflows. On the inflation front, the prospects of softening of domestic inflation around mid-year 2010-11 are contingent on moderating food prices. Rainfall has been generally adequate so far, indicating good prospects for the agricultural sector. But, with two months yet to go for the season, the risk of inadequate rainfall adversely affecting specific regions and crops remains. However, with respect to controlling inflation, the global scenario may generate some favourable impulses. Slower global growth will help lower energy and commodity prices. Unutilised global capacity in many sectors will also ease pressure on prices.

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The Policy Stance

Since October 2009, when it signalled the reversal of its policy stance, the Reserve Bank has cumulatively raised the CRR by 100 basis points and the repo and reverse repo rates under the LAF by 75 basis points each. The monetary policy response has been calibrated on the basis of India's specific growth-inflation dynamics in the broader context of persistent global uncertainty. Thus, our policy stance for 2010-11 has been conditioned by three major considerations: First, domestic economic recovery is firmly in place and is strengthening. The 7.4 per cent growth in 2009-10 despite weak global growth and the insignificant contribution of the agriculture sector is a testimony of the resilience of the Indian economy. The Reserve Bank's upward revision of the GDP growth projection for 2010-11 to 8.5 per cent (from 8.0 per cent with an upside bias in April 2010) indicates that the economy is steadily reverting to its pre-crisis growth trajectory. However, even as this is happening, prospects of a sustained global recovery appear to be increasingly uncertain, with possible adverse consequences for the EMEs, including India. Second, inflationary pressures have exacerbated and become generalised, with demand-side pressures clearly evident. Capacity constraints are visible in several sectors and pricing power is returning to producers. Inflationary expectations also remain at an elevated level. Given the spread and persistence of inflation, demand-side inflationary pressures need to be contained. Third, despite the increase in the policy rates by 75 basis points cumulatively, real policy rates are not consistent with the strong growth that the economy is now witnessing. As articulated in previous policy statements/reviews, lower policy rates can complicate the inflation outlook and impair inflationary expectations, particularly given the increased generalisation of inflation. It is, therefore, imperative that we continue in the direction of normalising our policy instruments to a level consistent with the evolving growth and inflation scenario, while taking care not to disrupt the recovery. In this consideration, the liquidity situation plays a crucial role. It is well understood that transmission of monetary policy through rate actions works most effectively when liquidity is being injected into the financial system by the central bank, rather than when it is being absorbed.

Our calibrated actions to absorb surplus liquidity from October 2009 onwards were reinforced by market conditions, which evolved in early June 2010 and still persist. Consequently, overnight call money interest rates have moved towards the upper bound of the LAF corridor, which is equivalent to effective tightening of rates by 150 basis points. This has also brought the system closer to a point at which policy rate actions are likely to have greater traction. Current market conditions indicate that while liquidity pressures will ease, the system is likely to remain in deficit mode for now. This implies a significant change in the monetary operations, which has a direct bearing on our actions. In a deficit liquidity mode, the repo rate under the LAF has emerged as the operating policy rate. The LAF operates in such a manner that as systemic liquidity alternates from surplus to deficit, even at the margin, the overnight call money rates alternate between the reverse repo rate and the repo rate. This imparts volatility to call rates to the extent of the width of the LAF corridor. There is no unique way to determine the appropriate width of the policy interest rate corridor. But the guiding principles are: (i) it should be broad enough not to unduly incentivise market participants to place their surplus funds with the central bank; (ii) it should not be so broad that it gives scope for greater interest rate volatility to distort the policy signal. The challenge, therefore, is to strike the right balance. As the systemic liquidity transits from an uni-directional surplus mode to a bi-directional mode, it will have implications for the effectiveness of monetary transmission. In the context of the changing liquidity dynamics, the operation of the LAF needs to be studied. Accordingly, it is proposed to set up a Working Group to review the current operating procedure of monetary policy of the Reserve Bank, including the LAF.

Against the above stated backdrop, the stance of monetary policy is intended to: Contain inflation and anchor inflationary expectations, while being prepared to respond to any further build-up

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of inflationary pressures. Maintain an interest rate regime consistent with price, output and financial stability. Actively manage liquidity to ensure that it remains broadly in balance so that excess liquidity does not dilute the effectiveness of policy rate actions.

Mid-Quarter Review of Monetary Policy At present, scheduled policy announcements are made once in a quarter. In a rapidly evolving macroeconomic situation, however, a gap of a quarter between policy reviews can be too long. In recent years, there have been several occasions (April, June and September-December 2008; January and March 2009; and March and July 2010) when the Reserve Bank had to take off-cycle policy actions in response to macroeconomic developments. While these instances challenge the discipline of the quarterly schedule, they also underscore the need for flexibility to manoeuvre. Many major central banks in the world make monetary policy announcements more frequently ranging generally from 8 to 12 announcements in a year. It is, therefore, proposed to formalise what is already an informal, internal process. Accordingly, the Reserve Bank will now undertake mid-quarter reviews roughly at the interval of about one and half months after each quarterly review. As per schedule, mid-quarter reviews will be in June, September, December and March. They will be by way of a press release, which will provide a rationale for either action or maintenance of the status quo. Mid-quarter Reviews are intended to communicate our assessment of economic conditions more frequently. By instituting these, it is our intention to take the surprise element out of the off-cycle actions. However, the Reserve Bank will have the flexibility, as always, to take swift and pre-emptive policy action, as and when warranted by the evolving macroeconomic developments.

Monetary Measures

On the basis of the current assessment and in line with the policy stance as outlined in Section III, the Reserve Bank announces the following policy measures:

Bank Rate : The Bank Rate has been retained at 6.0 per cent.

Repo Rate It has been decided to : increase the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 5.5 per cent to 5.75 per cent with immediate effect.

Reverse Repo Rate It has been decided to : increase the reverse repo rate under the LAF by 50 basis points from 4.0 per cent to 4.50 per cent with immediate effect. **Cash Reserve Ratio** The cash reserve ratio (CRR) of scheduled banks has been retained at 6.0 per cent of their net demand and time liabilities (NDTL).

Expected Outcomes Monetary policy actions are expected to:

- Moderate inflation by reining in demand pressures and inflationary expectations.
- Maintain financial conditions conducive to sustaining growth.
- Generate liquidity conditions consistent with more effective transmission of policy actions.
- Reduce the volatility of short-term rates in a narrower corridor.

Mid-Quarter Review of Monetary Policy 2010-11

The next mid-quarter review of Monetary Policy for 2010-11 will be announced through a press release on September 16, 2010.

Second Quarter Review of Monetary Policy 2010-11

The second quarter review of Monetary Policy 2010-11, including developmental and regulatory policies, is scheduled on November 2, 2010.

3. Economic Survey 2009-2010

A day before the presentation of Union Budget 2010-11, the Ministry of Finance on February 25, 2010 presented the Economic Survey, 2009-2010 in the parliament.

Summer Economic Survey (2009-10)

- Economic survey optimistic on growth but termed fiscal year 2009-10 difficult one.
- Current fuel prices not fiscally sustainable
- expenditure control needed to control deficit
- Power, coal seeing a revival
- Infra capacity need to be accelerated
- Expect revenues of Rs 820 to 850 Crs in FY10
- Timely off-loading of food stocks need urgent attention
- Rationalise port service charges
- Lower peak custom duty to 7.5% from 10%
- Monetary measures must ensure credit growth
- Lower than budgeted non taxed revenue expected
- Medium term prospects of Indian economy really strong
- Major decline in consumption expenditure growth in FY10
- To give higher share to states despite fiscal strain
- States to get 1.5% more.
- To compensate states on revenue loss when GST rolled out
- Local bodies to also get share of central taxes
- Accepted major recommendations of 13th Finance Commission.
- Food inflation is at present hovering close to 18%
- Moots direct food subsidy via food coupons to households
- Survey favours making available food in open market
- Survey favours monthly ration coupons usable anywhere for poor
- Fiscal deficit may be cut to 5.5%
- Gas output up 52.8 per cent to 50.2 billion cubic meters with RIL starting production
- Trade gap narrowed to USD 76.24 bn in April-December
- India 10th largest gold holding nation at 557.7 tonnes
- Large decline in customs, excise expected
- Tighten FRBM clauses for future relaxations
- Overall revenue transfers to state at 39.5%
- Services sector growth rate at 8.7%
- Virtually every second Indian has access to phone
- Fundamental policy changes needed for trade
- Wants credit available at reasonable rates on time for private sector to invest in agriculture

- Small shortfall in revenue receipt in FY10
- Overall farm GDP decline of 0.2% in FY10
- Investment growth still below GDP growth rate
- India not immune to global prices
- Auction for 3G spectrum to provide existing and foreign players to bring in new technology and innovations
- India world's 2nd largest wireless network with 525.1 million mobile users
- Slowdown in infrastructure that began in 2007, arrested
- Government initiates steps to boost private investment in agriculture
- Credit needed for private investment in agriculture
- Imports in April-December 2009 down 23.6 per cent
- Exports in April-December 2009 down 20.3 per cent
- Gross fiscal deficit pegged at 6.5 pc of GDP in 2009-10
- Favours making available food in open market
- Hype on Kharif crop failure helped hoarding
- Poor rainfall stopped prices falling
- Delay in releasing imported sugar pushed up prices
- Farm and allied sector production falls 0.2 per cent in 2009-10
- Rising food inflation a major concern
- Growth in private investments
- Growth has to quicken
- Watch and withdraw stimulus
- Risks of double dip recession seen
- Economy likely to grow up to 8.75%
- Inflation may spread, warns survey
- V-shaped recovery seen
- Economic recovery weak
- India's GDP growth rate in 2009-10 was 7.2%
- India's GDP to return to 9% in 2011-12
- High double digit food inflation in 2009-10
- Possible spurt in global commodity
- India can become world's fastest growing economy in 4 years
- Hike in fuel prices will impact inflation
- The fiscal deficit for the current fiscal year is expected to shoot up to 6.8% of GDP
- The economic survey is expected to project around 7.5% growth rate for the current fiscal year

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Budget Facts in India

- R K Shanmukham Shetty presented independent India's first economic budget.
- Till date, Morarji Desai has had the longest tenure as Finance Minister, 8 years.
- CD Deshmukh was the first Indian Governor of RBI to have presented the Interim Budget for the year 1951-52.
- Jaswant Singh was Finance Minister for 13 days.
- Since 1980, budget papers are printed in North Block.
- A week before the budget is presented, the employees of the press stay in the ministry and have no means of communicating with the outside world.
- The 1965-66 budget contained the first disclosure scheme for black money.
- Jawahar Lal Nehru was the first Prime Minister to present the budget when he held the Finance portfolio in 1958-59.
- R Venkataraman was the only Finance Minister who later became the President of India.
- P Chidambaram rewrote India's Exim Policy in one non-stop eight-hour sitting in July 1991, when he became the Commerce Minister.
- Both Yaswant Sinha and Manmohan Singh have presented five Union Budgets in a row.
- In an election year, Budget may be presented twice - first to secure vote on account for a few months and later in full.
- The Budget is presented in Parliament on a date fixed by the President.
- Morarji Desai was the only Finance Minister to have had the opportunity to present two budgets on his birthday – in 1964 and 1968.
- Three interim budgets were presented in the 1990s. While Yashwant Sinha presented the interim Budgets for 1991-92 and 1998-99, Manmohan Singh presented the 1996-97 interim Budget.
- The Budget proposed by the Finance Minister comes into effect after parliamentary discussion on the Budget has been completed by April 1.
- In 1950-51 budget, the then Finance Minister John Mathai announced the creation of the Planning Commission.
- Of 17 Budgets since 1991-92, on 10 occasions the stock markets fell in the one month following the Budget.

4. Union Budget 2010-2011

Finance minister Pranab Mukherjee presented the Union budget for 2010-11 in the Lok Sabha after the Cabinet approved the document. Here are some of the highlights of his budget speech.

- The Indian economy was facing grave uncertainty. Growth had started decelerating when the interim and full budget for 2009-10 were presented.
- At home there was added uncertainty because of subnormal southwest monsoon.
- Yet, the economy now in a far better position than it was eight years ago.
- India weathered the economic crisis well and emerged from the global slowdown faster than any other country.

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- First challenge before the government is to quickly revert to high GDP growth path of 9%.
- Expects 10% economic growth in the near future.
- Second challenge is to harness economic growth to make it more inclusive and consolidate gains.
- Third challenge is to overcome weakness in government's public delivery mechanism; a long way to go in this.
- Impressive recovery in the past few months. Can witness faster recovery in the coming months.
- Food security has been strengthened.
- But bottleneck of the public delivery mechanism can hold us back.
- Fiscal year 2009-10 was challenging for the economy.
- Focus shifted to non-governmental actors and an enabling government. Government now concentrates on supporting and delivering services to the poorer sections.
- Economy stabilised in the first quarter of 2009 itself.
- 18.5% manufacturing growth in December was the highest in two decades.
- Figures for merchandise exports for January encouraging after turnaround in November and December last year.
- Double digit food inflation last year due to bad monsoon and drought-like conditions.
- Government conscious of the price rise and taking steps to tackle it.
- Erratic monsoon and drought-like conditions forced supply-side bottleneck that fuelled inflation.
- Need to review stimulus imparted to economy last year to overcome the recession.
- Need to ensure that the demand-supply imbalance is managed.
- Need to make growth more broad-based.
- Need to review public spending and mobilise resources.
- Status paper on public debt within six months.
- Government hopes to implement direct tax code from April 2011.
- Earnest endeavour to implement general sales tax in April 2011.
- Government will raise Rs25,000 crore from divestment of its stake in state-owned firms.
- Kirit Parekh report on fuel price deregulation will be taken up by petroleum minister Murli Deora in due course.
- Nutrient-based fertiliser subsidy scheme to come into force from April 1 this year.
- Nutrient-based fertiliser subsidy will reduce volatility of subsidy and also reduce it.
- Market capitalisation of five public-sector undertakings listed since October increased by 3.5 times.



- FDI inflows steady during the year. Government has taken series of steps to simplify FDI regime. Intends to make FDI policy user friendly by compiling all guidelines into one document.
- Government has decided to set up apex-level Financial Stability and Development Council.
- RBI considering issuing banking licences to private companies. Non-banking finance companies will also be considered if they meet the criteria.
- Government to provide Rs16,500 crore to public-sector banks to maintain tier-I capital.
- Government to continue interest subvention of 2% for one more year for exports covering handicrafts, carpets, handlooms and small and medium enterprises.
- Government to provide Rs300 crore to organise 60,000 pulse and oilseed villages and provide integrated intervention of watershed and related programmes.
- Rs200 crore provided for climate-resilient agriculture initiative.
- Government committed to ensuring continued growth of special economic zones.
- Need to take firm view on opening up of the retail sector.
- Deficit in foodgrains storage capacity to be met with private-sector participation.
- Period for repayment of loans by farmers extended by six months to June 30, 2010, in view of the drought and floods in some parts of the country.
- Interest subvention for timely repayment of crop loans raised from 1% to 2%, bringing the effective rate of interest to 5%.
- Road transport allocation raised by 13% to Rs19,894 crore.
- Proposal to maintain thrust of upgrading infrastructure in rural and urban areas. IIFCL authorised to refinance infrastructure projects.
- Rs1,73,552 crore provided for infrastructure development.
- Allocation for railways fixed at Rs16,752 crore, an increase of Rs950 crore over the last financial year.
- Government proposes to set up Coal Development Regulatory Authority.
- Mega power plant policy modified to lower cost of generation; allocation to power sector more than doubled to Rs5,130 crore in 2010-11.
- Government favours competitive bidding for coal blocks for captive power plants.
- Rs. 500 crore allocated for solar and hydro projects for the Ladakh region in Jammu & Kashmir.
- Clean Energy Fund to be created for research in new energy sources.
- Allocation for new and renewable energy ministry increased by 61% to Rs. 1,000 crore.
- One-time grant of Rs. 200 crore provided to Tirupur textile cluster in Tamil Nadu.
- Allocation for National Ganga River Basin Authority doubled to Rs. 500 crore.
- Alternative port to be developed at Sagar Island in West Bengal.
- Draft of Food Security Bill ready, to be placed in the public domain soon.
- Outlay for social sectors pegged at Rs. 1,37,674 crore, accounting for 37% of the total plan allocation.
- Plan allocation for school education raised from Rs26,800 crore to Rs31,036 crore in 2010-11.
- 25% of plan outlay earmarked for rural infrastructure development.

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- Plan allocation for health and family welfare increased to Rs. 22,300 crore from Rs. 19,534 crore.
- For rural development, Rs66,100 crore have been allocated.
- Allocation for National Rural Employment Guarantee Authority stepped up to Rs. 40,100 crore in 2010-11.
- Indira Awas Yojana's unit cost raised to Rs. 45,000 in the plains and Rs. 48,500 in hilly areas.
- Allocation for urban development increased by 75% to Rs. 5,400 crore in 2010-11.
- 1% interest subvention loan for houses costing up to Rs. 20 lakh extended to March 31, 2011; Rs. 700 crore provided.
- Allocation for development of micro and small-scale sector raised from Rs. 1,794 crore to Rs. 2,400 crore.
- Rs. 1,270 crore provided for slum development programme, marking an increase of 700%.
- Government to set up National Social Security Fund with initial allocation of Rs1,000 crore to provide social security to workers in the unorganised sector.
- Government to contribute Rs. 1,000 per annum to each account holder under the new pension scheme.
- Exclusive skill development programme to be launched for textile and garment-sector employees.
- Allocation for woman and child development increased by 80%
- Plan outlay for the social justice ministry raised by 80% to Rs. 4,500 crore.
- Plan allocation for minority affairs ministry raised from Rs1,740 crore to Rs2,600 crore.
- Financial-Sector Legislative Reforms Committee to be set up.
- Rs. 1,900 crore allocated for Unique Identification Authority of India.
- A unique identity symbol will be provided to the rupee in line with the US dollar, British pound sterling, euro and Japanese yen.
- Defence allocation pegged at Rs. 1,47,344 crore in 2010-11 against Rs. 1,41,703 crore in the previous year. Of this, capital expenditure would account for Rs. 60,000 crore.
- Planning Commission to prepare integrated action plan for Naxal-affected areas to encourage "misguided elements" to eschew violence and join the mainstream.
- Gross tax receipts pegged at Rs. 7,46,656 crore for 2010-11, non-tax revenues at Rs. 1,48,118 crore.
- Total expenditure pegged at Rs. 11.8 lakh crore, an increase of 8.6%.
- Fiscal deficit at 5.5%.
- Fiscal deficit seen at 4.8% and 4.1% in 2011-12 and 2012-13, respectively.
- Non-plan expenditure pegged at Rs. 37,392 crore and plan expenditure at Rs7,35,657 crore in budget estimates. Proposed increase of 15% in plan expenditure and 6% in non-plan expenditure.
- Cash subsidy for fuel and fertiliser instead of previous practice of bonds to continue.
- Fiscal deficit pegged at 6.9% in 2009-10 as against 7.8% in the previous fiscal.
- Government's net borrowing to be Rs3,45,010 crore for 2010-11.
- Income-tax department ready with two-page Saral-2 returns form for individual salaried assesses.
- Personal income-tax rates pruned :

- | | | |
|--|---|-----|
| (a) Income up to Rs. 1.6 lakh | : | NIL |
| (b) Income above Rs. 1.6 lakh and up to Rs. 5 lakh | : | 10% |
| (c) Income above Rs. 5 lakh and up to Rs. 8 lakh | : | 20% |
| (d) Income above Rs. 8 lakh | : | 30% |
- Additional deduction of Rs. 20,000 allowed on long-term infrastructure bonds for income-tax payers; this is above Rs1 lakh on savings instruments allowed already.
 - Investment-linked tax deductions to be allowed to two-star hotels anywhere in the country.
 - Weighted deduction of 125% for payments to approved associations doing social and statistical research.
 - One-time interim relief to housing and real-estate sector.
 - Businesses with a turnover of up to Rs. 60 lakh and professionals earning up to Rs. 15 lakh to be exempted from the obligation to audit their accounts.
 - Housing projects allowed to be completed in five years instead of four to avail of tax breaks.
 - Revenue loss of Rs26,000 crore on direct tax proposals.
 - Central excise duty on all non-petroleum products raised to 10% from 8%.
 - FM increases customs duty on crude oil to 5%, on diesel and petrol to 7.5%, and on other petroleum products to 10%.
 - Structural changes in excise duties on cigarettes, cigars, and cigarillos.
 - Clean energy cess of Rs. 50 per ton to be levied on coal produced in India.
 - Concessional excise duty of 4% on solar cycle-rickshaws.
 - Balloons exempted from central excise duty.
 - Customs and central excise proposals to result in a net revenue gain of Rs43,500 crore.
 - More services to be brought under the service tax net.
 - Certain accredited news agencies exempted from payment of service tax.
 - Net revenue gain from tax proposals pegged at Rs20,500 crore.

5. Railway Budget 2010-2011

Railway Minister Mamta Banerjee on February 24, 2010 presented Railway Budget 2010-11 in the Lok Sabha. This is the seventh year in a row that passenger fares have not been raised.

Railway Budget 2010-2011 Highlights

- No hike in freight and passenger fare.
- New Janmabhoomi train between Ahmedabad and Udhampur
- Concession for children of accredited journalists up to 18 years.
- Free journey for cancer patients in sleeper and 3AC; 75 p.c. concession for companion
- Concession of Rs 100 on freight rates of food grains for domestic use, kerosene, fertilizer
- Survey will be conducted to connect Sealdah and Howrah stations in West Bengal

>Karmabhoomi train for working class

- >Bharat threeth train to commemorate Rabindranath Tagore's birth 150th anniversary.
- >Matribhumi special trains for women
- >Andaman and Nicobar Islands to get railway line from Port Blair to Diglipur
- >Velachery-St.Thomas Mount MRTS link by 2012
- >New suburban trains for Chennai
- >Stations to be named after Bhagat Singh, Mother Teresa, Tipu Sultan, Bahadur Shah Zafar
- >RPF to have women battalion
- >Railways to have master plan for North Eastern region
- >Insurance facilities for licensed porters as part of railway's corporate social responsibility
- >Kashmir role link to be extended to Sopore
- >Rs 1,302 crore provided for passenger amenities
- >Freight loading target for 2010—11 fixed at 944 million tonnes
- >Several new lines announced.
- >New train service to Dhaka, Bangladesh from Agartala.
- >Gross traffic receipt for 2010—11 pegged at Rs 94,765 crore
- >High—speed dedicated passenger corridors to be constructed
- >Revenue from non—core business of Railways to go up from Rs 150 crore to Rs 1,000 crore
 - Wagon Repair Shop to be set up in Badnera near Amravati in Maharashtra
 - Railways saved Rs 2,000 cr from austerity drive
 - 10 more Duranto trains announced
 - Service charge on AC fares cut to Rs 20
 - 101 new suburban trains for Mumbai
 - Dedicated corridors will be implemented on time
 - Land acquisition: One member from the family would be given employment in Railways
 - Railways earned net profit of Rs. 1348 crores.
 - Railways will be the lead partner in the Commonwealth Games in Delhi
 - Railways to set up Rabindra Museum in Howrah and Geetanjali Museum in Bolpur — both in West Bengal — to commemorate Rabindranath Tagore's 125th birth anniversary
 - New testing facility in Bangalore
 - Railways proposes modernisation of ICF, Chennai.
 - New housing scheme for 14 lakh employees
 - Railways to start six water bottling plants in places like Ambala, Thiruvananthapuram, Farakka, Amethi and Nasik to provide clean and cheap drinking water to passengers.
 - Special task force for clearing investment proposals in 100 days
 - New business model to be created
 - Unmanned railway crossing will be phased out in five years
 - Five sports academies to be set-up, including Delhi, Chennai, Secunderabad

- E-tickets to be made available at panchayat level
- Railways recruitment: Exams to be conducted in regional languages
- Railways recruitment: Simultaneous exams proposed
- Modern toilets to be introduced in stations
- No privatisation of Railways
- Six bottling plants for Rail Neer
- Fee waiver for economically weak
- Special drive for improving passenger amenities
- Railways target 1,000 km of new line in one year
- 117 new trains flagged-off in the last financial year
- Special task force will be set up for early clearance of projects
- Mamata appeals to business houses to join hands for building partnership with Railways

6. PM Economic Advisory Council's Economic Outlook 2010-11

Ahead of the Reserve Bank of India's monetary policy, scheduled for July 27, the prime minister's Economic Advisory Council (PMEAC) has recommended an increase in interest rates.

The PMEAC chairman and former RBI governor C Rangarajan said, "There should be further tightening of the monetary policy in view of the high level of inflation." Rangarajan was speaking to the media at the release of the Council's Economic Outlook for 2010-11.

Replying to a query on how a tightening monetary policy would impact growth, Rangarajan said, "It should promote growth and also contain inflation."

"In the backdrop of inflation rates that are more than twice the comfort zone, it is important that monetary policy completes the process of exit and moves towards a bias on tightening, with respect to normal monetary conditions," the Council's Economic Outlook has stressed.

It has added that "This is essential to preserve price stability and create conducive conditions for sustainable growth in the medium term."

When asked to compare fiscal tightening with monetary tightening, in terms of significance to the economy on the whole, Rangarajan said "Fiscal tightening usually happens only once a year-during the budget". On the other hand, monetary tightening is an instrument that can be used continuously, he added.

As for the desirability of any withdrawal of fiscal stimulus soon, Rangarajan said, "I don't think any further adjustments will be made during the year." The next phase of stimulus withdrawal, through tax and duty revisions, can be effected in the next budget now.

On inflation, Rangarajan said that by September, one will see the whole price index (WPI) below the double digit figure. But the inflation will dip significantly only in 2011, he added. According to the Economic Outlook, "Overall WPI headline inflation rate is expected to remain high (7 to 8%) at the end of December 2010, dropping to around 6.5% by March 2011."

The PMEAC report has stuck with the government forecast of GDP growth at 8.5% in 2010-11. The Indian economy will grow faster at 9% in 2011-12, according to the report. Agriculture, which grew at 0.2% in 2009-10, is projected to grow at 4.5% in 2010-11 and 4% in 2011-12. Industry, which grew

at 9.3% in 2009-10, is projected to grow at 9.7% in 2010-11 and 10.3% in 2011-12. Also, services, which grew at 8.5% in 2009-10, is projected to grow at 8.9% in 2010-11 and 9.8% in 2011-12.

Citing high buoyancy in direct and indirect tax collections, telecom auctions and decontrol of petroleum products, the Council has projected that fiscal deficit may be lower than the budgeted consolidated figure of 8.4% of the GDP for 2010-11. Also, revenue deficit, as a ratio of GDP, is expected to decline from 6.3% in 2009-10 to 4.6% in 2010-11.

The PM's Economic Advisory Council has recommended three measures for attaining economic growth of 9%. These include focus on containing inflation as a short-term measure, and improving farm productivity and closing large physical infrastructure deficit (especially in the power sector) as medium-term steps

7. Foreign Trade Policy 2009-14

Commerce Minister unveiled Foreign Trade Policy 2009-14. The Policy takes into consideration grim scenario of global trade in last 4 quarters and takes initiatives to redress the situation. The policy aims at US\$ 200 billions export by March 2011. The long term objective is to double the share of India in Global trade from the present level. The salient feature of new policy is as follows :

1. Focus Market Scheme & Focus Product Scheme has been more attractive. 26 new markets has been added to the scheme. Incentive in FMS has been increased to 3% from the present 2.5%. A large number of products has been included in the Focus Product Scheme and the incentive has been increased to 2% from the present 1.25%. Market Linked Focus Product Scheme has been expanded.
2. Zero duty EPCG scheme has been introduced.
3. Additional duty credit of 1% has been introduced for status holder for specified sector. The credit can be utilized for import of capital goods on actual user condition.
4. Duty credit scrip issued under VKGUY has been made transferable, subject to the condition that it can be transferred to status holders only for import of cold chain equipments.
5. DEPB has been extended till 31.12.2010.
6. Duty drawback for gold jewellery export has been introduced. Import of diamonds allowed for grading and certification.
7. Emphasis of export growth on employment generating sectors like textile, processed foods, leather, gems & jewellery, tea, handloom etc.
8. Some benefits given to EoU sector.
9. Minimum value addition of 15% prescribed in Advance authorization scheme.
10. Certain measures to provide flexibility has been provided. Now debit in DFIA/advance authorization/EPCG is allowed for payment of custom duty on shortfall of export obligation. Restricted items shall be allowed under transferred DFIA as DFRC earlier. Transit loss claim received from insurance companies is allowed export obligation.
11. Effort has been made to reduce the transaction cost.

8. Foodgrain Production 2009-10 : Fourth Advanced Estimate

With record production of wheat and pulses, total foodgrain production in the country is estimated to reach 218 million tonnes in the 2009-10 crop year against a record 234.47 million tonnes in the previous year.

The agriculture ministry released the fourth advance estimates of crop productions which said total foodgrain production in 2009-10 is likely to be 218.2 million tonnes, marginally up from the third advance estimates issued in May.

“The estimates cover the 2009 kharif crop that was heavily impacted by a severe drought,” it said. The impact was especially severe in the case of kharif rice, groundnut and coarse cereals. “In the subsequent rabi season, some ground was regained but the overall production was still about 16 million tonnes lower than 234.47 million tonnes achieved in 2008-09.” the statement said. Incidentally, 2008-09 had been a year of record production of foodgrains following years of good weather conditions.

As per the latest estimates, wheat production has reached record 80.71 million tonnes, marginally higher than the earlier best of 80.68 million tonnes achieved in 2008-09. Similarly, pulses production has reached record 14.59 million tonnes, over 14.57 million tonnes in 2008-09.

Production of rice in 2009-10 stands at 89.13 million tonnes, wheat 80.71 million tonnes, coarse cereals 33.77 million tonnes, pulses 14.59 million tonnes, oilseeds 24.9 million tonnes and sugarcane 277.8 million tonnes. “There has been minor upward revision in most crops as compared to third estimates,” it added.

9. RBI Quarterly Credit Policy 2009-10

The Reserve Bank of India said it will unveil the annual credit policy for 2009-10, which is expected to provide further stimulus to the economy, on April 21.

The Reserve Bank’s credit policy is significant as it comes amid fears of further deterioration in the global economy and its consequent impact on the country.

The International Monetary Fund in its recent review of the Indian economy said that the onus of providing stimulus to the economy would rest with the monetary authority, as the ability of the government to raise public expenditure to boost industry is limited.

RBI governor D Subbarao in the fourth quarterly review of the monetary policy on March 4 had said, “RBI on its part would continue to maintain ample liquidity in the system.” The central bank, since mid-September, came out with series of steps to inject liquidity into the system and signaling cut in lending rates to boost demand and industrial growth.

As part of the monetary stimulus, the Reserve Bank gradually reduced the short-term lending rate and Cash Reserve Ratio, the percentage of funds that banks are required to keep with the central bank, from 9 per cent to 5 per cent.

In addition, the RBI also brought down reverse-repo rate, the interest banks earn on funds parked with the central, to 3.5 per cent from 6 per cent.



V

National Report

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1. 13th Finance Commission Report

In line with cooperative federalism that characterises harmonious Centre-State relations, the 13th Finance Commission (FC), headed by economist Dr Vijay L. Kelkar has come out with a slew of fiscal fillips and sharing of financial resources to States for the even development of the country.

Finance Ministry accepted key recommendations of 13th Finance Commission.

The Union Finance Minister, Mr Pranab Mukherjee, has accepted most of the key recommendations including the share of States in the net proceeds of the Union taxes at 32 per cent and grants-in-aid of revenues of States for the period 2010-15, non-Plan revenue deficit grant, grant for elementary education and three tranche of environment-related grants of Rs 5,000 crore each comprising forest grant, promotion of renewable energy and for water sector, grants for improving outcomes and for maintenance of roads and bridges and State specific grants.

- (a) **On goods and services tax** : The Commission proposal on Goods and Services Tax outlining a model GST structure and a grant of Rs 50,000 crore by way of compensation for loss in the implementation by the States has also been accepted in principle, pending the outcome of the ongoing discussions. The ready acceptance of the nuts and bolts issues by the Government concerning Centre-State fiscal relations bear testimony to the persuasive and positive recommendations of the 13th Finance Commission and its five-member expert team. What is important in the whole report relates to fiscal roadmap it has drawn for both the Centre and the States in order to ensure sustainable and non-inflationary growth to make a decisive dent on poverty and promote development in an inclusive manner.
- (b) **Gross domestic product** : After assessing the finances of the Union and the States, it has specified a combined debt target of 68 per cent of Gross Domestic Product (GDP) to be met by 2014-15. A recent IMF working paper on what level of public debt could India target said that at 78 per cent of GDP in 2008-09, India stands out against the average for emerging markets at 45 per cent of GDP. It has favoured a target of 60-65 per cent of GDP for India's public debt by 2015-16.

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But even the 68 per cent of GDP target with fiscal consolidation path entailing the steady reduction in augmented debt stock of Centre to 45 per cent of GDP by 2014-15 and for the States to less than 25 per cent of GDP by 2015 appears to be an arduous task as the Government has accepted this recommendation only in principle. Plumping for “a fundamental rethink of the Constitutional arrangements regarding inter-Governmental allocation as well as devolution of resources to the third tier” (the rural and urban local bodies), the Commission has rightly favoured such changes that would allow the third tier to access resources directly from the divisible pool.

- (c) **Resource transfer** : Of course, many a State may not stomach this as it may not relish relinquishing its resource-transfer lever to local bodies. In fact, the Commission makes no bones about its interest in local bodies as being key players in bringing about a development transformation when it said the advent of GST also needs to keep the local bodies in focus in the future. This is necessarily so since, being a consumption based and incentive compatible tax, it is well suited for direct allocation to the third tier, it said adding that such sharing of GST with local bodies will help in eliminating distortionary taxes such as octroi.
- (d) **Revenue allocation** : In yet another eye-popping teaser to the Union, the 13th Finance Commission proposes allocation of revenues arising from the ‘fiscal commons’ such as ‘profit petroleum, profit gas and revenue shares from spectrum’. As these are national resources and ought to be the collective disposal of the Central and all State governments, there is a case to view such non-tax revenues that were exclusively in the domain of the Centre “as being sharable between the Centre and the States collectively”. To do this, it would be necessary to include these as a part of the divisible pool, requiring a constitutional amendment, it said. While States may eye this bonanza with keenness, the Centre might shrink from taking it up as this abridges its right to arrogate the windfall. But cooperative federalism does entail costs and benefits, say fiscal experts.

2. Kirti Parikh Committee Report

The Kirti Parikh committee report submitted to the petroleum ministry has suggested market-determined pricing for petrol and diesel. The panel has also recommended linking the cooking fuel, LPG and kerosene distributed through the Public Distribution System with the increase in per capita GDP of urban and rural population.

The committee was appointed last year with the aim of forming a fuel policy for the government. The report was submitted to the Petroleum Minister Murli Deora. The government has directed the ministry to process the report immediately and place it before the cabinet.

- (a) As per the recommendations the price of auto fuel may rise to the tune of Rs 3 a litre on petrol and Rs 3 to Rs 4 on diesel. The panel has also recommended additional excise duty of Rs 80,000 on diesel cars. The panel has said that “greater fuel efficiency of a diesel vehicle should not be penalized” however the diesel car users must pay the same amount of tax as petrol car users.
- (b) In the cooking fuel, the price of kerosene is worked by the committee to go up by Rs 6 a litre based on the 66 per cent increase in agriculture GDP since March 2002. The Kerosene prices were last revised to Rs 9 a litre. And for LPG the recommendation is to raise the price by at least Rs 100 which would translate to the total price of a cylinder to about Rs 381. However, if the 84 per cent increase in GDP for urban population since 2004-05 is considered the price for LPG works out to be much higher at Rs 485.

Addressing the concerns about the impact of increasing pricing on the inflation, Mr. Parikh said that the impact of ‘whether the increase is funded through the fiscal deficit or through a direct price increase’ would be the same on inflation in the country.

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- (c) In order to reduce the loss suffered by the OMC from selling cooking fuel, the committee suggested periodic reductions in Public distribution system kerosene allocations based on the level of electrification in villages along with periodic price rises. The aim is for a smart card system with a UID through which the government will be able to transfer direct subsidy.
- (d) The committee suggested that the Upstream oil companies should share more of their revenues from nominated blocks. It rejected the ONGC formula for charging a windfall tax if the price of crude rises in the international market.

Reaction :

ONGC has said that the recommendations have taken into account the financial health of upstream and downstream oil companies and will also make the customers realize the real prices of fuel to address the demand side management.

The move is to benefit private players as the committee has suggested that each company should be able to determine its own price to compete in the market.

The report said "The ministry should decide suitable amendments to the existing notifications and orders prescribing import parity price and trade parity price so that individual company will have full freedom to decide its own basis, norm or formula to derive prices of petroleum products and compete with others in the market."

Essar Oil Chief S Thangapandian was positive about the report and said that idle assets of the company can be activated and employment opportunities will be created.

3. Suresh Tendulkar Committee Report

The Planning Commission has accepted the Suresh Tendulkar Committee report on the scale of poverty in India, Confusion and differences over the number of persons falling below poverty line (BPL) have been a stumbling block for the proposed Food Security Bill.

In an internal meeting of its members, the Planning Commission decided to go with the BPL figures contained in the Tendulkar Committee report. With this, people BPL would rise to 37.2% of the total population from around 27% earlier, thereby increasing the number of beneficiaries of the new legislation.

Montek Singh Ahluwalia, deputy chairman of Planning Commission, had backed the Tendulkar Committee report. He had told reporters, "I think the recommendation made by the report regarding the higher number of people that need to be covered under the BPL schemes is reasonable." He had added that the Planning Commission would review the report soon.

Till now, the number of BPL card holders, according to the Planning Commission estimates based on 2005-05 survey, was pegged at 6.5 crore. After adopting the report's recommendations, the BPL card holders will increase a little over 8 crore. According to Ahluwalia, on accepting the Tendulkar Committee's recommendations, the increase in the food subsidy bill would be around Rs6,000 crore. Food subsidy for the current year is pegged at Rs. 55,780 crore.

The government has been in a dilemma over the number of beneficiaries under its ambitious Food Security Bill. While an empower group of ministers' meeting headed by FM Pranab Mukherjee had cleared the draft of the bill with the number of BPL cardholders at 6.5 crore, the UPA chairperson Sonia Gandhi wanted the poverty numbers reworked to include more people in the scheme. The Planning Commission was given the task to arrive at a figure that could be used to enact the Food Security law.

The Plan panel members had met once last week on the subject when the issue had remained unresolved due to differences among the members on accepting the Committee report.

4. Punchhi Commission Report

The Commission on Centre State Relations submitted its report to the Union Home Minister, Shri P. Chidambaram. The Chairman of the Commission, Justice (Retd.) Madan Mohan Punchhi presented the report to the Minister in the presence of the members of the Commission, Shri Dhirendra Singh, Shri V. K. Duggal, Dr. N. R. Madhava Menon and Shri Vijay Shankar. The Report contains seven volumes. After receiving the report, the Union Home Minister said that it would be processed expeditiously.

Terms of Reference :

The Commission was constituted in April, 2007 to take a fresh look at the relative roles and responsibilities of the various levels of government and their inter-relations. It was asked to make recommendations to help address the emerging challenges. A comprehensive review of the Centre-State relations was undertaken by the Sarkaria Commission in the mid-eighties. Both polity and economy of the country have since undergone profound changes posing new challenges.

The major recommendations may be enumerated as follows :

1. There should be an amendment in Articles 355 and 356 to enable the Centre to bring specific trouble-torn areas under its rule for a limited period.
2. The commission has proposed “localising emergency provisions” under Articles 355 and 356, contending that localised areas — either a district or parts of a district — be brought under Governor’s rule instead of the whole state. Such an emergency provision should however not be of duration of more than three months.
3. The commission however supports their right to give sanction for the prosecution of ministers against the advice of the state government.
4. To make an amendment in the communal violence Bill to allow deployment of Central forces without the state’s consent for a short period. It has proposed that state consent should not become a hurdle in deployment of central forces in a communal conflagration. However, such deployment should only be for a week and post-facto consent should be taken from the state.
5. Among the significant suggestions made by the Commission is, laying down of clear guidelines for the appointment of chief ministers. Upholding the view that a pre-poll alliance should be treated as one political party, it lays down the order of precedence that ought to be followed by the governor in case of a hung house:
 - (a) Call the group with the largest pre-poll alliance commanding the largest number;
 - (b) The single largest party with support of others;
 - (c) The post-electoral coalition with all parties joining the government; and last
 - (d) The postelectoral alliance with some parties joining the government and remaining including Independents supporting from outside.
6. The panel also feels that governors should have the right to sanction prosecution of a minister against the advice of the council of ministers. However, it wants the convention of making them chancellors of universities done away with.
7. As for qualifications for a governor, the Punchhi commission suggests that the nominee not have participated in active politics at even local level for at least a couple of years before his appointment.

It also agrees with the Sarkaria recommendation that a governor be an eminent person and not belongs to the state where he is to be posted.

8. The commission also criticises arbitrary dismissal of governors, saying, “the practice of treating governors as political football must stop”. There should be critical changes in the role of the governor — including fixed five year tenure as well as their removal only through impeachment by the state Assembly. It has also recommended that the state chief minister have a say in the appointment of governor.
9. Underlining that removal of a governor be for a reason related to his discharge of functions, it has proposed provisions for impeachment by the state legislature along the same lines as that of President by Parliament. This, significantly, goes against the doctrine of pleasure upheld by the recent Supreme Court judgment.
10. Endorsing an NCRWC recommendation, it says appointment of governor should be entrusted to a committee comprising the Prime Minister, Home Minister, Speaker of the Lok Sabha and chief minister of the concerned state. The Vice- President can also be involved in the process.

5. India : Urban Poverty Report 2009

The India: Urban Poverty Report 2009 identifies the problems faced by the poor and focuses on the systemic changes that are needed. It looks at the process of globalization and the development strategy in the country, and asks why the poor exist in urban India and how they are being physically and economically absorbed into the system. It analyses the processes of urbanization, migration, changes in the economic structure, and the pattern of infrastructural investment, highlighting how these impact on the well-being of the poor.

The Central Concern of the Report

The central concerns of this report include :

- trends and patterns of migration;
- dynamics of urban land and capital market;
- marginalization of the poor to the urban periphery;
- changes in urban governance;
- gender dimensions of urban poverty;
- unorganized workforce and the informal sector;
- provision of and access to basic services and amenities indicating quality of life; and
- the appalling conditions in slums.

It present both the challenges as well as some of the innovative solutions that are being tried out in different parts of the country. With a focus on the goal of inclusive cities in India, this report will be an important contribution to the re-evaluation of existing policies and programmes to redress urban poverty.

VI

World Report

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1. Millennium Development Goals Report 2009

The Millennium Project was commissioned by the United Nations Secretary General in 2002, aims at proposing the best strategies for meeting the MDGs and at developing a concrete action plan for the world to reverse the grinding poverty, hunger and disease affecting .

The eight MDGS :

1. Eradicate extreme poverty billion of people and hunger
2. Achieve universal primary education.
3. Promote gender equality and empower women.
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV / AIDS, Malaria and other diseases
7. Ensure environmental sustainability.
8. Develop a global partnership for Development.

More than halfway to the 2015 deadline to achieve the Millennium DevelopmentGoals (MDGs), major advances in the fight against poverty and hunger have begun to slow or even reverse as a result of the global economic and food crises, a progress report by the United Nations has found.

The assessment, launched by UN Secretary-General Ban Ki-moon in Geneva, warns that, despite many successes, overall progress has been too slow for most of the targets to be met by 2015.

“We cannot allow an unfavourable economic climate to prevent us from realizing the commitments made in 2000,” Mr. Ban states in the foreword to the MillenniumDevelopment Goals Report 2009. “The global community cannot turn its back on the poor and the vulnerable.” He adds: “Now is the time to accelerate progress towards the MDGs. The goals are within reach, and even in the very poor countries, with strong political commitment and sufficient and sustained funding.”



Global Scenario

- Gains in the eradication of hunger since the early 1990s—when the proportion of hungry people decreased from 20 per cent in 1990-92 to 16 per cent in 2004-06—were reversed in 2008, largely due to higher food prices. A decrease in international food prices in the second half of 2008 has since failed to translate into more affordable food for most people around the world.
- In the period 1990 to 2005, the number of people living on less than \$1.25 a day decreased from 1.8 billion to 1.4 billion (prior to the economic crisis and higher food prices). But major gains in the fight against extreme poverty are likely to stall, indicators show, although data are not yet available to reveal the full impact of the recent economic downturn. In 2009, an estimated 55 million to 90 million more people will be living in extreme poverty than anticipated before the crisis.
- More than one-quarter of children in developing regions are underweight for their age, and the meagre progress on child nutrition from 1990 to 2007 is insufficient to meet the 2015 target. This will likely be eroded further by high food prices and economic turmoil.
- Global unemployment in 2009 could reach 6.1 to 7.0 per cent for men and 6.5 to 7.4 per cent for women, many of whom remain trapped in insecure – often unpaid– jobs, holding back progress towards gender equality.

Furthermore, the report suggests that many global gains were due to a dramatic fall in poverty rates in East Asia. Elsewhere, progress has been slower. Sub-Saharan Africa counted 100 million more extremely poor people in 2005 than in 1990, and the poverty rate remained above 50 per cent.

The MDG Report also says that funding gaps are evident for programmes needed to improve maternal health (MDG 5), the goal towards which least progress has been made so far. Most developing countries have experienced a major reduction in donor funding for family planning since the mid-1990s, on a per woman basis, despite the undeniable contribution of such programmes to maternal and child health.

The ability of countries themselves to finance development programmes may also be in jeopardy. Export revenues of developing countries fell in the last quarter of 2008, as the financial meltdown in high-income economies began to trickle down. The debt service to export ratio of developing countries is likely to deteriorate further, especially for those countries that enjoyed increased export revenues for the last several years.

At the 2005 Group of Eight summit at Gleneagles and at the General Assembly World Summit later that year, donors committed to increasing their aid. The majority of these commitments remain in force, but as the global economy contracts in 2009, as anticipated, the absolute amount of such commitments would diminish, since most are expressed as a percentage of national income. For many developing countries, lower levels of aid would not only impede further progress, but could reverse some of the gains already made, says the MDG Report.

Advances before the economic landscape

The report portrays remarkable advances that many countries and regions had made before the economic landscape changed so radically in 2008:

- In the developing world, enrolment in primary education reached 88 per cent in 2007, up from 83 per cent in 2000. In sub-Saharan Africa and Southern Asia, enrolment increased by 15 percentage points and 11 percentage points, respectively, from 2000 to 2007.
- Deaths in children under five declined steadily worldwide — to around 9 million in 2007, down from 12.6 million in 1990, despite population growth. Although child mortality rates remain highest

in sub-Saharan Africa, there have been remarkable improvements in key interventions, including the distribution of insecticide-treated bed nets to reduce the toll of malaria – a major killer of children. As a result of ‘second chance’ immunizations, dramatic progress is also being made in the fight against measles.

- Worldwide, the number of people newly infected with HIV peaked in 1996 and has since declined, to 2.7 million in 2007. The estimated number of AIDS deaths also appears to have peaked, in 2005, at 2.2 million, and has since declined to 2 million in 2007, partly due to increased access to antiretroviral drugs in poorer countries. Still, the number of people living with HIV worldwide – estimated at 33 million in 2007 – continues to grow, largely because people infected with the virus are surviving longer.

Challenges Worldwide

The report calls on governments and all stakeholders to revitalize efforts to provide productive and decent employment for all, including women and young people. It points out that employment opportunities for women in Southern Asia, Northern Africa and Western Asia remain extremely low.

The target of eliminating gender disparities in primary and secondary education by 2005 has already been missed.

The report urges governments to intensify efforts to get all children into school, especially those living in rural communities, and eliminate inequalities in education based on gender and ethnicity.

Greater political will must be mustered to reduce maternal mortality, especially in sub-Saharan Africa and Southern Asia, according to the report. Rapid acceleration of progress is needed to bring improved sanitation – toilets or latrines – to the 1.4 billion people still lacking, or the 2015 sanitation target will be missed. And slum improvements are barely keeping pace with the rapid growth of developing country cities.

The UN Under-Secretary-General for Economic and Social Affairs, Sha Zukang, described the report as the most comprehensive global MDG assessment to date. It is based, he said, on a set of data prepared by over 20 organizations both within and outside the United Nations system, including the World Bank and the Organisation for Economic Cooperation and Development (OECD).

2. Human Development Report 2010

The Human Development Index measures achievement in terms of life expectancy, educational attainment and adjusted real income. The Human Development Reports produced since 1990 by the United Nations Development Programme are widely considered the most influential of the many regular reports by multilateral institutions. Unique among UN publications for their tradition of intellectual independence – though sponsored by UNDP, they do not represent its official views or policies – the Human Development Reports are best known for their innovative and often controversial analyses of critical issues, and for the annual Human Development Index, which was created as an alternative to income-based measures of national and individual well-being.

The 20th anniversary edition of the Human Development Report examines decades of Human Development data trends, refines the original Human Development Index with new databases and methodologies, and introduces new measures adjusting the Index to reflect gender disparities and other internal national inequalities. The 2010 Human Development Report also features the Multidimensional Poverty Index, or MPI, which was developed by the Oxford Poverty and Human Development Initiative (OPHI) with UNDP support. This new index is designed to provide a fuller, more accurate picture of acute poverty on the household level than traditional “dollar-a-day” formulas. The

Report will be released in November 2010.

Human Development Index 2009	
1.	Iceland
2.	Norway
12.	USA
16.	UK
128.	India
170.	Chad

3. Education for All: The Global Monitoring Report 2010

The Global Monitoring Report, developed annually by an independent team and published by UNESCO, assesses global progress towards the six Education for All goals to which over 160 countries committed themselves in 2000.

The aftershock of the global financial crisis threatens to deprive millions of children in the world's poorest countries of an education, the 2010 Education for All Global Monitoring Report warns. With 72 million children still out of school, a combination of slower economic growth, rising poverty and budget pressures could erode the gains of the past decade.

Cost of education is high

The report examines who these children are and why they are being left behind, and shows that the cost of providing Education for All is much higher than previously estimated. It also looks at concrete solutions for making sure that no children are excluded from schooling.

"While rich countries nurture their economic recovery, many poor countries face the imminent prospect of education reversals. We cannot afford to create a lost generation of children who have been deprived of their chance for an education that might lift them out of poverty," UNESCO Director-General Irina Bokova said at the launch.

Spectacular advances

The 2010 Report, Reaching the marginalized, charts some spectacular advances in education over the past decade, a striking contrast with the "lost decade" of the 1990s. Since 1999, the number of children not attending school has fallen by 33 million – and more children are completing a full cycle of primary education. However, the report warns that many countries are likely to fall far short of the targets adopted by governments in 2000, because of the failure of governments to address inequalities and of donors to deliver on pledges.

Setbacks in education will have wider consequences, too. With a major international summit planned on the UN's development targets – the Millennium Development Goals – in 2010, the report points out that lost opportunities for education will act as a brake on economic growth, poverty reduction, and progress in health and other areas.

Rich must help poor

The report's authors identify sub-Saharan Africa as an area for priority action. With fiscal deficits rising across the region, education spending plans could face painful adjustments. Education systems across the region could be deprived of around US\$4.6 billion per year in public spending in 2009 and 2010 as a direct result of the crisis.

The report urges rich countries and the Group of 20 to scale up the concessional aid required to avoid damaging budget adjustments in the poorest countries.

The report estimates that donors will have to bridge a financing gap of US\$16 billion a year to meet the goal of universal primary education by 2015. These numbers reflect governments' ongoing neglect of the need to address extreme inequalities; the world will only get all its children into school by putting the marginalized at the centre of education policy.

4. World Drug Report 2010

The World Drug Report 2010, issued at the National Press Club in Washington by the United Nations Office on Drugs and Crime (UNODC), shows that drug use is shifting towards new drugs and new markets. Drug cultivation is declining in Afghanistan (for opium) and the Andean countries (coca), and drug use has stabilized in the developed world. However, there are signs of an increase in drug use in developing countries, and growing abuse of amphetamine-type stimulants (ATS) and prescription drugs around the world.

The Report shows that the world's supply of the two main problem drugs - opiates and cocaine - keeps declining. The global area under opium cultivation has dropped by almost a quarter (23 per cent) in the past two years, and opium production looks set to fall steeply in 2010 due to a blight that could wipe out a quarter of Afghanistan's poppy crop. Coca cultivation, down by 28 per cent in the past decade, has kept declining in 2009. World cocaine production has declined by 12-18 per cent over the 2007-2009 period.

Heroin: production declining, interdictions low

Global potential heroin production fell by 13 per cent to 657 tons in 2009, reflecting lower opium production in both Afghanistan and Myanmar. The actual amount of heroin reaching the market is much lower (around 430 tons) since significant amounts of opium are being stockpiled. UNODC estimates that there are currently more than 12,000 tons of Afghan opium or, around two and a half years of global illicit opiate demand, being stock-piled.

The global heroin market, estimated at US\$55 billion, is concentrated in Afghanistan (which accounts for 90 per cent of supply), Russia, Iran and Western Europe which together consume half the heroin produced in the world.

Although Afghanistan produces most of the world's opiates, it seizes less than two per cent of them. Iran and Turkey are scoring the highest, responsible for over half of all heroin seized globally in 2008. Interdiction rates elsewhere are much lower. Along the northern route, the countries of Central Asia are only seizing a meagre five per cent of the 90 tons of heroin that cross their territory heading towards Russia. In turn Russia, that consumes 20 per cent of the Afghan heroin output, seizes only four per cent of this flow. The figures are even worse along the Balkan route: some countries of South-Eastern Europe, including EU member states, are intercepting less than two per cent of the heroin crossing their territory.

Cocaine market is declined

The World Drug Report 2010 shows that cocaine consumption has fallen significantly in the United States in the past few years. The retail value of the US cocaine market has declined by about two thirds in the 1990s, and by about one quarter in the past decade. "One reason for the drug-related violence in Mexico is that cartels are fighting over a shrinking market," said UNODC Executive Director Antonio Maria Costa. "This in-fight is a blessing for America, as the resulting cocaine drought is causing lower addiction rates, higher prices and lesser purity of doses."

To an extent the problem has moved across the Atlantic: in the last decade the number of cocaine users in Europe doubled, from 2 million in 1998 to 4.1 million in 2008. By 2008, the European market (US\$34 billion) was almost as valuable as the North American market (US\$37 billion). The shift in demand has led to a shift in trafficking routes, with an increasing amount of cocaine flowing to Europe from the Andean countries via West Africa. This is causing regional instability. "People snorting coke in Europe are killing the pristine forests of the Andean countries and corrupting governments in West Africa," said Mr. Costa.

Use of synthetic drugs exceeds opiates and cocaine combined

The global number of people using amphetamine-type stimulants (ATS) - estimated at around 30-40 million - is soon likely to exceed the number of opiate and cocaine users combined. There is also evidence of increasing abuse of prescription drugs. "We will not solve the world drugs problem if we simply push addiction from cocaine and heroin to other addictive substances - and there are unlimited amounts of them, produced in mafia labs at trivial costs," warned Mr. Costa.

The ATS market is harder to track because of short trafficking routes (manufacturing usually takes place close to main consumer markets), and the fact that many of the raw materials are both legal and readily available. Manufacturers are quick to market new products (like ketamine, piperazines, Mephedrone and Spice) and exploit new markets. "These new drugs cause a double problem. First, they are being developed at a much faster rate than regulatory norms and law enforcement can keep up. Second, their marketing is cunningly clever, as they are custom-manufactured so as to meet the specific preference in each situation," said Mr. Costa.

The number of ATS-related clandestine laboratories reported increased by 20 per cent in 2008, including in countries where such labs had never been detected in the past.

Manufacture of 'ecstasy' has increased in North America (notably in Canada) and in several parts of Asia, and use seems to be increasing in Asia. In another demonstration of the fluidity of drug markets, ecstasy use in Europe has plummeted since 2006.

Cannabis still widely produced and used

Cannabis remains the world's most widely produced and used illicit substance: it is grown in almost all countries of the world, and is smoked by 130-190 million people at least once a year - though these parameters are not very telling in terms of addiction. The fact that cannabis use is declining in some of its highest value markets, namely North America and parts of Europe, is another indication of shifting patterns of drug abuse.

UNODC found evidence of indoor cultivation of cannabis for commercial purposes in 29 countries, particularly in Europe, Australia and North America. Indoor growing is a lucrative business and is increasingly a source of profit for criminal groups. Based on evidence gathered in 2009, Afghanistan is now the world's leading producer of cannabis resin (as well as opium).

Lack of drug treatment

The World Drug Report 2010 exposes a serious lack of drug treatment facilities around the world. "While rich people in rich countries can afford treatment, poor people and/or poor countries are facing the greatest health consequences," warned the head of UNODC. The Report estimates that, in 2008, only around a fifth of problem drug users worldwide had received treatment in the past year, which means around 20 million drug dependent people did not receive treatment. "It is time for universal access to drug treatment," said Mr. Costa.

He called for health to be the centrepiece of drug control. "Drug addiction is a treatable health condition, not a life sentence. Drug addicts should be sent to treatment, not to jail. And drug treatment should be part of mainstream healthcare."

He also called for greater respect for human rights. "Just because people take drugs, or are behind bars, this doesn't abolish their rights. I appeal to countries where people are executed for drug-related offences or, worse, are gunned down by extra-judicial hit squads, to end this practice."

Dangers of drug use in the developing world

Mr. Costa highlighted the dangers of drug use in the developing world. "Market forces have already shaped the asymmetric dimensions of the drug economy; the world's biggest consumers of the poison (the rich countries) have imposed upon the poor (the main locations of supply and trafficking) the greatest damage," said Mr. Costa. "Poor countries are not in a position to absorb the consequences of increased drug use. The developing world faces a looming crisis that would enslave millions to the misery of drug dependence."

He cited the boom in heroin consumption in Eastern Africa, the rise of cocaine use in West Africa and South America, and the surge in the production and abuse of synthetic drugs in the Middle East and South East Asia. "We will not solve the world drugs problem by shifting consumption from the developed to the developing world," said Mr. Costa.

Drug trafficking and instability

The World Drug Report 2010 contains a chapter on the destabilizing influence of drug trafficking on transit countries, focusing in particular on the case of cocaine. It shows how under-development and weak governance attract crime, while crime deepens instability. It shows how the wealth, violence and power of drug trafficking can undermine the security, even the sovereignty, of states. The threat to security posed by drug trafficking has been on the agenda of the United Nations Security Council several times during the past year.

While drug-related violence in Mexico receives considerable attention, the Northern Triangle of Central America, consisting of Guatemala, Honduras and El Salvador is even more badly affected, with murder rates much higher than in Mexico. The Report says that Venezuela has emerged as a major departure point for cocaine trafficked to Europe: between 2006 and 2008, over half of all detected maritime shipments of cocaine to Europe came from Venezuela.

The Report highlights the unstable situation in West Africa which has become a hub for cocaine trafficking. It notes that "traffickers have been able to co-opt top figures in some authoritarian societies", citing the recent case of Guinea-Bissau.

Mr. Costa called for more development to reduce vulnerability to crime, and increased law enforcement cooperation to deal with drug trafficking. "Unless we deal effectively with the threat posed by organized crime, our societies will be held hostage - and drug control will be jeopardized, by renewed calls to dump the UN drug conventions that critics say are the cause of crime and instability. This would undo the progress that has been made in drug control over the past decade, and unleash a public health disaster," he warned. "Yet, unless drug prevention and treatment are taken more seriously, public opinion's support to the UN drug conventions will wane."

5. Global Information Technology Report 2009-10

The report is produced by the World Economic Forum in cooperation with INSEAD, the leading international business school, within the framework of the World Economic Forum's Global Competitiveness Network and the Industry Partnership Programme for Information Technology and Telecommunications Industries.

The report highlights the key role of ICT as an enabler of a more economically, environmentally and socially sustainable world

Sweden tops the rankings of The Global Information Technology Report 2009-2010, released today for the ninth consecutive year by the World Economic Forum. Sweden is followed by Singapore and Denmark, which was in the number one position for the last three years. Switzerland (4), the United States (5) and the other Nordic countries together with the Canada, Hong Kong and the Netherlands complete the top 10.

With an extensive coverage of 133 economies worldwide, the report remains the world's most comprehensive and authoritative international assessment of the impact of ICT on the development process and the competitiveness of nations.

6. Global Competitiveness Report 2009-10

The rankings are calculated from both publicly available data and the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum together with its network of Partner Institutes (leading research institutes and business organizations) in the countries covered by the Report

Switzerland tops the overall ranking in The Global Competitiveness Report 2009-2010. The United States falls one place to second position, with weakening in its financial markets and macroeconomic stability. Singapore, Sweden and Denmark round out the top five. European economies continue to prevail in the top 10 with Finland, Germany and the Netherlands following suit. The United Kingdom, while remaining very competitive, has continued its fall from last year, moving down one more place this year to 13th, mainly attributable to continuing weakening of its financial markets.

7. UN Intergovernmental Panel on Climate Change Report

The UN Inter governmental panel on climate change (IPCC) predicted increased intense storms, heat waves and heavy rains in the decades to come. Climate Change 2007, the **Fourth Assessment Report (AR4)** of the United Nations **Intergovernmental Panel on Climate Change (IPCC)**, is the fourth in a series of reports intended to assess scientific, technical and socio-economic information concerning climate change, its potential effects, and options for adaptation and mitigation. The report is the largest and most detailed summary of the climate change situation ever undertaken, involving thousands of authors from dozens of countries, and states in its summary,

- "Warming of the climate system is unequivocal."
- "Most of the observed increase in global average temperatures since the mid-20th century is very likely due to the observed increase in anthropogenic greenhouse gas concentrations."

IPCC

8. IMF's World Economic Outlook Report 2010

The IMF released its update to the World Economic Outlook; a useful and comprehensive report on the progress and prospects of the global economy. This article provides a brief analysis of some of the key points of the update in the usual Econ Grapher fashion.

Before looking at the charts, it's worth noting the title of the report: "A policy-driven, multispeed recovery". This is an adroit description of how things are unfolding. For example, emerging markets (fast recovery, strong growth) versus developed economies (slow/no recovery, low growth); even within developed economies there's even different paces e.g. U.K. (slow, and subdued) vs Australia (relatively unscathed, and recovering faster).

1. Global GDP Growth : The first chart in the report is the old global growth outlook chart. On GDP growth, the IMF revised its forecast for the global economy to 3.9% in 2010, vs a previously forecast 3.1%. There really isn't anything surprising about it for those who've been paying attention. The advanced economies took the biggest hit, and will return to growth eventually, albeit potentially lower than the average prior to the crisis. Then there's the emerging markets who did take a hit to a greater or lesser extent, but are set to recover back to high growth levels.

In most advanced economies, the recovery is expected to remain sluggish by past standards, whereas in many emerging and developing economies, activity is expected to be relatively vigorous, largely driven by buoyant internal demand.

2. High-Frequency Indicators : The next chart to look at from the report is the high-frequency indicators: industrial production, and merchandise exports. Global trade is a great metric to monitor for gauging the level of economic activity in the world economy.

On trade, many countries have seen a recovery in trading off the lows or a "normalization". Indeed, China has already reached the same levels it saw just prior to the crisis. Meanwhile industrial production, for now, is underpinned by stimulus measures and the inventory cycle.

In advanced economies, the beginning of a turn in the inventory cycle and the unexpected strength in U.S. consumption contributed to positive developments. Final domestic demand was very strong in key emerging and developing economies, although the turn in the inventory cycle and the normalization of global trade also played an important role.

3. Global Inflation : For those that follow the Econ Grapher updates, it's no surprise to see the trends in inflation in the charts below. There has been a marked turnaround in headline inflation, boosted in part by a low comparison value, and similarly by the commodities cycle. What's also interesting to note though is that core inflation has also bottomed out and started to turn upwards.

The inflation piece of the puzzle is an interesting one, and while some (e.g. PIMCO) are suggesting deflation, others are warning about inflation. This plays into how monetary and fiscal policy will evolve over the next year, and it will be a difficult dilemma for policy makers to find the middle path.

In the advanced economies, headline inflation is expected to pick up from zero in 2009 to 1¼ percent in 2010, as rebounding energy prices more than offset slowing labor costs. In emerging and developing economies, inflation is expected to edge up to 6¼ percent in 2010, as some of these economies may face growing upward pressures due to more limited economic slack and increased capital flows.

Before summing up it's worth reviewing what the IMF sees as the key Upside, and Downside risks.

Upside:

The reversal of the confidence crisis and the reduction in uncertainty may continue to foster a stronger-than-expected improvement in financial market sentiment and prompt a larger-than-expected rebound in capital flows, trade, and private demand.

New policy initiatives in the United States to reduce unemployment could provide a further impetus to both U.S. and global growth.

Downside:

A premature and incoherent exit from supportive policies may undermine global growth and its rebalancing.

Impaired financial systems and housing markets or rising unemployment in key advanced economies may hold back the recovery in household spending more than expected.

Rising concerns about worsening budgetary positions and fiscal sustainability could unsettle financial markets and stifle the recovery by raising the cost of borrowing for households and companies. Rallying commodity prices may constrain the recovery in advanced economies.

Summary

The update to the World Economic Outlook has provided some interesting data and projections, as well as thoughts to consider. The upward revisions to the growth outlook are promising in terms of where 2010 may go, but it's clear by looking at the balance of risks, that there is still much more that can go wrong than right at this point.

In terms of how this ties in with investment strategy, it confirms a reasonably widely held view that emerging markets will outperform developed markets in the coming years (at least on an economic growth basis). It also adds to the macro risk-reward picture over the next couple of years in terms of how the recovery will evolve, and what may derail it (and therefore what to keep an eye out for).

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VII

Bills

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1. CSIR Academy Bill

The government introduced a Bill to establish an academy for advancement of learning and prosecution of research in the field of science and technology in association with the Council of Scientific and Industrial Research (CSIR).

The Academy of Scientific and Innovative Research Bill, 2010 tabled in the Lok Sabha by the Minister of State for Science and Technology and Earth Science, seeks to declare the Academy of Scientific and Innovative Research as an institution of national importance.

The Objective

The proposed academy will be allowed to use the infrastructure and scientific manpower of the CSIR for teaching and research purposes and will award degrees or diplomas. It will design curriculum and pedagogy for award of diplomas or certificates and confer degrees and other academic distinctions as it may deem fit.

The institute will primarily focus on research and imparting instruction in areas that are not taught in regular academic universities in India, and also provide teaching and research facilities in frontline branches of learning and in emerging areas.

It will conduct research in branches of learning like natural sciences, life sciences, mathematical and computational sciences, medical sciences, engineering, applied art, humanities, social sciences and law relating to these areas. The academy will be allowed to appoint people from any other university, institution or industry from appropriate fields of studies as faculty.

Special provision

Importantly, according to the Bill, it can make special provision for the employment or admission of women,

The logo for the Council of Scientific and Industrial Research (CSIR) features the letters 'CSIR' in a bold, stylized, sans-serif font. The 'C' is large and rounded, while the 'S', 'I', and 'R' are more compact and blocky.

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persons with disabilities or of persons belonging to the weaker sections and, in particular, of the Scheduled Castes, the Scheduled Tribes and the other socially and educationally backward classes of citizen.

To function as an autonomous institution, it would generate its own resources from funds received by way of fee, grants, gifts, donation, benefactions or transfers, income from investment made by the academy and the funds received from the CSIR by way of loan and otherwise.

Once in place, it will have a board of governors with a chairman, senate, director and board of studies. The proposal will help in substantially increasing the number of researchers in integrative and interdisciplinary areas of science and engineering in a cost-effective manner without requirement of any significant gestation period and additional funds from the government. It is expected that the academy would produce from the fifth year onwards 1,000 Ph.Ds in science and technology and 120 Ph.Ds in engineering every year.

2. Foreign University Bill

Controversy

The Cabinet cleared a bill that will enable Foreign Universities setup campuses in India. Any change in any existing system in India starts drawing unnecessary controversies even before it really takes place. The Foreign Universities Bill has also started on the same footings.

While reporting for the Foreign Universities Bill, most of the media reports have started raising issues of shortage of faculty and poaching of academicians etc.

We all know that more than one lakh Indian students go out every year for higher education from India. Most of these students go out of the country to pursue their higher studies because of lack of facilities for quality education in the country. This also costs a huge foreign exchange outgo to the exchequer.

India is bound to reap benefits

Till the BSNL-MTNL era, the Indian telecom sector had similar apprehensions and we could have never expected the level of telecom services if the same was not opened to private sector competition. The aviation sector also saw similar changes after it was opened to the private sector ending the Indian Airlines, Air India monopoly.

The Indian educational sector is bound to reap more benefits in the days to come by the step of allowing the foreign universities to setup campuses in the country. Higher demand for quality academicians will only attract more aspirants towards this opportunity and is bound to bring in qualitative changes in the educational system of India.

While, many other civil services offer better perks than academics, the real mentors of the country i.e. the academicians rank poorly on this count as well. Even on the global scenario, the Indian academicians are paid as low as nearly one-third than the advanced countries.

Mr. Kapil Sibal deserves all kudos for pushing through this bill which will bring out all qualitative changes in the educational system of the country.

India will also have the opportunity of attracting students from other countries for pursuing education at lower costs as Indian will always have the advantage of lower infrastructure cost.

India has already proved its competence in the global software industry. The software industry in India could thrive only because of availability of quality manpower and lower infrastructure costs.

The educational sector is also a very similar sector which is based on the same two components i.e. quality manpower and infrastructure and India certainly has an edge over many other countries in availability of both these components.

The India-based online tutoring of students to many countries like USA, UK and Canada etc. clearly shows that India does not have any dearth of quality English-speaking manpower.

3. Nuclear Liability Bill

Goals of nuclear power programme

India has an ambitious and indigenous nuclear power program to achieve the goal of 20,000 MWe electricity produced through nuclear energy by 2020 which will be further increased to 60,000 MWe by 2032. In this way, India will produce 25 percent of its electricity from nuclear power plants by 2050. Presently, India is producing 3981 MWe of electricity through nuclear power. The share of nuclear power can be increased with the involvement of foreign private involvement in manufacturing and supply of nuclear reactors.

To reap the benefits of Indo-U.S. Civilian Nuclear Deal of nuclear commerce and attract the U.S. companies involved in nuclear commerce like General Electric and Westinghouse, it was necessary to introduce a liability bill which would help these private companies in getting insurance cover in their home state. Thus, the bill will help in the realization of the Indo-U.S. Nuclear deal.

There is no international obligation as such for the bill. Some countries of the Nuclear Supplier's Group (NSG) like France and Russia do not require any kind of liability bill for nuclear trade. Both of these countries have shown interest in nuclear collaboration with India. Still, there are some countries in the group like U.S. which require the host country to have a liability bill for a possible nuclear accident.

After the enactment of the Nuclear Liability Bill, India will join the international convention on liability in the civil nuclear arena. India will thus be benefited by the nuclear trade with the participating countries in the nuclear arena. The bill shall necessitate suitable amendments in the Atomic Energy Act 1962 which will pave way for private investment in the Indian nuclear power program.

Ongoing Debate over the Nuclear Liability Bill

The motive behind the bill is also to legally and financially bind the operator and the government to provide relief to the affected population in the case of a nuclear accident. But the amount of financial assistance and legal relief is a point of debate as it is being considered insufficient and unsatisfactory. Other than this, the bill contains certain clauses which if implemented will let free the manufacturer and supplier legally and to a large extent financially as well.

According to the groups opposing the bill – in case of a nuclear mishap which if occurs due to defect in manufacturing process or the imported facilities, the manufacturers and suppliers are also culpable and should be financially and legally liable as well.

The bill has started a debate in India between the government, opposition, social and environmental organizations. Because of certain clauses which seem to stake national interests in case of a nuclear accident.

4. Enemy Property Bill

The controversial Enemy Property (Amendment and Validation) Bill, 2010 is back. Two weeks after Prime Minister Manmohan Singh acceded to the request of a cross-party delegation of Muslim MPs,

including several Ministers, who met him on August 4, to withdraw this law as it would throw into question the possession of ancestral property by citizens whose parents or grandparents migrated to Pakistan after Partition, it was listed for consideration and passage in the Lok Sabha. However, the House was adjourned before it could come up.

Government sources said the Bill was brought to the Cabinet, after the Union Home Ministry introduced some amendments in it to ensure that legal heirs are allowed to hold the property of their parents or grandparents who had migrated to Pakistan, even while it will continue to address the larger question of empowering the custodian to deal with frivolous litigation launched by illegal occupants of such property. Section 18 has been made more transparent and fair, according to the sources, and now property of Indian-born citizens, who are the legal heirs, will no longer revert to the government.

For some unexplained reasons, the note that precedes a Cabinet meeting did not mention the Bill or the proposed changes, though a note on it was circulated among Ministers at the Cabinet meeting itself, the sources said.

Earlier, on August 4, after the Prime Minister heard out the delegation, he had “consulted” Union Home Minister P. Chidambaram on the matter and a decision was then taken to allow the ordinance, currently in operation, to lapse. But evidently, there was a sense of urgency in government and so an amended version was brought to the Cabinet earlier this week.

The Bill, in its earlier form, would have prevented Indian family members of those who migrated to Pakistan at the time of Partition from going to court to regain possession of the property of their forefathers that had been seized as “enemy property” and had been vested in a custodian. The government’s keenness to pass the Bill was demonstrated by the fact that it had got the President to promulgate an ordinance on July 2, which means it is currently in operation. The Enemy Property Bill, 2010 is intended to replace this ordinance amending an Act of 1968 to contend with court judgments that “adversely affected the powers” of the custodians and the Government of India.

At the August 4 meeting, the MPs had told Dr. Singh to re-examine the Bill as it would have “a politically adverse impact on a large number of families in Delhi, Uttar Pradesh, Bihar, Assam and Maharashtra.” It would be “putting the clock back to 1968,” an MP had said, “as many people had ordered their lives based on court verdicts and it would serve no public purpose to unsettle them.”

5. Women Reservation Bill

Women’s Reservation Bill or the The Constitution (108th Amendment) Bill, is a pending bill in India which proposes to provide ‘thirty three per cent of all seats in the Lower house of Parliament of India the Lok Sabha and state legislative assemblies shall be reserved for women. The Upper House Rajya Sabha passed it on 9 Mar 2010. The seats to be reserved in rotation will be determined by draw of lots in such a way that a seat shall be reserved only once in three consecutive general elections.

Women’s reservations

Women get 33% reservation in gram panchayat (meaning village assembly, which is a form of local village government) and municipal elections. There is a long-term plan to extend this reservation to parliament and legislative assemblies. In addition, women in India get reservation or preferential treatments in education and jobs. Certain men consider this preferential treatment of women in India as discrimination against them in admissions to schools, colleges, and universities. For instance, several law schools in India have a 30% reservation for females. Progressive political opinion in India is strongly in favour of providing preferential treatment to women in order to create a level playing field for all of its citizens.

The Women

- More women participation in politics and society.
- Social norms in India strongly favour men, therefore, reservation for women is expected to create equal opportunity for men and women.
- Due to female foeticide and issues related to women's health, sex ratio in India is alarming at 1.06 males per female.. It is expected this will change the society to give equal status to women.
- Women are supposedly more resistant to corruption. Therefore, this bill might prove to be a factor restraining the growth of corruption.

Possible drawbacks : Passing the Women' Reservation Bill may cause bias in the democratic process because of the following reasons:

- It may hurt the self respect of women who have come up on their own ability, it may result in lesser respect for women in the society. It may also bring down the quality of leaders.
- Parties will be forced to find women whether or not the women identify with the overall party agenda and the rest of the issues concerning all citizens, as opposed to just women's issues. There are no provisions to prevent discrimination against men because of finding women who are inclined towards women's issues alone, or, in other words, biased against men.
- Powerful male members of parties will be tempted to find female relatives to 'reserve' the seat for themselves during the following cycle.
- It is feared that reservation would only help women of the elitist groups to gain seats, therefore causing further discrimination and under-representation to the poor and backward classes (According to a National Election Study, 68 per cent of today's women MPs are millionaires).

6. Education Reform Bill

HRD ministry's two major Bills that promise to change the face of higher education — accreditation of higher educational institutions and setting up of educational tribunals — were cleared by the Group of Ministers with minor changes.

The third Bill that seeks to check educational malpractices will be taken up in the next meeting since defence minister AK Antony could not be present .

Educational Tribunal

The minor changes relate to the number of appeals that an aggrieved party can make in case of educational tribunals. In case of accreditation agency, it has been resolved that educational agencies under various ministries including HRD will be brought under it. "By and large, nothing much has changed. Jurisdictionally both the Bills remain the same," sources said.

NARAHEI

HRD's reform in case of accreditation seeks to end the monopoly of government-run accreditation agencies for institutions of higher education. Under the proposed law, accreditation will be opened for multiple accreditation agencies, mostly private, with their action being monitored by a regulator. The regulator — National Authority for Regulation in Accreditation of Higher Educational Institutions — will be a five-member body on the lines of SEBI, and will register accreditation agencies.

The Bill envisages that once these members demit office after their five-year term they would not be eligible for further employment in any higher educational institution promoted by the Central or state government.

Accreditation agencies will accredit institutions on a host of outcomes like teaching, learning and research, human resource and research infrastructure, placement, governance structures and course curricula. Every institution will have to get accredited and make public how it has been rated by the agency.

NET / SET

The educational tribunal Bill envisages a two-tier structure to deal with disputes between students and institutions, teachers and institutions as well as disputes related to affiliation, unfair means adopted by students in examination and by institutions.

It proposes a National Educational Tribunal (NET) at the top. It will have the power to settle any dispute between a higher educational institution and any regulatory body except in matters of recognition. It will also adjudicate any dispute between any two or more statutory regulatory bodies. NET will also adjudicate any dispute related to matters of affiliation between a higher educational institution and the affiliating university, where such a university is a Central Educational Institution. At the state level will be the State Educational Tribunal (SET).

7. Securities and Insurance Laws(Amendment and Validation)Bill,2010

The Lok Sabha gave its nod to the Securities and Insurance Laws (Amendment and Validation) Bill 2010, which replaces an Ordinance.

In his reply to the debate on the Bill, which was passed by a voice vote, Finance Minister Pranab Mukherjee sought to clarify that the public sector insurance companies have not revised or withdrawn cashless insurance schemes. FM said they have only started analysing the empanelling of hospitals on their lists.

With regard to protecting the interests of investors in the market, he reiterated that the government would take prompt and definitive steps to protect the interest of investors and was committed to doing all to dispel any uncertainty in the country's financial market. FM said the proposed law was necessary as the interest of investors had to be protected by all means.

It was necessary in order to prevent clash among regulators over areas of jurisdiction, he said, adding the government could not remain a mute spectator to uncertainties of financial markets.

Raghuraman Committee

FM said even the Raghuraman Committee has said in its findings that it is premature to have only one market regulator.

On a suggestion by a BJP member that all regulators should be done away with, Mr Mukherjee sprang to their defence saying they were doing quite a good job and their contribution in their respective fields was laudable.

Denying the assertion by members that the move was an attempt to create a super regulator like body, Mr Mukherjee denied this charge saying the earlier Ordinance was necessary for prompt action during market uncertainties.

Earlier, debating the Bill, Mr Prabodh Panda(CPI) questioned the validity of bringing the earlier Ordinance, called for censuring the move saying how would the government justify the validity behind diluting the autonomy of the Securities and Exchange Board of India (SEBI).

8. Judicial Standards and Accountability Bill ,2010

Union law minister M Veerappa Moily told PTI in an interview that the Judicial Standards and Accountability Bill, 2010, had been finalised after exhaustive studies and examination of such legislations existing across the world. It has been cleared by group of ministers, to which it was referred in March this year following differences of opinion in the cabinet. The bill would now come up before the cabinet for approval, Moily said.

Once cleared by the cabinet, we hope to table it in the coming monsoon session of Parliament,” Moily said. Moily said the bill will “facilitate the judiciary to ensure that nobody points any finger at them...it is a result of an exhaustive study of eight months and we have examined various legislations of the world (to draft it).” Terming the bill as “state-of-the-art”, he said it would make judiciary “accountable” for its acts of omission and commission and “clear clouds over corruption”.

Several cabinet members had found flaws in the Bill when it came up before the union cabinet in March this year. Home minister P Chidambaram and HRD minister Kapil Sibal, both lawyers, had found flaws in the bill like the quantum of punishment for a judge if found guilty of misconduct.

Subsequently, the GoM, headed by agriculture minister Sharad Pawar and including Chidambaram, Sibal and Moily, was formed to deliberate on the contentious legislation.

Contentious clauses in the bill

One of the contentious clauses in the bill was the provision for “minor reprimands” for judges for acts of omission and commission. When the bill came to the Cabinet on March 15, Chidambaram and Sibal had reportedly expressed reservations about the particular clause. They had reportedly said that a judge can either be guilty or not guilty and there was no justification to have a clause on minor reprimands. The bill proposes that a judge can be warned, taken off work, censured or admonished, depending upon the misconduct. But if the violation is serious in nature, the judge can also be impeached.

There was also disagreement on whether the Judges Enquiry Act, 1968 should be repealed altogether as the proposed bill seeks to do. The bill, in its present form, lays down a code to deal with cases of corruption against judges of the Supreme Court and the high courts. It also seeks to repeal the four decade-old Judges Enquiry Act, 1968 which deals with the process of impeachment of senior judges.

The bill provides for a series of committees to probe the allegations against judges before an impeachment motion is introduced in either house of Parliament. While there will be one Scrutiny Committee for the Supreme Court, the other will be for the 21 high courts.

The bill proposes to set up a National Judicial Oversight Committee, likely to be headed by the Vice-President in his capacity as the Chairman of Rajya Sabha with distinguished jurists as members that will receive the complaints against the sitting judges.

9. Criminal Procedure Code revamp Bill

A slew of provisions revamping the Criminal Procedure Code (CrPC) in the way police treat rape victims and women in other criminal offences came into force with the government notifying the changes.

The CrPC was amended in 2006 but the amended Act was not brought into force so far. Three provisions relating to the power of a police officer make an arrest and power of court to refuse or grant adjournments have also been put on hold, an official release said.

The principal amendments that have been notified from today are: "Victim" is defined and will now be permitted to engage an advocate to assist the prosecution as well as to file an appeal.

Offences under Section 376 and Sections 376A to 376D IPC shall be tried, as far as practicable, by a Court presided over by a woman Judge. Laying down the procedure in the case of arrest of a woman.

Stipulating that an arrested person shall be examined immediately by a medical officer. Prescribing that the statement of a victim of rape shall be recorded at her residence and, as far as practicable, by a woman police officer in the presence of the victim's parents or guardian, or a social worker. Enabling recording of statements/confessions by audio-video electronic means.

Mandatory inclusion of statements of witnesses under Section 161 in the case diary.

Stipulating that the trial of an offence under Sections 376 to 376D IPC shall, as far as possible, be completed within two months.

Revision of the tables under Section 320 CrPC regarding offences which can be compounded and the person by whom offence may be compounded. Providing safeguards in the case of an enquiry against a person of unsound mind.

Incorporating a new Section 357A obliging every State Government to prepare a scheme for providing funds for compensating the victim of a crime or his dependents. Providing for execution of bond by a person seeking bail pending an appeal. Some other provisions have also been amended, it said.

Three Provisions

Three provisions are not being notified for the present.

These are Sections 5, 6 and 21(b) of the Amendment Act which relate to the power of a police officer to make an arrest and the power of the Court to grant or refuse adjournments. Representations were received against these provisions.

Hence, they were referred to the Law Commission. The Law Commission held consultations and submitted its report.

On the basis of the report an Amendment Bill has been approved by the Cabinet. It could not be introduced in the last session of the Parliament and will be introduced in the Budget Session.

Pending the passage of the Amendment Bill and pending a debate in Parliament, it has been decided not to notify these three provisions for the present, the release said.

10. Pakistan's 18th Constitutional Amendment Bill

Amendment XVIII (the Eighteenth Amendment) of the Constitution of Pakistan, was passed by the National Assembly of Pakistan on April 8, 2010, removing the power of the President of Pakistan to dissolve the Parliament unilaterally, turning Pakistan from a semi-presidential to a parliamentary republic and renaming North-West Frontier Province to Khyber Pakhtunkhwa. The package is expected to counter the sweeping powers amassed by the Presidency under former Presidents General Pervez Musharraf and General Muhammad Zia-ul-Haq and to ease political instability in Pakistan. The 'historic' bill reverses many infringements on Constitution of Pakistan over several decades by its military rulers. The amendment bill was passed by the Senate of Pakistan on April 15, 2010 and became an act of parliament when a smiling President Asif Ali Zardari put his signature on the bill on April 19, 2010. It was the first time in the history of Pakistan that a president relinquished a significant part of his powers willingly and transferred them to parliament and the office of the prime minister.

Background :

The power of the President to dissolve the Parliament was enacted by the Eighth Amendment to the Constitution of Pakistan during the presidency of Gen. Muhammad Zia-ul-Haq, before it was removed by then-Prime minister Nawaz Sharif during his second term by the Thirteenth Amendment. It was finally restored during the presidency of Gen. Pervez Musharraf by the Seventeenth Amendment. No elected government in Pakistan has ever completed its full term. This bill is the first bill since 1973 to decrease the powers of the President.

Impact :

292 of the 342 members of the National Assembly, the lower house of Parliament, voted in favour of the amendment, in a vote that was described as historic and shown live on television. The amendment turns the President into a ceremonial head of state and transfers power to the Prime Minister and removes the limit on a Prime Minister serving more than two terms, opening the way for Nawaz Sharif to run again. The North-West Frontier Province is renamed Khyber-Pakhtoonkhwa, in accordance with the wishes of its Pashtun-majority population. Among other changes, courts will no longer be able to endorse suspensions of the constitution, a judicial commission will appoint judges and the president will no longer be able to appoint the head of the Election Commission. The bill also enhances provincial autonomy. The President will no longer be able to declare emergency rule in any province unilaterally.

Response :

Prime Minister Yousaf Raza Gillani, speaking after the passage of the bill, stated that "it is dividend of the politics of reconciliation that the Nation and the Parliament are united today and we have repealed undemocratic laws inserted to constitution by dictators. An editorial published in Dawn welcomed the amendment and urged to parliament to go further and undo the destructive legacy of General Zia's rule and re-examine the Hudood Ordinance and Blasphemy law in Pakistan. Ahmed Kurd, former president of Supreme Court Bar Association of Pakistan, said "We fully support the 18th Amendment. It is tantamount to the overhauling of the constitution, which had been subverted by military dictators since its inception. In the past, parliaments have just been 'rubber stamps', whereas the present parliament seemed to be well aware of its obligations and therefore, was 'throwing out' the 'unconstitutional' amendments.

However violence broke out in the North-West Frontier Province's Hazara Division where the Hindko-speaking opposed the attempts to rename the province Khyber Pakhtoonkhwa population.

11. US Congress approves Historic Healthcare Bill

The United States House of Representatives made history by passing the Senate version of the healthcare reform bill by a narrow but firm margin of 219-212. Further the house also passed the "fix it" bill of House amendments to the Senate bill, by a margin of 217-205. Every House Republican voted against the bill.

Speaking after the vote, Mr. Obama said, "This is what change looks like," adding however that this was a victory for commonsense rather than for any political party. He conceded that it was not an easy vote for a lot of people, "But it was the right vote," he said.

Mr. Obama reminded the caucus that the vote was for the common man : "To every unsung American, who took the time to sit down and write a letter..... hoping your voice would be heard, it has been heard tonight."

In due course it is expected that the bill passed would lead to additional insurance coverage for

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almost 32 million more Americans, bringing the healthcare system closer than ever to the goal of universal coverage. It will also weaken the grip of health insurance companies over the market by preventing them from denying coverage based on pre-existing conditions and restrict their ability to raise premiums or drop coverage.

Further, children may remain on their parents insurance policies until the age of 26 and insurance companies would no longer be able to impose lifetime limits on policies. The costs of obtaining insurance cover would also fall for older people and those with pre-existing conditions through their participation in "high-risk pools." Small business would also derive such benefits by participating in state-level exchanges and some businesses would face penalties for not providing their employees with insurance.

The bill, which will soon be signed into law by President Obama as the Patient Protection and Affordable Care Act, will also bring down the deficit of the country by \$143 billion over 10 years and by over a trillion dollars within the following 10 years, according to the Congressional Budget Office (CBO), the non-partisan scorekeeper on such debates. It will cost the American taxpayer \$940 billion, according to the CBO.

High drama on the abortion issue accompanied the passage of the bill. Pro-life Democratic Congressman Bart Stupak - who dropped his opposition to the bill based on the promise of a Presidential Executive Order banning the use of federal funds for abortions - was called "baby-killer" by an unknown member of Congress from the Republican side. Mr. Stupak has been one of the most staunch pro-lifers in the House in years.

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VIII

Summits / Conferences

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1. Asia Security Summit

A conference called “Interaction and Confidence-Building Measures in Asia” has turned into a high-profile international platform for the host country, Turkey, to condemn conference member Israel.

The Bone of Contention

The conference, which began, follows last week’s Israeli commando raid on an aid flotilla destined for Gaza that resulted in the shooting deaths of eight Turks and a Turkish-American citizen.

Turkey is demanding an international investigation into the incident, which ruptured already fraying ties with its one-time military and economic partner Israel.

At a press conference, Iranian president Mahmoud Ahmadinejad congratulated the Turks for taking a stand against his arch-rival Israel and its three-year blockade of Gaza.

“Within the Zionist regime, with what it has done, it has actually rang the final countdown for its existence,” he said. “It shows that it has no room in the region and no one is ready to live alongside it. Actually no country in the world recognizes it and you know that the Zionist regime is the backbone of the dictatorial world order. When it is affected as a matter of fact, that tyrannical rule is falling apart.”

Later, Ahmadinejad waved a “V” for victory sign to journalists after a “family gathering” photo opportunity for the leaders of delegations at the summit.

Ahmadinejad took a spot in the front row for the photo, alongside other heads of state and governments, including Kazakhstan’s President Nursultan Nazarbayev, Turkish President Abdullah Gul, and Russian Prime Minister Vladimir Putin.

Already, a growing chorus of voices at the summit have lined up to criticize Israel.

In a joint statement, Turkish Prime Minister Recep Tayyip Erdogan and Syrian President Bashar al Assad took turns accusing Israel of “state terrorism.”

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Over the course of the last week, Erdogan has repeatedly vowed to bring up Turkey's anger with Israel over the aid convoy shooting at every international summit he attends.

Israel, in the meantime, opted not to send Deputy Prime Minister Dan Meridor to the conference, as was originally planned. Israel's ambassador to Ankara, Gabby Levy, is instead expected to be represented at the meeting.

2. Shanghai cooperation organisation's Annual summit in Tashkent

The two-day Shanghai Cooperation Organisation (SCO) ended its annual summit in the Uzbek capital of Tashkent with an agreement on rules to admit new members like India and Pakistan and with a warning to Iran. For the first time, a representative of the United States attended the event, a sign of the organisation's growing influence on the world scene.

The Objective

SCO was founded with the stated objective of fighting international terrorism and uphold the territorial sovereignty of its member states. Now it has become a privileged venue for political and economic deals among its members: Russia, China, Uzbekistan, Kazakhstan, Tajikistan and Kyrgyzstan. In addition to these nations, India, Pakistan, Afghanistan, Iran and Mongolia have had observer status for a number of years. Belarus and Sri Lanka are dialogue partners.

New Procedures or admission

In a declaration SCO announced news procedures on admission. They include limiting membership to countries within the Eurasian continent that have diplomatic relations with other members and are either SCO observers or dialogue partners. Conversely, countries under United Nations sanctions are barred.

The latter requirement was clearly adopted in relation to Iran, which has been under new UN sanctions since 9 June because of its nuclear programme. At the last moment, Iranian President Mahmoud Ahmadinejad, who had announced that he would be at the summit, decided to stay away. In previous summits, the Iranian leader had been warmly welcomed. Last year, SCO leaders congratulated him on a disputed election victory.

In any event, the ban is formal and no country has yet to be admitted. For years experts noted, the admission of new members has been part of SCO discussions and expectations were high. Media in India and Pakistan welcomed the new membership rules as a success for their countries.

Now the issue will be turned over to diplomatic experts from the various countries, but in some member states, doubts are being raised over the danger of bringing the Indo-Pakistani dispute into the organisation.

Kyrgyzstan

In relation to Kyrgyzstan, SCO called for calm and dialogue among the warring sides after dozens of people were killed yesterday in a deadly outbreak of violence.

The organisation also agreed to send observers to Kyrgyzstan to monitor a national referendum scheduled for 27 June.

Human rights activists in Uzbekistan were closely monitored during the summit to ensure that they would not use it to stage public protests.

Police, for example, called the home of Elena Urlaeva, a leading human rights activist in Tashkent, and told her family to leave town for the duration of the summit.

3. G-20 Nation's conference in Toronto

The G-20 nations, which include major industrialized powers and emerging economics of the world met at Toronto on June 26-27 to deliberate on various steps to be taken to tackle the menacing economic crises.

President Obama warned that the world economic recovery remains “fragile” and urged continued spending to support growth, an expansionist call at the end of a summit marked by an agreement among developed nations to halve their annual deficits within three years. **View Only Top Items in The Summit**

The president's remarks tempered the Group of 20's headline achievement at the summit, a deficit-reduction target that had been pushed by Canadian Prime Minister Stephen Harper, the host of the meeting and a fiscal conservative. Although there is broad agreement that government debt in the developed world needs to be reduced, there is concern that cutting too fast and too deeply will slow growth and possibly spark a new recession.

In a news conference at the meeting's conclusion, Obama said that the world's largest economic powers had agreed on the need for “continued growth in the short term and fiscal sustainability in the medium term.”

“A number of our European partners are making difficult decisions,” Obama said. “But we must recognize that our fiscal health tomorrow will rest in no small measure on our ability to create jobs and growth today.”

Closing Statement

The group's closing statement included the specific deficit-reduction target, but it was couched in caveats — that deficit reduction needed to be “calibrated” to avoid harming growth, paced differently in each country and paired with other reforms to strengthen the economy.

Obama and European leaders, in particular, came to the meeting with sharply different views of the strength of the global economic recovery, with the U.S. president more pessimistic. The declaration, in the works for weeks, gave each side what it wanted, although the specific deadlines went further than the Obama administration had preferred before the meeting.

The administration accepted the deadlines in order to avoid standing against Harper and such important economic powers as Germany. In his closing remarks, Obama stressed that “every country will chart its own unique course, but make no mistake — we're moving in the same direction.”

The International Monetary Fund's managing director, Dominique Strauss-Kahn, called the deficit target an “oversimplification” of the problem; he said it was more important for individual countries



to craft the right economic policies to sustain growth, not blindly cut for the sake of meeting a goal.

Along with pledging to cut their annual budget deficits by 2013, the developed countries committed to stabilizing their overall debt by 2016. Obama recently set similar goals for the United States.

Seeming Division

Despite the seeming division between the United States' deficit-reduction target and the slower approach favored by Canada and Germany, Obama said there was "violent agreement" within the group about the need to find proper balance — with some highly indebted countries such as Greece needing to cut immediately and others supporting the recovery with higher spending.

Overall, the group's final statement reflects its consensus theory for how the world economy needs to change, with the heavily indebted Western nations steadily taming government deficits, and surplus-rich nations "rebalancing" to boost local spending and demand.

Strong emerging markets such as China, the document said, need to guard against a slowdown by encouraging their governments and people to spend more, investing more on infrastructure, establishing better social safety nets to give families more income, and allowing exchange rates to fluctuate more freely — a quiet reference to China's managed currency policies. China is a member of the G-20.

"Advanced surplus" countries — developed nations that run large trade surpluses — committed to try to narrow the gap between imports and exports, a particular concern in Europe, where Germany's powerful export-led economy is blamed by some for economic weakness in Greece and elsewhere.

But the G-20 delegations also left Toronto with much of the heavy lifting on new global financial rules still ahead of them.

Discussion of a global bank tax — once considered a major issue for the group — ended with a commitment that the financial sector would make a "fair" contribution to the cost of resolving financial crises, but leaving it to each nation to decide how and when the contribution would be collected.

The group also committed to requiring banks worldwide to hold a "significantly higher" amount of capital to buffer them against financial shock. But acknowledging the difficulty that will pose to some institutions, the group's statement opened the door for a transition period to give weaker companies time to raise the funds.

The G-20 hopes by the end of this year to have new capital rules for banks in place, and leaders consider the issue a core element of global financial reform. But an early test of proposed bank capital rules found that they risked undermining economic growth. Even banks in relatively healthy systems, such as Canada, would have been in a bind and forced to raise substantial new funds, according to bankers and officials familiar with the matter.

"We have the confluence of two forces. One is about making sure there are no more crises, but we have to make sure we don't destroy our domestic banking systems," said Hyun Song Shin, senior economic adviser to the South Korean government. "What you don't want to do is strangle bank lending."

4. G-8 Nations meet in Canada

The Group of Eight, meeting in Huntsville, Ontario, north of Toronto, are short by an estimated \$18 billion (12 billion pounds) on a 2005 pledge at a G8 summit in Gleneagles, Scotland, to raise their combined aid by at least \$50 billion by 2010.

Individually, the United States, Britain and Canada met their aid pledges. Italy failed to deliver any of its funding, while Germany, France and Japan delivered less aid than they promised, anti-poverty group ONE which monitors the aid, said.

“I think it is frustrating that world leaders sign up to things and then don’t deliver them and we have to make sure that happens,” Prime Minister David Cameron told reporters. “We made promises back in Gleneagles. We should stick to those promises.”

The White House said in a statement President Barack Obama was urging transparency and accountability in the G8.

“The president believes that the credibility of the G8 rests on the willingness of its members to honour their commitments by reporting transparently on progress and identifying areas where additional effort is required,” the statement said.

The World Bank has warned that progress made so far in developing countries could be set back if aid levels declined further, pushing more people into poverty.

“We have to say today we have not met all the commitments,” said European Commission President Jose Manuel Barroso ahead of the G8 meeting. “If we want to be successful we’ll have to speed up our work,” he told reporters.



G8 AID PROMISES

The G8’s meeting in the sleepy lakeside community provides a contrast to the hectic urban pace of Toronto, where other prickly economic issues await the larger Group of 20 summit..

Although the G8 cannot avoid talking about its own economic troubles — namely the strength of the global recovery and the state of public finances — the smaller group is carving out time to discuss problems facing poor countries.

Canada, host of the G8 and G20 meetings, wants to ensure donor countries follow through on their commitments and is urging a means of monitoring the aid.

The hosts also want a focus on Haiti’s rebuilding from a devastating earthquake. Haiti was invited to attend the G8 meeting along with Jamaica and African nations Senegal, Algeria, Ethiopia, Malawi, Nigeria, South Africa and Egypt.

The United States is pushing for more agricultural investment in Africa and is seeking more contributions for a fund to boost farm production in poorer countries.

The G8 will discuss progress towards meeting the eight U.N. Millennium Development Goals, or MDGs, on poverty by 2015.

The goal for mother-and-child health is a particular concern, with the World Bank reporting “fragile and uneven” progress in reducing maternal deaths, a major burden for countries in sub-Saharan Africa and South Asia.

UNMET AID PLEDGES

The World Bank in a report urged rich countries to live up to their aid pledges. It said rich countries should their economic recovery so poorer states were not further hit by falling exports.

Development groups called on industrialized countries to renew aid commitments from Gleneagles, arguing that many African governments had kept their end of the bargain to adopt sound economic policies and tackle corruption.

Oliver Buston, ONE’s European director, said while collectively the G8 had not entirely lived up to their commitments, some had and that should not be overlooked.

“We shouldn’t be totally cynical about the potential for these summits to achieve things,” he said.

“Whilst we are slating (Italian Prime Minister Silvio) Berlusconi and annoyed with the French and Germans, it was worthwhile,” he added, noting progress in education and tackling HIV/AIDS and malaria.

5. 8th NPT Review Conference, New York

The 8th five yearly review conference of the treaty was held at New York. The month long review conference provides an opportunity to stabilize and strength nuclear proliferation regime.

Pugwash convened a private consultation involving 20 current and former diplomats, UN officials and leading NGO experts from 15 countries for a general exchange of views on issues related to the current Review Conference. The meeting was chaired by Pugwash President Jayantha Dhanapala and Pugwash Secretary General Paolo Cotta-Ramusino. Each participant took part in his or her personal capacity, under Pugwash/Chatham House rules. The purpose of the meeting was to contribute a creative atmosphere in which items related to the NPT Review Conference could be discussed in a more holistic way among key participants, drawing upon the extensive experience of former practitioners. There was a recognition on all sides of the window of opportunity provided by President Obama’s repeated commitment to create conditions for a nuclear weapons free world. The urgency of seeking ways to operationalize that commitment equally was underscored.

Areas of discussion focused on five categories: transparency, verification, doctrines, disarmament and procedural issues.

Transparency

Transparency is primarily a declaratory confidence building exercise. It can contribute to an environment more conducive to more predictable cooperative security. The dramatic US announcement of the numbers of its nuclear arsenal has set the stage at this Review Conference for further discussion of transparency.

- Transparency may provide a useful theme to explore in the Review Conference and could be important to discuss in the final document.
- Transparency issues must be addressed not only in terms of disarmament, but also in the areas of non-proliferation and peaceful uses of nuclear energy.
- It might be useful to probe the question and further elucidate why it is important to seek transparency. There also is a need to better define transparency and to set consistent benchmarks, possibly in the context of a future Pugwash meeting.
- The P5 should be encouraged to promote transparency in their statements and positions.

Verification

Verification is legally binding. It plays a role in providing greater confidence in the serious intent of transparency declarations.

- Verification issues are relevant to all three pillars of the NPT, and there was a recognition on all sides of the need to have agreed shared understandings of verification systems and norms.
- There was hope that there will be a sharing with the rest of the Conference of information provided by the UK-Norway experience, as this might encourage future initiatives by other countries.
- It was proposed to extend the role of the IAEA to include verifying disarmament.
- It might prove a positive step to establish a Track 2 or Track 11D 2 process for verification and inspection of the New START treaty. This could involve influential non-governmental public figures, an idea Pugwash has raised with former European defense and foreign affairs ministers, based

on the model of parallel public inspections conducted in the years of the implementation of the INF Treaty (the Intermediate and Shorter Range nuclear Forces Treaty).

Doctrines

Nuclear doctrines are important to consider, since the issue of possession of nuclear weapons arises from nuclear deterrence doctrines.

- The way in which discussion of doctrine is handled in the Review Conference final document will be very important. Coming at a time when NATO's Strategic Concept review is underway, it may send an important message that might help inform the NATO deliberations.
- Despite differing opinions on the US Nuclear Posture Review, the NPR can serve as a point of departure for discussions on this issue at the Review Conference. Some concern was expressed that the NPR did not explicitly state that the 'sole' purpose of nuclear weapons is to deter other nuclear weapons. It was noted, however, that for the first time the US has set this as a goal.
- There was some discussion of the continued role of extended deterrence, and recognition of the pressures this can create for non-nuclear weapons states which are not part of a nuclear alliance or protected by the 'nuclear umbrella.' Some felt this damaged the principle of equal security for all.
- The continuing impact of the US-India nuclear deal was explored. There was some concern expressed that the Nuclear Suppliers Group and others did not express criticism in a strong and timely manner. Assurance that there won't be more deals like this in the future will be important. There was hope that there might be discussion in Main Committees 2 and perhaps 3 on this issue. Without singling out the US-India deal, there was a hope that there will be a block on future deals. Without such action, non-nuclear weapons states concerns may intensify in the future.

Disarmament

The importance of the need for further disarmament progress was underscored by many and there was an expectation that disarmament will be discussed in detail, as at every Review Conference.

- It was suggested that Main Committee 1 might put the various offers/displays of recent related measures that have been taken on disarmament into a form that is readily accessible. For example, it might include summary of efforts taken to close production facilities, unilateral and bilateral reductions, and highlighting areas that states already intend to do in future.
- There was some discussion about the P5 statement to 'carry on' the commitments of 1995 and 2000, which some interpret as being a weaker statement than a firm recommitment. Others pointed out the intent of the phrase was to show a very active commitment.
- There was dialogue on the pros and cons of the question of setting deadlines for both short and long-term disarmament goals. Setting such a timeline might indeed prove an historic breakthrough for this Review Conference. However it was also noted that setting timelines, as in the case of the Chemical Weapons Convention, might be problematic if those benchmarks are not met, even if the party is acting in good faith. It was noted that even with the CWC, however, this process has been beneficial in drawing focus to the issue due to the missed deadline.
- The importance of not allowing deadlines to become an impediment to consensus was noted.
- If there is not the ability for a general consensus on a timeline, perhaps the P5 might issue a collective statement about a timeline for disarmament.

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- At the very least there needs to be a collective appeal for progress by 2015, though there is a need to better define what this might mean.
- There was discussion on setting a possible timeline for work on or conclusion of a nuclear weapons convention.
- It was noted that the question of further reductions of tactical or non-strategic nuclear weapons is an area in which progress might have a profound impact on other issues.
- In this context, establishing a principle that nuclear weapons should not be based on foreign soil would be important progress. Removal of US nuclear weapons from Europe to US territory, following the post-Soviet example, is seen as a potentially very powerful step in terms of both disarmament and doctrinal issues.
- There was recognition of the US decision to submit protocols of two Nuclear Weapons Free Zones to the US Senate. Other nuclear weapons states could be encouraged to take similar action. Such a step, worthy in and of itself, may in turn help reinforce prospects for the US process.
- There will be a separate Pugwash consultation on the Middle East on May 15, but the importance of defining some criteria for success on the Middle East resolution was noted. Setting an agenda for progress, hopefully including some timelines, will be needed to overcome the negative impact of the lack of progress in this area.
- The possibility of extending the INF treaty to other parts of the world was noted.
- The need for progress on the package of initiatives at the Conference on Disarmament was highlighted. These include the Fissile Material Cut-off Treaty, the nuclear weapons convention, negative security assurances and preventing an arms race in outer space.

Procedural/structural issues

The positive role and personal involvement of the UN Secretary General was widely appreciated. The President of the Conference also has taken welcome steps to try to ensure coordination amongst the committees, and that Main Committees are coordinating their work plans.

- Strengthening the institutional mechanism for linkage between the three pillars might prove a useful exercise, for example in possibly identifying a more holistic action plan for the next five years that might be adopted as a consensus document. Even if this were only one agreed paragraph it might prove very useful.
- The example of the mechanism used in 1985 might prove useful, in which the chair called meetings two times per week, to coordinate information exchange, and to provide the chapeau for the final document, and importantly to identify early-on possible choke points.
- Support was expressed for the innovative idea for a common template for Main Committee and subcommittee reports, each reviewing the past and highlighting future oriented action plans.
- There was an idea however that perhaps in the 4th week the President of the Conference might have a special session in which delegates could be given the opportunity to address this issue.
- The importance of ongoing discussions on disarmament was emphasized, via the Conference on Disarmament, the First Committee, and other fora.
- The idea for a President's Group, to carry forward progress from the Review Conference in the 5 year interval, was discussed.

A failure for the Review Conference to live up to this potential could have profound, widespread, and damaging impact. There was goodwill expressed in our discussions for exploring in creative

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settings options for progress and for injecting such perspectives into the Review Conference processes. Pugwash acknowledged with deep thanks the participation of such a knowledgeable and committed group of people during this busy time.

6. 16th SAARC summit in Thimpu

The two day SAARC summit concluded in Thimphu in Bhutan on April 29, 2010 with a pledge to root out menace of terrorism in all its forms and manifestations.

As the leaders delivered their keynote addresses, what came out were a several proposals, commitments and suggestions, not only to combat climate change, the summit theme, but also to make the association a much more practical and vibrant regional grouping.

Climate Change

As the first speaker, Lyonchhoen Jigmi Y Thinley drew attention to the Summit's theme of climate change and reminded the delegates that the issue called for urgent action.

He said that, although the region's developing nations had the moral authority to demand more from nations, which were irresponsible on their path to prosperity, condemning the region to share the predicament of an ailing planet, finger-pointing or claiming right to the regions own share of emission was not the way out.

With regard to the association, Lyonchhoen said results failed to match the unrestricted proliferation in areas of cooperation, requiring close to 200 meetings a year. SAARC is losing focus, he cautioned. Fresh parameters could include substantial reduction of activities and meetings.

Lyonchhoen proposed the secretary general conduct a study and present a report on rationalising the SAARC process to the next council meeting. While this sounds like regression, sometimes it is necessary to move backward in order to find our way forward, he said.

Indian prime minister Manmohan Singh proposed the setting up of climate innovation centres in South Asia, to develop sustainable energy technologies based on indigenous resource endowments. We've created institutions for regional cooperation, but we haven't yet empowered them adequately to enable them to be more pro-active, he explained.

The challenge before the member states, he said, was in translating institutions into activities, conventions into programmes and official statements into popular sentiments.

Maldivian president Mohamed Nasheed shared similar views of the association and said that, although its ambitions had grown significantly, it was dubious if the work kept pace.

He also voiced, what resonated in the minds of other heads of SAARC member nations, that the retreats before the Summit where leaders interacted frankly would lead to greater dialogue between India and Pakistan to resolve their differences.

I hope the neighbours can find ways to compartmentalise pending differences, while finding areas on which they can move forward, he said.

Pakistani Prime Minister Syed Yusuf Raza Gilani agreed that, for many years, real progress of the association remained stalled because of hesitancy borne from historical legacies, differences and disputes.

On climate change, he said, the focus was on sharing best practices and pool resources to adopt region-wise mitigation and adaptation measures. We must work towards concluding regional inter-governmental framework agreement on energy cooperation, he said. I can visualise the benefit to our region from Bhutan's hydro-electric potential.

Nepalese prime minister Madhav Kumar Nepal felt the need for member nations to be bold in removing existing barriers on trade front, if they were to move ahead to the direction of a common market in South Asia.

SAFTA to be implemented in Toto

The progress of SAFTA, the main instrument and vehicle for intra-SAARC regional trade has been painstakingly slow due to tariff, non-tariff and para-tariff barriers, he said, adding that the surest ways for a prosperous SAARC was through increased regional trade.

Climate change, the Sri Lankan president Mahinda Rajapaksa said, was historically a contribution of the developed world and that they should now bear the lion's share of the burden to mitigate the phenomenon.

He echoed what other leaders felt about trade within the region. The member states, he said, had to work more diligently to strengthen both physical and soft connectivity among its peoples. He felt the need for strengthening the means for practical engagement with the SAARC observer states and with selected international organizations, in particular for the region's development efforts. As a regional organization, SAARC cannot progress in isolation, he said.

Bangladeshi prime minister Sheikh Hasina proposed a unified approach was of essence and called for SAARC to establish a Himalayan council in the model of the Arctic council for assisting affected countries in the region.

On the trade front, she said, despite lists of sensitive trade items being reduced, greater efforts were still required to make trade in service agreement and SAFTA meaningful.

SAARC's success, she said, was in building bridges among peoples of member states. It is possible through close and free interaction of our peoples from all walks of life, she said. Tourism could play a catalytic role here.

Terrorism, the Afghanistan president Hamid Karzai said, was the most challenging threat the member nations would face and that SAARC was a platform to join forces to combat the threats together. I urge that we set aside our differences so we may decisively defeat terrorism, he said. So long as we're unable to do so, the well-being, stability and future our societies will remain hostage to its attacks.

An audience with His Majesty the King is scheduled for the heads of SAARC member states following which they will sign agreements and erect the SAARC Ithdar, bearing the imprint of eight of its member state's national flags and SAARC logo to commemorate 16th SAARC Summit and mark its 25th anniversary.

7. New Strategic Arms Reduction Treaty

The New Strategic Arms Reduction Treaty (START) is one of several concrete steps the U.S. is taking to reduce the global threat of nuclear weapons, proliferation and terrorism.

This treaty shows the strength of America's commitment to global disarmament – and to national security

The United States and Russia signed the New Strategic Arms Reduction Treaty (START) in Prague, reducing the number of strategic nuclear warheads in arsenals to levels not seen since the first decade of the nuclear age. This verifiable reduction by the world's two largest nuclear powers reflects commitment to the basic bargain of the Nuclear Non-Proliferation Treaty (NPT) — all nations have the right to seek the peaceful use of nuclear energy, but they all also have the responsibility to prevent nuclear proliferation, and those that do possess these weapons must work toward disarmament.

This agreement is just one of several concrete steps the United States is taking to make good on President Obama's pledge to make America and the world safer by reducing the threat of nuclear weapons, proliferation and terrorism.

Obama announced the U.S. Government's Nuclear Posture Review (NPR), which provides a roadmap for reducing the role and numbers of nuclear weapons while more effectively protecting the United States and their allies from most pressing threats.

And along with international partners, the United States is pursuing diplomatic efforts that create real consequences for states such as Iran and North Korea that defy the global nonproliferation regime.

To allies and partners, and all those who have long looked to the United States as an underwriter of regional and global security: US commitment to defend their interests and their allies has never been stronger.

Agreement is a testament to US own determination to meet their obligations under the NPT and the special responsibilities that the United States and Russia bear as the two largest nuclear powers.

The New START Treaty includes a 30 percent reduction in the number of strategic nuclear warheads the United States and Russia are permitted to deploy and a strong and effective verification regime, which will further stabilize the relationship between two countries as well as reduce the risks of miscommunication or miscalculation. And the Treaty places no constraints on our missile defense plans – now or in the future.

President Obama's Nuclear Posture Review makes the principles behind this Treaty – and their larger nonproliferation and arms control agenda – part of their national security strategy. Nuclear proliferation and nuclear terrorism have replaced the Cold War-era danger of a large-scale nuclear attack as the most urgent threat to U.S. and global security. The NPR outlines a new approach that will ensure that US defenses and diplomacy are geared toward meeting these challenges effectively.

As part of this new approach, the United States pledges not to use or threaten to use nuclear weapons against a non-nuclear weapons state that is party to the NPT and in compliance with its nuclear nonproliferation obligations. The United States would only consider the use of nuclear weapons in extreme circumstances to defend the vital interests of the United States or its allies and partners.

The NPR also emphasizes close cooperation with US allies around the world, and maintains US firm commitment to mutual security. US will work with their partners to reinforce regional security architectures, such as missile defenses, and other conventional military capabilities. The United States will continue to maintain a safe, secure and effective nuclear deterrent for themselves and their allies so long as these weapons exist anywhere in the world.

Nuclear proliferation and terrorism are global challenges, and they demand a global response. That is why President Obama has invited leaders from around the world to Washington for a Nuclear Security Summit and will seek commitments from all nations – especially those that enjoy the benefits of civilian nuclear power – to take steps to stop proliferation and secure vulnerable nuclear materials. If terrorists ever acquired these dangerous materials, the results would be too terrible to imagine.

All nations must recognize that the nonproliferation regime cannot survive if violators are allowed to act with impunity. That is why US & Russia working to build international consensus for steps that will convince Iran's leaders to change course, including new UN Security Council sanctions that will further clarify their choice of upholding their obligations or facing increasing isolation and painful consequences. With respect to North Korea, US continue to send the message that simply returning

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to the negotiating table is not enough. Pyongyang must move toward complete and verifiable denuclearization, through irreversible steps, if it wants a normalized, sanctions-free relationship with the United States.

8. 16th ASEAN Summit in Hanoi

Vietnam, Association of Southeast Asian Nations president for 2010, hosts the 16th and 17th summits of the organization. The 2010 theme is: Towards the ASEAN Community: from vision to action. Vietnam, which is not a party to the ASEAN-China Free Trade Agreement, which came into effect on 1 Jan 2010, might find the need to be mediator as well as host. The FTA was not welcomed everywhere in the bloc.

Indonesia, in particular, regards the ASEAN-China FTA as anything but a community-building exercise. As reported by AFP on Jan 19, Industry Minister M.S. Hidayat told parliament he feared agreement could lead to job losses. The “most serious impact” would fall on the steel, textile, unorganic chemical, furniture and energy-saving lamp industries, he said, calling for the pact to be renegotiated to shield such sectors from Chinese competition. Trade Minister Mari Pangestu defended the deal, according to AFP, saying it was good news for Indonesian exporters to China and would bring badly needed foreign direct investment from Chinese firms.

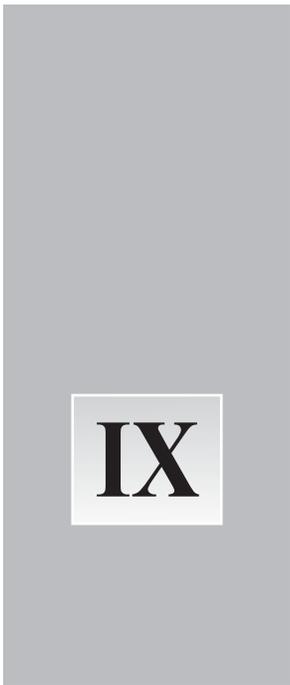
ASEAN-China FTA :

The ASEAN-China FTA establishes the world's largest free trade area by population and has been under negotiation since 2002. Under the pact, China and the six founding ASEAN states — Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand — agreed to eliminate barriers to investment and tariffs on 90 percent of products by January 1, 2010. Members that joined ASEAN later, including Vietnam and Cambodia, have until 2015 to follow.

ASEAN ICT Master Plan 2010 :

The leaders at the 15th ASEAN summit set to work on an ASEAN ICT Master Plan in 2010, with connectivity as goal. They observed in their concluding statement that ASEAN was located at the crossroads of an economically vibrant and growing region bounded by India in the west; China, Japan, and the Republic of Korea in the Northeast; and Australia and New Zealand in the South. “ASEAN thus has the potential to physically anchor itself as the transportation, Information and Communication Technology, and tourism hub of this region,” according to the leaders' statement. They urged the completion of road, rail, air, and sea linkages within the community, and new infrastructure projects of the same type. These include the ASEAN Highway Network and the Singapore-Kunming Rail Link.





IX

Awards

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1. The Oscars 2010 live-Oscar awards 2010 winners, Academy awards 2010 list of winners

The list of winners of the Oscar awards 2010: Christoph Waltz won the Oscar award for the best supporting actor. Waltz said, 'This is your welcoming embrace and there's no way I can ever thank you enough, but I can start right now. Thank you.' The film 'Up' bagged the award for the Best Animated Feature film. Film maker Pete Docter said that it was an incredible adventure making the movie but the heart of it came from home.

The best original song Oscar Award went to the Weary Kind from Crazy Heart. The Award was presented by Amanda Seyfried and Miley Cyrus. The Oscar Award for the best original screenplay was awarded to Mark Boal for the Hurt Locker. Tina Fey and Robert Downey presented the Award. Boal dedicated the award to the troops in Iraq and Afghanistan as well as the wounded and those who had not made it home. He also dedicated an Award to his father, who had died a month ago.

Carey Mulligan nominated for an education joined Joe Sladona, the Avatar star to present the Oscar Award for the best short film. It went to Logorama for Animated film, music by Prudence for documentary short film and the Best short film award was given to The New Tenants.

The Oscar Award for the best make up went to Star Trek. The Best adapted Screenplay award went to Precious, adapted by Geoffrey Fletcher from the book Push.

The Oscar Award for the best Actress in a supporting role went to Monique for the role in Precious.

2. 52nd Grammy Awards

The 52nd Annual Grammy Awards took place on January 31, 2010 at Staples Center in Los Angeles, California.

Special Merit Awards

MusiCares Person of the Year : Neil Young

Lifetime Achievement Award Winners :

- Leonard Cohen
- Bobby Darin [posthumous]

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David "Honey boy" Edwards

Michael Jackson [posthumous]

Loretta Lynn

Andre Previn

Clark Terry

Trustees Award Winners

- Harold Bradley
- Florence Greenberg
- Walter C. Miller

Technical Grammy Awards Winners

- AKG
- Thomas Alva Edison

President's Merit Award

- Dough Morris
- Kenny Burrell
- Ken Ehrlich
- Placido
- Domingo

Album of the year

- Fearless-Taylor Swift
- Colbie Caillat, featured artist; Nathan & Taylor Swift, producers; Chad Carlson, Nathan Chapman & Justin Niebank, engineers/mixers; Hank Williams, mastering engineer

Record of the year

- "Use Somebody"-Kings of Leon, Jacquire Kings & Angelo Petraglia, producers; Jacquire King, engineer/mixer

Song of the year

- "Single Ladies (Put a Ring on It)"- Beyoncé Thaddis Harrell, Beyoncé Knowles, Terius Nash & Christopher Stewart, songwriters

Best New Artist

- Zac Brown Band

Pop

Best Female Pop Vocal Performance

- "Halo"-Beyoncé

Best Male Pop Vocal Performance

- "Make It Mine"-Jason Mraz

Best Pop Performance By A Duo Or Group With Vocals

- "I Gotta Feeling"- Black Eyed Peas



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Best Pop Collaboration With Vocals

- “Lucky-Jason Mraz & Colbie Caillat

Best Pop Instrument Performance

- “Thrown Down Your Heart”- Bela Fleck

Best Pop Instrumental Album

- Potato Hole-Booker T. Jones

Best Pop Vocal Album

- The E.N.D.-Black Eyed Peas

Dance**Best Dance Recording**

- “Poker Face” - Lady Gaga
Redone, producer; Robert Orton, Redone & Dave Russell, mixers

Best Electronic/Dance Album

- The Fame-Lady Gaga

Traditional Pop**Best Traditional Pop Vocal Album**

- Michael Buble Meets Madison Square Garden-Michael Buble

Rock**Best Rock Solo Vocal Performance**

- “Working on a Dream”-Bruce Springsteen

Best Rock Performance By a Duo/Group /Vocals

- “Use somebody”-Kings of Leon

Best Hard Rock Performance

- “War Machine”-AC/DC

Best Metal Performance

- “Dissident Aggressor”-Judas Priest

Best Rock Instrumental Performance

- “A Day in the Life”-Jeff Beck

Best Rock Song

- “Use somebody”-Kings of Leon
Caleb Followill, Jared Followill, Matthew Followill & Nathan Followill, songwriters

Best Rock Album

- 21st Century Breakdown-Green Day

Alternative**Best Alternative Music Album**

- Wolfgang Amadeus Phoenix-Phoenix

3. Nobel Prize 2009

- **Physics:** Charles K. Kao, Willard S. Boyle and George E. Smith
(For the invention of an imaging semiconductor circuit-the CCD sensor)
- **Chemistry:** Venkatraman Ramakrishnan, Thomas A. Steitz and Ada E. Yonath
(For studies of the structure and function of the ribosome)
- **Medicine/Physiology:** Elizabeth H. Blackburn, Carol W. Greider and Jack W. Szostak
(For the discovery of how chromosomes are protected by telomeres and the enzyme telomerase)
- **Literature:** Herta Muller (Who, with the concentration of poetry and the frankness of prose, depicts the landscape of the dispossessed)
- **Peace :** Barack Obama (For his extraordinary efforts to strengthen international diplomacy and cooperation between peoples)

4. 63rd Cannes Film Festival 2010

Here's the full list of 2010 Cannes award winners:

- **Palme d'Or:** "Uncle Boonmee Who Can Recall His Past Lives," directed by Apichatpong Weerasethakul (Thailand)
- **Grand Prize (2nd place):** "Of Gods And Men," directed by Xavier Beauvois (France)
- **Jury Prize (3rd place):** "A Screaming Man," directed by Mahamat-Saleh Haroun (Chad)
- **Best Director:** Mathieu Amalric for "On Tour" (France)
- **Prize of Un Certain Regard:** "Hahaha," directed by Hong Sang-soo (Korea)

The Rest of The Winners**COMPETITION**

- **Best Actor:** Javier Bardem, "Biutiful" (Mexico) and Elio Germano, "La Nostra Vita" (Italy)
- **Best Actress:** Juliette Binoche, "Certified Copy" (Iran)
- **Best Screenplay:** Lee Chang-Dong, "Poetry" (Korea)
- **Camera d'Or (Best Debut Feature):** "Año Bisiesto" directed by Michael Rowe (Mexico)
- **Best Short Film:** "Chienne d'Historie," directed by Serge Avedikian (France)

UN CERTAIN REGARD

- **Jury Prize:** "Octubre," directed by Daniel Vega and Diego Vega (Peru)
- **Special Prize:** Three actresses: Adela Sanchez, Eva Bianco, and Victoria Rapos, in "Los Labios," directed by Ivan Fund and Santiago Losa (Argentina)

5. 16th Annual Star Screen Awards

16th Annual Star Screen Awards were

The Winners :

- **Best Editing Results-** Raju Hirani (3 Idiots)
- **Best Special Effects-** Aladdin
- **Best Action-** Vijayan (Wanted)
- **Best Cinematographer-** Rajiv Ravi (Dev D)
- **Best Choreographer-** Bosco Ceaser (3 Idiots)

- **Best Story** - Imtiaz Ali (Love Aaj Kal)
- **Best Screenplay**- Abhijat Joshi, Raju Hirani (3 Idiots)
- **Best Dialogues**- Abhijat Joshi, Raju Hirani (3 Idiots)
- **Best Child Artist**- Pratik Katari (Paa)
- **Best Cast**- Luck By Chance
- **Best Lyricist**- Irshad Kamil For Choor Bazari (Love Aaj Kal)
- **Best Playback Singer(Female)**- Kavita Seth For Ore Manva (Wake Up Sid)
- **Best Playback Singer(Male)**- Rahat Fateh Ali Khan For Aaj Din Chaya (Love Aaj Kal)
- **Best Music Director**- A R Rahman (Delhi 6)
- **Ramnath Goenka memorial Award**- Nandita Das For Firraaq
- **Most Promising Newcomer (Female)**- Mahi Gill (Dev D)
- **Most Promising Newcomer (Male)**- Omi Vaidya (Aka Silencer) (3 idiots)
- **Most Promising Debutante Director**- Nandita Das Firaq
- **Best Supporting Actress**- Arundhati Nag (Paa)
- **Best Supporting Actor**- Rishi Kapoor (Love Aaj Kal)
- **Star Plus Jodi Award**- Amitabh and Abhishek Bachchan
- **Lifetime Achievement Award**- Javed Akhtar
- **Best Actor In A Negative Role**- Boman Irani (3 Idiots)
- **Best Actress Most Popular Category**- Kareena Kapoor (3 Idiots)
- **Best Actor For Most Popular Category**- Shahid Kapoor (Kaminey)
- **Best Actor in a comic role**- Omi Vaidya (3 Idiots)
- **Best Jodi of the decade**- Shahrukh Khan and Kajol
- **Best Entertainer of the year**- Katrina Kaif
- **Best Film**- 3 Idiots
- **Best Director**- Rajkumar Hirani (3 Idiots)
- **Best Actress**- Vidya Balan (Paa)
- **Best Actor**- Amitabh Bachchan (Paa)

6. Film Fare Awards 2010

The 55th Annual Film fare awards was presented on the 27th of February 2010. The 55th Annual film fare awards 2009-2010 was hosted by Saif Ali Khan and Shah Rukh Khan. This year's nominations were some big names like Anurag Kashyap's Dev D, Rajkumar Irani's 3 Idiots and Vishal Bhardwaj's Kaminey for their best director performance and films.

Amitabh Bachchan and Vidya Balan were awarded the Best Actor (Male) and Best Actor (Female) trophy respectively for their remarkable performance from the same film Paa at the 55th Idea film fare Awards 2009. Sri Devi and Boney Kapoor presented the Best Actress Award to Vidya Balan for Paa. An elated Vidya Balan commented, "From nariyal to this Black Lady, It's been a great journey at the film fare". This was a smart retort to the same hosts Shah Rukh Khan and Saif Ali Khan who pulled a gag on her at the film fare awards, couple of years back. SRK had sarcastically presented Vidya a trophy which they called the Naa-real award (meaning not real) for her dressing sense. Vidya Balan was nominated in the Best Actor (Female) category that year (2007) for Bhool Bhulaiyya.

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Continuing her thanksgiving speech Vidya said, "I thank Balki (director), my parents and Arundhati Nag. Also I would like to add that motherhood is a rewarding feeling, so I am greatly thankful to my son Auro who made me a mother." Amitabh Bachchan won the Best Actor Award for Paa and, in his absence; Vidya Balan took the Award on his behalf.

7. IPL AWARDS

The glittery IPL awards held at the Grand Hyatt, however, was not attended by many of the top bosses in the Board of Control for Cricket in India (BCCI), and yet turned out to be one of the most awaited events. The IPL awards jury was chaired by Commissioner Lalit Modi and other members of the board were Gavaskar, Brian Lara, Javagal Srinath, Simon Taufel and Harsha Bogle. Only former board president Inderjit Singh Bindra, who is principal advisor to the International Cricket Council (ICC), and Sunil Gavaskar from the governing council turned up for the show.

Tendulkar won the awards for leading Mumbai Indians to the final of the IPL and also for being the highest run scorer this season in the Twenty20 league. Leading wicket taker Pragyan Ojha of defending champions Deccan Chargers was adjudged as the best bowler. While West Indies' Keiron Pollard, Mumbai Indians' costliest buy in this year's auction, got the award for the best debut performance.

8. Padma Awards 2010

Six Padma Vibhushans, 43 Padma Bhushans and 81 Padma Shris are being awarded this year. The following are the names of the people chosen for the Padma's awards :

Padma Vibhushan

1. Ebrahim Alkazi (Art)
2. Umayalpuram K. Siva Raman (Art)
3. Zohra Segal (Art)
4. Yaga Venugopal Reddy (Public Affairs)
5. Dr. Venkatraman Ramakrishnan (Science and Engineering)
6. Prathap Chandra Reddy (Trade and Industry)

Padma Bhushan

1. Ilaiyaraaj (Art)
2. Aamir Khan (Art)
3. Akbar Padamsee (Art)
4. Allah Rakha Rahman (Art)
5. Pandit Chhannulal Mishra (Art)
6. Kumudini Lakhia (Art)
7. Kuzhur Narayana Marar (Art)
8. Prof. Madhusudan Amilal Dhaky (Art)
9. Mallika Sarabhai (Art)
10. Prof. (Dr.) Nookala Chinna Satyanarayana (Art)
11. Pandit (Dr.) Puttaraj Gavai (Art)
12. Ram Kumar (Art)
13. Shirinivas Vinayak Khale (Art)
14. Ustad Sultan Khan (Art)

15. B .K. Chaturvedi (Civil Service)
16. Moosa Raza (Civil Service)
17. Dr. P. R. Dubhashi (Civil Service)
18. Fareed Zakaria (Journalism)
19. Anil Bordia (Literature and Education)
20. Prof.BipanChandra (Literature and Education)
21. G.P. Chopra (Literature and Education)
22. Prof. Mohammad Amin (Literature and Education)
23. Prof.Satya Vrat Sharti (Literature and Education)
24. Prof.Tan Chung (Literature and Education)
25. Prof. Belle Monopods Hegde (Medicine)
26. E. T. Narayanan Mooss (Medicine)
27. Dr. Noshir M. Shroff (Medicine)
28. Dr.Panniyampilly Krishna Warriar (Medicine)
29. Dr. Ramakant Madanmohan Panda (Medicine)
30. Prof. (Dr) Satya Paul Agarwal (medicine)
31. Prof. Abhijit Sen (Public Affairs)
32. Sailesh Kumar Bandyopadhyay (Public Affairs)
33. Sant Sing Chatwal (Public Affairs)
34. Prof. Arogyaswami Jiseph Paulraj (Science and Engineering)
35. Prof. Bikash Chandra Sinha (Science and Engineering)
36. Jagdish Chandra Kapur (Science and Engineering)
37. Dr. Balagangadharanatha Swamiji (Social Work)
38. Eknath Rao alias Balasaheb Vikhe Patil (Social Work)
39. Capt. C. p. Krishan Nair (Trade and Industry)
40. Dr.Kushal Pal Singh (Trade and Industry)
41. Manvinder Singh Banga alias Vindi Banga (Trade and Industry)
42. Narayanan Vaghul (Trade and Industry)
43. S.P. Oswal (Trade and Industry)

Padam Shri

1. Gulam Mohammed Mir (Public Service)
2. Rekha (Art)
3. Arajun Prajapati (Art)
4. Arundhati Nag (Art)
5. Carmel Berkson (Art)
6. Ustad F. Wasifuddin Dagar (Art)
7. Gul Bardhan (Art)

8. Haobam Ongbi Ngangbi Devi (Art)
9. Hari Uppal (Art)
10. K. Raghavan (Art)
11. Guru Mayadhar Raut (Art)
12. Mukund Lath (Art)
13. Nema Ghosh (Art)
14. Pandit Raghunath Panigrahi (Art)
15. Raj Kumar Achouba Singh (Art)
16. Dr. Ram Dayal Munda (Art)
17. Resul Pokutty (Art)
18. Saif Ali Khan (Art)
19. Dr. Shobha Raju (Art)
20. Sumitra Guha (Art)
21. Pandit Ulhas Kashalkar (Art)
22. D. R. Karthikeyan (Civil Service)
23. Dr. Ranjit Bhargava (Environment Protection)
24. Arun Sarma (Literature and Education)
25. Prof. Arvind Kumar (Literature and Education)
26. Bertha Gyndykes Dkhar (Literature and Education)
27. Prof. Govind Chandra Pande (Literature and Education)
28. Prof. Hamidi Kashmiri (Literature and Education)
29. Prof. (Dr) Hermann Kulke (Literature and Education)
30. Janaki Ballav Shastri (Literature and Education)
31. Dr. Jitendra Udhamपुरi (Literature and Education)
32. Dr. Lal Bahadur Singh Chauhan (Literature and Education)
33. Lalzuia Colney (literature and education)
34. Maria Aurora Couto (literature and education)
35. Dr. (Smt) Rajalashami Parthasarathy alias Y.G. Parthasarathy (literature and education)
36. Prof. Ramaranjan Mukherji (literature and education)
37. Dr. Ranganathan Parthasarathy (literature and education)
38. Fr. Romauld D'Souza (literature and education)
39. Prof. Sadiq-Ur-Rahman Kidwai (literature and education)
40. Sheldon Pollock (literature and education)
41. Dr. Surendra Dubey (literature and education)
42. Dr. Anil Kumar Bhalla (medicine)
43. Dr Arvinder Singh Soin (medicine)
44. Dr. B.Ramana Rao (medicine)

45. Dr. Jalakantapuram Ramaswamy krishnamoorthy (medicine)
46. Dr. K.K. Aggarwal(medicine)
47. Prof. Kodaganur S. Gopinath (medicine)
48. Dr. Laxmi Chand Gupta (medicine).
49. Dr. Phillip Augustine (medicine)
50. Dr Ravindra Narain Singh (medicine)
51. Dr. Vikas Mahatme (medicine)
52. Dr Rafael Iruzubieta Fernandez (public affairs)
53. Prof. M.R. Satyanarayana Rao (science and engineering)
54. Prof. (Dr.) Palpu Pushpangadan (science and engineering)
55. Prof. Ponisseril Somasundaran (science and engineering)
56. Prof. Pucadyil Ittoop John (science and engineering)
57. Dr. Vijay Prasad Dimri (science and engineering)
58. Dr Vijaylakshmi Ravindranath (science and engineering)
59. Anu Aga (social work)
60. Ayekpam Tomba Meetei(social work)
61. Deep Joshi (social work)
62. Dr J.R. Gangaramani (social work)
63. Kranti Shah (social work)
64. Dr. Kurian John Melamparambil(social work)
65. Baba Sewa Singh (social work)
66. Sudha Kaul (social work)
67. Dr. Sudhir M. Parekh (social work)
68. Ignace Tirkey (sports)
69. Kumar Ram Narain Karthikeyan (sports)
70. Ramakant Vithal Achrekar (sports)
71. Saina Nehwal (sports)
72. Vijender Singh (sports)
73. Virendra Sehwal (sports)
74. Dr. Alluri Venkata Satyanarayana Raju (trade and industry)
75. Dr. B. Raveendran Pillai (trade and industry)
76. Deepak Puri (trade and industry)
77. Irshad Mirza (trade and industry)
78. Brig. Dr Kapil Mohan (trade and industry)
79. Dr. Karsanbhai khodidas Patel (trade and industry)
80. T.N. Manoharan(trade and industry)
81. Venu Srinivasan (trade and industry)

9. IIFA AWARDS 2010

Here are the list of the nominees and the winners of IIFA Awards 2010.

• Best Film :**Vidu Vinod Chopra – 3 Idiots (winner)**

Boney Kapoor- Wanted

Anurag Kashyap & Ronnie Screwvala – Dev D

Vishal Bharadwaj & Ronnie Screwvala – Kaminey

Sunil Manchanda & AB Corp- PAA

• Best Direction**Raj Kumar Hirani -3 Idiots (winner)**

Anurag Kashyap- Dev D

Ayan Mukerji- Wake Up Sid

Vishal Bharadwaj- Kaminey

Imtiaz Ali – Love Aaj Kal

R.Balki – PAA

• Performance in a Leading Role – Male**Amitabh Bachan – PAA(winner)**

Aamir Khan – 3 idiots

Saif Ali Khan – Love Aaj Kal

Salman Khan – Wanted

Shahid Kapoor – Kaminey

Ranbir Kapoor- Wake Up Sid

• Performance in a Leading Role – Female**Kareena Kapoor- 3 Idiots (winner)****Vidya Balan – PAA**

Priyanka Chopra – Kaminey

Deepika Padukone – Love Aaj Kal

Mahie Gill- Dev D

• Performance in Supporting Role – Male**Sharman Joshi- 3 Idiots (winner)**

Irfan Khan – New York

R. Madhavan – 3 Idiots

Abhimanyu Singh – Gulal

Abhishek Bachan – PAA

Rishi Kapoor- Love Aaj Kal

• Performance in a Supporting Role – Female**Divya Dutta – Delhi 6 (winner)**

Kalki Koechlin – Dev D

Arundhati Naag – PAA

Supriya Pathak – Wake Up Sid

Kirron Kher – Kurrban

- **Performance in a Comic Role**

Sanjay Dutt – All The Best (winner)

Omi Vaidya -3 Idiots

Ajay Devgan- All The Best

Johny Lever – De Dana Dan

Govinda – Life Partner **Performance in a Negative Role**

- **Boman Irani – 3 Idiots (Winner)**

Amol Gupte–Kaminey

Prakash Raj-Wanted

Kay Kay Menon-Gulal

Arya Babbar-Jail

- **Music Direction**

Pritam-Love Aaj Kal (Winner)

Shantanu Moitra-3 Idiots

A.R. Rehman-Delhi 6

Amit Tridevi-Dev D

Vishal Bhardwaj-Kaminey

- **Best Story**

Abhijat Joshi, Raj Kumar Hirani & Vidhu Vinod Chopra-3 Idiots

Ayan Mukherji-Wake Up Sid

Anurag Kashyap & Vikramaditya Motwane-Dev D

Imtiaz Ali- Love Aaj Kal

R. Balki-Paa

- **Best Lyrics**

Swanand Kirkire-3 Idiots (Winner)

Prasoon Joshi-Delhi 6

Irshad Kamil-Love Aaj Kal

Gulzar-Kaminey

Amitabh Bhattacharya-Dev D

- **Playback Singer-Male**

Shaan-Behti Hawa Sa Tha Who (3 Idiots) (Winner)

Mohit Chauhan-Masakali (Delhi 6)

Sonu Nigam-All Izz Well(3 Idiots)

Atif Aslam- Tu Jaane Na (Ajab Prem Ki Gajab Kahani)
Rahat Fateh Ali Khan-Aaj Din Chadiya (Love Aaj Kal)
Sukhvinder Singh & Vishal Dadlani-Dan Te Nan(Kaminey)

• **Playback Singer- Female**

Kavita Seth-Ek Tara (Wake Up Sid) (Winner)

Shreya Ghoshal-Zoobi Doobi (3 Idiots)
Rekha Bhardwaj-Sasural Genda Phool (Delhi 6)
Sunidhi Chauhan-Chor Bazari (Love Aaj Kal)
Shilpa Rao-Moodi Moodi (PAA)
Tulsi Kumar-Hafiz Khuda(8X10 Tasveer)

• **Debut Of The Year (Male)**

Omi Vadiya-Jackie Bhagani

• **Debut Of The Year(Female)**

Jacqueline Fernandez-Mahie Gill

• **Outstanding Achievement by an Indian Internationally**

Anil Kapoor

• **IIFA Green Gobal Award**

Vivek Oberoi

• **Best Cinematography**

C.K.Muraleedharan ISC 3 Idiots

• **Best Screenplay**

Abhijat Joshi, Rajkumar Hirani & Vidhu Vinod Chopra-3 Idiots

• **Best Dialogue**

Rajkumar Hirani & Abhijat Joshi-3 Idiots

• **Best Editing**

Rajkumar Hirani -3 Idiots

• **Best Art Director**

Sabu Cyril- Aladin

• **Best Choreography**

Bosco Martis,Caesar Gonsalves (Love Aaj Kal)

• **Best Action**

Sham Kaushal-Kaminey

• **Best Song Recording**

Bishwadeep Chatterjee & Sachin K Sanghavi – 3 Idiots

• **Best Sound Recording**

Bishwadeep Chatterjee & Nihal Ranjan Samal- 3 Idiots

- **Best Special Effects (Visual)**
Charles Darby (Eyecube Labs)-Aladin
- **Best Background Score**
Sanjay Wandrekar, Atul Raninga & Shantanu Moitra – 3 Idiots
- **Best Costume Designing**
Anahita Shroff & Dolly Ahluwalia Tiwari – Love Aaj Kal
- **Best Make- Up**
Christien Tinsley & Dominic Till – Paa

Famous Actress, Zeenat Aman was honored for her Outstanding Achievement in Indian Cinema which was awarded by Shatrugan Sinha. J. Om Prakash also received honorary award from his grandson, Hritik Roshan for his Outstanding Contribution to Indian Cinema.

Micromax one of the major sponsors of IIFA Awards 2010 also launched a special edition mobile phone for the IIFA Awards which had been launched by Dialog Telecom PLC, the biggest mobile operator in Sri Lanka launched the phone.

10. National Film Awards 2010

Bollywood actress Priyanka Chopra won the best actress award, Kangana Ranaut and Arjun Rampal bagged their first national award at the National film awards 2010 in New Delhi. Bengali movie Antaheen won the best film while Shreya Ghoshal wins the best playback singer, best cinematography and best lyrics. Upendra Limaye won the best actor award for the Marathi movie Jogwa. Best Director's award went to Bala for his Tamil movie Naan Kadavul.

- **Best Film** - Antaheen (Bengali)
- **Best Direction** – Bala for Naan Kadavul (Tamil)
- **Best Popular Film Providing Wholesome Entertainment** – Oye Lucky! Lucky Oye!
- **Best Children's Film** – Gubbachigalu (Kannada)
- **Best Film on Family Welfare** – Little Zizou (English, Gujarati)
- **Best Actor** – Upendra Limaye for Jogwa (Marathi)
- **Best Actress** – Priyanka Chopra for Fashion (Hindi)
- **Best Supporting Actor** – Arjun Rampal for Rock On!! (Hindi)
- **Best Supporting Actress** – Kangana Ranaut for Fashion (Hindi)

Indira Gandhi Award for Best First Film of a Director-A Wednesday (Hindi)

Nargis Dutt Award (for Best Feature Film on National Integration)-Aai Kot Nai (Assamese)

- **Best Child Artist** - Shams Patel
- **Best Cinematography** - Avik Mukhopadhyay for Antaheen (Bengali)
- **Best Screenplay** - Sachin Kundalkar for Gandha (Marathi)
- **Best Art Direction** - Gautam Sen for Firaag
- **Best Make-up Artist** - V. Moorthy for Naan Kadaul (Tamil)
- **Best Costume Design** - Neeta Lulla for Jodha Akbar
- **Best Music Direction** - Ajay Atul for Jogwa (Marathi)

- **Best Lyrics** - Antaheen (Bengali)
- **Best Male Playback Singer** - Hariharan for Jogwa (Marathi)
- **Best Female Playback Singer** - Shreya Ghoshal for Antaheen (Bengali)
- **Best Choreography** - Chinni Prakash and Rekha Prakash for Jodha Akbar
- **Best Audiography** - Pramod J. Thomas for Gandha (Marathi)
- **Best Editing** - A. Sreekar Prasad for Firaq (Hindi)
- **Best Special Effects** - Govardhan (Tata Elxis) Mumbai Meri Jaan (Hindi) Special Jury Award/Special Mention (Feature Film)-Bioscope

11. Vyas Samman

Noted Hindi author Amar Kant's Novel "Inhin Hathiyaron Se" has been chosen for the Vyas Samman-2009. Amar Kant has published 13 short story collections, 10 novels, six volumes for children, two memoirs and a compilation of all his stories in two volumes. Instituted by the K.K. Birla Foundation, the award is given to an outstanding literary work by an Indian citizen published during the past ten years. Carrying a reward of 2.5 lakh, the award is next only to Sarawati Samman that is given every year by the foundation.

12. Best Parliamentarians Award

President Pratibha Patil conferred the award for the best parliamentarian to Priya Ranjan Dasmuni (Congress), Mohan Singh (Samajwadi Party) and Murli Manohar Joshi (BJP) for 2007, 2008 and 2009, respectively. While Mohan Singh and Murli Manohar Joshi were present, Lok Sabha MP Deepa Dasminshi received the award on behalf of her ailing husband.

13. Sports Award 2010

The Union Government officially the Rajiv Gandhi Khel Ratna Awards, Dhyan Chand Awards, Dronacharya Awards and Rashtriya Khel Protsahan Puruskar of the year 2010. A large number of nominations were received for these awards this year, which were considered by 2 panels of eminent sportsperson and sports administration-one headed by PT Usha for Rajiv Gandhi Khel Ratna Award, Arjun Awards, Dhyan Chand Awards and Rashtriya Khel Protsahan Puruskar; and the other by Ashok Kumar, for Dronacharya Awards.

Based on the recommendations of the committees and after scrutiny, the government approved to confer the following awards;

- **Rajiv Gandhi Khel Ratna Award 2010** : Sania Nehwal, for badminton
- **Arjuna Awards 2010** : Joseph Abraham for athletics; Krishna Poonia for athletics; Dinesh Kumar for boxing; Parimrajan Negi for Chess; Julian Goswami for women Cricket; Deepak Kumar Mandal for football; Sandeep Singh for men hockey; Jasjeet Kaur Handa for women's hockey; Dinesh Kumar for kabaddi; Sanjeev Rajput for shooting; Rehan Jehangir Poncha for swimming; Kapil Dev Ji for volleyball; Rajeev Tomar for wrestling' Rajesh Chaudhary for yathing; and Jag seer Singh for Paralympics (Athletics)
- **The Dhyan Chand Award 2010** awardees named were Satish Pillai for athletics; Kuldeep Singh for wrestling; and Anita Chanu for weightlifting.
- **The Dronacharya Award for 2010** would be given to A K Kutty for athletics; Subhash B Aggarwal for Billiards and Snooker; L Ibomcha Singh for boxing; Ajay Kumar Bansal for hockey; and Captain Chandrup for wrestling.
- **The Rashtriya Khel Protsahana Puruskar 2010** will be awarded to the Service Sports Control Board for community sports identification and the nurturing of budding and young talent.


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Persons in News

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- **V.S.Naipaul** : Nobel laureate V. S. Naipaul has joined a select band of living figures whose portraits hang in London's National Portrait Gallery.
- **M. F. Hussein** : India's most celebrated artist has been given Qatar nationality recently.
- **Tin Oo** : Pro—democracy leader of Myanmar, Octogenarian Tin Oo was set free by the Myanmar military rulers on February 4, 2010.
- **Aditi Malik** : Aditi Malik, an Indian human rights student has won the prestigious Gates scholarship, after winning this scholarship; she has secured her place at the Cambridge University.
- **Justice N. Santhosh Hegde** : In a sudden turn of events, Karnataka Lokaykta N Santhosh Hegde on July 3, 2010 decided to withdraw his recognition submitted to Governor H.R. Bhardwaj on June 23.
- **Nikki Haley** : Nikki Haley is an Indian-American who came into news when she bagged the Republican nomination for South and Carolina's gubernatorial elections to be held in November 2010.
- **Khusboo** : Ms. Khusboo, who is a popular southern actress, came into the news recently when she met DMK President M. Karunanidhi and joined his DMK party saying she loves to serve the people.
- **Sayeeda Hussein Warsi** : Baroness Sayeeda Hussein Warsi created history by becoming the first Muslim woman to be part of British Cabinet, when she was announced the Chairman of the Conservative Party.
- **Rashad Hussein** : Indian origin lawyer Rashad Hussein, a hafiz of the holy Quran, has been appointed as the new special envoy to the Organization of the Islamic Conference by US administration.
- **Mukul Sangma** : Mukul M. sangma took oath as the 21st Chief Minister of Meghalaya on April 20 2010. Which also happens to be 45th birthday.

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- **Chirayu Amin** : Jolted by the alleged dubious dealing in the Indian Premier League (IPL) the Board of Control for Cricket in India (BCCI) set into motion a clean-up act in Mumbai on April 26 2010 by appointing Vice- President (West Zone) Chirayu Amin as interim Chairman of IPL.
- **Kshemendra Paul** : The Obama administration has appointed Indian- American Kshemendra Paul to a key IT position making him head of an agency that facilitates the sharing and access of terrorism related information with in various wings of the U. S. government.
- **Ashok Kumar Attri** : Ashok Kumar Attri has been appointed Ambassador of India to Denmark.
- **Chistiana Figures** : Chistiana Figures has been appointed new executive secretary of the United Nations Frame work Convention on Climate Change (UNFCCC) in place of the present secretary Yoes de Boers who resigned after the failure to reach an agreement in Copenhagen in December 2009.
- **Yogesh Aggarwal** : Former banker Yogesh Aggarwal has been appointed Chairman of interim pension regulator PFRDA.
- **Nisha Desai Biswal** : The Obama government has nominated yet another Indian-American, Nisha Desai Biswal, to a senior position within its administration. Ms. Biswal has been nominated to the post of assistant administrator for Asia in the US Agency for International Development (USAID).
- **Balwinder Singh** : Balwinder Singh, Additional Director in the Central Bureau of Investigation (CBI) has been appointed as the Special Director of the agency.
- **M.Balamuralikrishna** : Carnatic vocalist Mangalampalli Balamuralikrishna has been appointed the lifetime court musician of the Tirumala Tirupati Devasthanam (TTD)
- **Geeta Gopinath** : Noted academician Geeta Gopinath has been named professor of economics at the prestigious Harvard University, becoming the first Indian-American Professor in the institution's history.
- **S.Y. Quraishij** : President Pratibha Patil has appointed Election Commissioner (EC) Shahabuddin Yaqoob Quraishi as the next Chief Election Commissioner (CEC) under clause 2 of the Article 324 of the Constitution.
- **Kanu Sanyal** : Kanu Sanyal, one of the architects of the naxalite movement and, who, in more recent times, was critical of the Maoists was found dead on March 23, 2010 at his residence in the Naxalbari area of West Bengal's Darjeeling district-the same area from where an armed peasant uprising in May 1967 led by him, among others had catapulted him into political reckoning.
- **Biswanath Patnaik** : Eminent Bhoodan leader and social worker Biswanath Patnaik passed away at Baliguda in Orissa's Kandhamal district on March 29, 2010.
- **Juan Antonio Samaranch** : Former International Olympic Committee President Juan Antonio Samaranch died on April 21, 2010 at the age of 89 at a Barcelona Hospital from a cardiorespiratory arrest in Spain.
- **Dorothy Height** : Dorothy Height, a longtime leader of the US Civil rights movement and the Chairwomen of the National Council of Negro women, passed away on April 20, 2010 in Washington.
- **M.K.Kamalam** : M.K.Kamalam, who was the heroine of the first Malayalam talkies Balan died at her residence in Kottayam district on April 20.
- **C.K.Prahalad** : Coimbatore Krishanarao Prahalad, one of the world's most eminent management gurus, a distinguished professor and a visionary, passed away in San Diego after a brief illness.

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- **John Wakefield** : John Wakefield, the torchbearer of Karnataka's first eco-tourism project-the Kabini River Lodge on the banks of the Kabini at Karapur in Mysore district-passed away at the Kabini lodge on April 20.
- **Prabha Rau** : Rajasthan Governor Prabha Rau died in Delhi on April 26, 2010 following a heart attack.
- **Carlos Franqui** : Cuban writer and political activist Carlos Franqui, an important figure in the Cuban revolution, who later became one of the most outspoken critics of Fidel Castro has died. He was 89.
- **Scot John Shepherd-Barron** : India-born Scot John Shepherd-Barron, the man who invented the Automated Teller Machine (ATM) passed away in Scotland on May 15, 2010.
- **Tapen Chattopadhyay** : Film personality Tapen Chattopadhyay, famous for his role as Goopi in Satyajit Rai's classic Goopi Gayan Bagha Bayen (Goopi the singer Bagha the drummer) died on May 24, 2010.
- **Manohar Malgonkar** : Manohar Malgonkar, the author, died in Jagalpet in Karnataka's Uttara Kannada district on June 14, 2010.
- **Jose Saramago** : Nobel literature prize winner Jose Saramago, who left his native Portugal after arguing with his country's government died on the Canary Island Lanzarote
- **Robert Byrd** : U.S. Senator Robert Byrd, who evolved from a segregationist to a civil rights advocate in becoming the longest serving member ever of the Congress, died on June 28, 2010. He was first elected to the Congress in 1952.
- **Shashi Tharoor** : Minister of State in the External Affairs Ministry Shashi Tharoor resigned on April 18, following an unpalatable IPL controversy in which he got involved.

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Places in the News

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- **CHILE** : A quake more massive than the one which hit Haiti in January 2010 and with a magnitude of 8-8 on the Richter scale struck South Central Chile on February 27, 2010, killing hundreds of people, knocking down buildings and Triggering Tsunami.
- **JEYPORE-DEHING LOWLANDS OF ASSAM** : A relatively small 500 km patch of rain forest in the Jeypore-Dehing lowlands in Assam which includes the Dehing Patkai Wildlife Sanctuary recently came into news when a scientist discovered that this single area is shared by the maximum number of wildcats' species.
- **FALKLANDS** : A diplomatic battle between Britain and Argentina has escalated over oil exportation around the Falklands as a rig hired by British companies is to begin drilling off the coast of the remote archipelago. It is considered that the territory over which the two countries fought a war in 1982-could hold upto 60 billion barrels of oil.
- **PARAMBIKLUM TIGER RESERVE** : Parambiklum Wildlife Sanctuary in Kerala was declared the country's 38th Tiger Reserve on February 19 2010.
- **OSMANIA UNIVERSITY** : Osmania University (Hyderabad) has recently emerged as the epicenter of Telengana movement in Andhra Pradesh.
- **MARUNGUR** : Marungur-17 km from Vadalur in Cuddalore district recently came into news when three potsherds with Tamil Brahmi inscriptions were discovered in an urn burial site there.
- **CURICO** : Curico is a town in Chile. Curico-the town-was founded in 1743 and is situated in a picturesque and wine producing areas. But recently this historic town was flattened by powerful earthquake which hit Chile in last week of February 2010, shocking historians and ancient heritage lovers.
- **DHOLI DUNGRI VILLAGE** : Dholi Dungri Village is situated about 30 km from Ahemdabad. It recently came into news when the remains of a snake and dinosaur fossil and dinosaur eggs found there provided conclusive evidence that a particular species of snakes that lived above 67 million years ago, devoured sauropods.

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- **MEXICALI** : An earthquake measuring 7.2 on the Richter scale struck on April 4, 2010, 62 km from Mexicali near US-Mexico border and was felt hundred of km away throughout Southern California.
- **DANTEWADA** : Chhattisgarh's district Dantewada hogged the headlines when Maoist rebels in their deadliest attack killed 74 members of the Central Reserve Police Force (CRPF) and 2 policemen from the Chhattisgarh police and destroyed an Armoured Personal Carrier (APC) on April 6, 2010.
- **SIRU KARUMBUR VILLAGE** : Four inscriptions have been discovered at Siru Karumbur Village near Kaveripakkam 20 kilometers from Kancheepuram in Tamil Nadu. Out of these four inscriptions two belong to Raja Chola (ruling period 985-1014 A.D.) and two of them belong to earlier Chola period of 10th century A.D.
- **TIRUINDALUR VILLAGE** : Tiruindalur village in Tamil Nadu came into news when over 85 copper plates and twelve bronze icons were found in the Kailasanthar temple in Kazhukanni Muttam in Tiruindalur village in a first-or-its-kind archaeology discovery in Tamil Nadu on May20, 2010.
- **KOLAR DISTRICT** : The county's biggest grid-connected solar power plant has been set up at Yelesandra village in Bangarpet taluk of Kolar District and was commissioned on June 17, 2010. This is the state –of-the-art power plant with a capacity to generate 3 megawatt.
- **GULF OF MEXICO** : Gulf of Mexico hogged the headlines of newspaper recently because of what might be the most serious setback to date in the Gulf of Mexico oil spill crisis.
- **COIMBATORE** : The First World Classical Tamil Conference was held in Coimbatore in last week of June 2010.
- **SOUTH POLE** : India will mount its first scientific expedition to the South Pole in November 2010 to mark centenary of the first successful expedition to the Southern end of the world by the Norwegian explorer Roald Amundswen.
- **NALANDA** : The Union Cabinet has cleared the Nalanda University Bill 2010 paving the way for the establishments of Nalanda University at Nalanda in Bihar at an estimated cost of Rs.100.5 crore.
- **TERMINAL 3 OF IGIA** : Prime Minister Dr. Manmohan Singh inaugurated the new Terminal 3 of the Indira Gandhi international Airport (IGIA) in New Delhi on July 4, 2010. It is the state of the art integrated terminal called T-3 of IGIA and is the World's third largest. The T-3 has India's first automated parking management and the guidance system at multi-level car parking of 7 levels capacity of 4300+cars.

XII

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XIII

Acronyms / Abbreviations

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- **CCI** : Cabinet Committee on Infrastructure
- **CICA** : Conference on Interaction and Confidence Building Measures in Asia
- **CIHCS** : Central Institution of Himalayan Culture Studies
- **COBSE** : Council of Boards of School Education
- **DONER** : Development of North Eastern Region
- **DSIIDC** : Delhi State Industrial and Infrastructure Development Corporation
- **HIPC** : Heavily Indebted Poor Countries
- **IFC** : Infrastructure Finance Companies
- **IGMDP** : Integrated Guided Missile Development Programme
- **IIIT** : Indian Institute of Information Technology
- **INSAS** : Indian Small Arms System
- **INTACH** : Indian National Trust for Art and Cultural Heritage
- **ISCA** : Indian Science Congress Association
- **IVFRI** : Immigration, Visa and Foreigners Registration and Tracking
- **MsDP** : Multi-sectoral Development Programme
- **MMRCA** : Medium Multi Role Combat Aircraft
- **MPI** : Multi-dimensional Poverty Index
- **NPCIL** : Nuclear Power Corporation of India Limited
- **NBWL** : National Board for Wildlife
- **NCHER** : National Commission for Higher Education and Research
- **NCHRH** : National Council for Human Resource in Health
- **NCPCR** : National Commission for Protection of Child Rights

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- **NFSA** : National Food Security Act
- **NGRBA** : National Ganga River Basin Authority
- **NLD** : National League for Democracy
- **NLM** : National-Level Monitors
- **NMEEE** : National Mission on Enhanced Energy Efficiency
- **PFRDA** : Pension Fund and Regulatory and Development Authority
- **SCOPE** : Standing Conference of Public Enterprises
- **START** : Strategic Arms Reduction Treaty
- **UIDAI** : Unique Identification Authority of India

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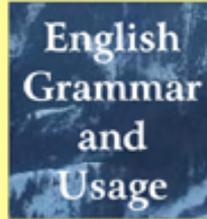
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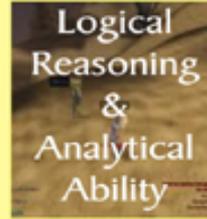
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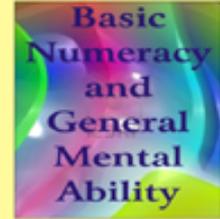
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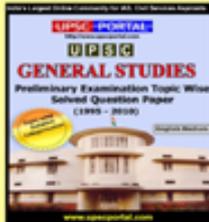
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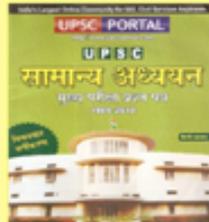
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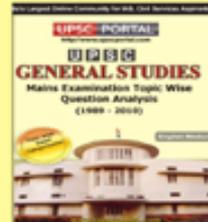


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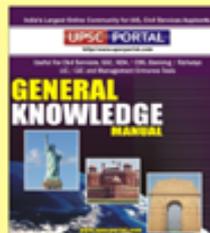


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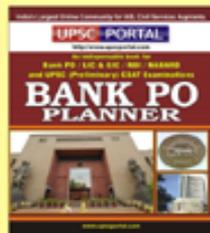
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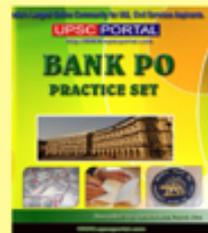
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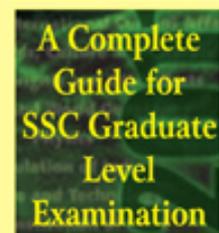
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