

INSIGHTS

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2013

NATIONAL

[A plea for reinstating the Shah Panel](#)

- The **Shah Commission** will be prematurely **dismantled** even before its investigations will be completed on October 16th, 2013. Earlier the commission was extended twice - in 2012 and early 2013.
- This has led to widespread protests across the country especially the tribal areas. The tribal chiefs of Bastar (in Chhattisgarh) have requested the Centre to reinstate the panel.

Why was Shah Commission set up?

- Justice M.B. Shah Commission of Inquiry was set up by the Ministry of Mines in 2010 to look into **illegal mining in seven States**.
- The Commission was set up in response to the growing number of cases of illegal contracting, flouting of royalty payments and encroachments on public lands by mining operations across the country.

Why the protest from Tribals?

- The panel's probing has led to the closure of hundreds of illegally-operating mines, including one of the nation's largest iron ore mines in Bellary.
- Close to 500 villages or 3 million people stand to be affected by mining and would lead to large scale displacement in Bastar (Chhattisgarh).
- It has been widely reported in South Chhattisgarh that the NMDC's Bailadila mine has been dumping thousands of tonnes of iron ore fines into the Indravati, Shankhni and Dankini rivers. . Way back in 1990 itself, the Union government's Science and Technology cell had reported that the National Mineral Development Corporation's mining activity and release of effluents "had damaged not just the rivers but also 35,000 hectares of agricultural and forest land around Bailadila"
- Now, with the ceasing of the Commission, it will not be able to conduct detailed hearings in three of the States listed in its terms of reference — Chhattisgarh, Maharashtra and Madhya Pradesh. It has, however, decided to submit an "elementary" report about the "un-probed" States on the basis of its preliminary findings.

INTERNATIONAL

[India hopes Maldives will complete polling by Nov. 11](#)

- Amid fresh judicial intervention ahead of the presidential election, India hopes that Maldives will be able to complete polling by November 11, as the extension of the date will give rise to yet another unprecedented situation in the island nation's five-year-old tryst with democracy.

- Earlier, the Maldivian Supreme Court had arrogated to itself all decisions on holding of the presidential election. It cancelled the first round of polling, announced October 19 as the fresh date, and in the latest order, called for the re-registration of voters. The last order has created an air of uncertainty over the proposed holding of fresh elections.

Why is India concerned?

- Since Maldives could be in a situation where the judiciary would be amending terms of the Constitution, which is really a parliamentary prerogative. The Constitution does not envisage the vacuum that could emerge if elections are not completed by November 11, by when the current incumbent's highly-contested term would be over.
- Both India and the United States have voiced their views about the court's interventions in Maldives citing that continued legal actions could further delay the election and, possibly, prevent ousted President Mohamed Nasheed from contesting.

[U.S. Afghanistan beyond 2014](#)

- U.S and Afghanistan have been in constant talks over a bilateral security agreement which is necessary for U.S troop presence beyond 2014 in Afghan.
- Why are the discussions being stalled?
- Discussions had been repeatedly stalled in recent weeks over Mr. Karzai's demand for the U.S guarantees against future foreign intervention from countries like Pakistan, and U.S. demands for any post-2014 residual force to be able to conduct counterterrorism and counterinsurgency operations.
- The U.S. wants a deal by the end of the month, while Mr. Karzai wants assurances over sovereignty that have deadlocked negotiations in the past year.
- The situation deteriorated in the past week following a series of angry comments from Karzai that the United States and NATO were repeatedly violating Afghanistan's sovereignty and inflicting suffering on its people.

Why is the agreement necessary?

- The agreement is necessary to give the U.S. a legal basis for having forces in Afghanistan after the end of 2014 and also allow it to lease bases around the country. It would be an executive agreement, meaning the U.S. Senate would not have to ratify it.
- Currently, there are about 87,000 international troops in Afghanistan, including about 52,000 Americans. That number will be halved by February and all foreign combat troops will be gone by the end of next year.
- The U.S. wants to keep as many as 10,000 troops in the country to go after the remnants of al-Qaeda, but if no agreement is signed, all U.S. troops would have to leave by December 31, 2014

Indonesia keen on India's Food Security law

- At the delegation-level talks between India and Indonesia "Food Security" appeared to be the top priority.
- Indonesia has shown keen interest in India's Food Security legislation and wants to step up coordination with India in the **WTO** on the contentious **issue of stockpiling food reserves**.
- Both countries have acknowledged that neither of them can import food and have agreed that the issue of food security should be met bilaterally. They also stressed on the need to maintain stability of food prices and safeguard the food market from price distortions.
- India and Indonesia are already part of the **G-33** coalition of developing countries within WTO for flexibility to undertake limited market opening in agriculture. Through G-33, both are trying to lift the limit on subsidised food stockpiling to support poor farmers. These stockpiles are not for trading or finding a market elsewhere but to feed the country's poor.
- There is also a G-33 proposal to allow developing countries having food security laws or public distribution systems in place to use public funds to procure foodgrains. The stockholding proposal was submitted by G-33 last November. The group feels stockholding programmes are the best way to ensure food security for its populations.

What is WTO's Agreement on Agriculture (AOA)?

- The AOA was negotiated during the Uruguay round of General Agreement on Tariffs and Trade (GATT) and came into force with the establishment of the WTO in 1995.
- The Aim of AOA was to reduce trade-distorting subsidies. It must be noted that developing countries would be allowed to retain their subsidies that cause 'minimal trade distortion' in order to deliver various public policy objectives.
- The AOA has three pillars namely, domestic support, market access and export subsidies.

G 33 Group:

- The G33 is a group of developing countries that coordinate on trade and economic issues. It was created in order to help a group of countries that were all facing similar problems.
- The G33 has proposed special rules for developing countries at WTO negotiations, like allowing them to continue to restrict access to their agricultural markets.
- Some of the members include India, Indonesia, Tanzania, Cuba, China, Nigeria, Uganda, Peru, Jamaica among others.

Courtesy Wikipedia

ECONOMICS

India asks World Bank to ensure Infrastructure Development finance

- A proposal to set up a new and dedicated financing facility called the **Global Infrastructure Facility (GIF)** at the World Bank to serve the financing needs for infrastructure, particularly in emerging and developing economies has been appreciated by India and other countries alike.

- At the **G-20** meeting of Finance Ministers, India has asserted that, Special windows need to be created in the World Bank and other **multilateral development banks (MDBs)** for ensuring finance in support of infrastructure development, including provision of finance for ongoing projects, which face a sudden scarcity of funds owing to volatile capital flows.
- Access to this window should be beyond the normal country limits, which otherwise introduce inflexibility. The aim of such a provision should be to create mechanisms which can increase the flow of infrastructure financing at times when other investments are slowing down.
- Role of **IFC (International Finance Corporation)** in infrastructure financing was also emphasized to help catalyse private sector flows into the sector.

Why do we need Infrastructure financing?

- This would play a key role in sustaining the global recovery and re-balancing.
- Larger investments in infrastructure in emerging economies would increase the potential of these countries to grow more rapidly in the medium run, and would also contribute to a much needed global demand in the short-run.
- G-20 is the right platform to coordinate various stakeholders, including governments, especially the ones that have large surpluses, the private sector and multilateral development banks for investment in developing countries through innovative ways to recycle global savings and development of viable strategies for infrastructure investment.

More about G-20

- The Group of Twenty (G20) is the premier forum for international cooperation on the most important issues of the global economic and financial agenda. It is a group of finance ministers and central bank governors from 20 major economies - 19 countries and the European Union.
- It was created in 1999 in response to the Asian Financial Crisis in 1997. This crisis increased the need for a more inclusive and balanced global economic structure which emphasized on greater role to the emerging nations.
- The **objectives** of the G20 refer to:
 - Policy coordination between its members in order to achieve global economic stability, sustainable growth;
 - Promoting financial regulations that reduce risks and prevent future financial crises;
 - Modernizing international financial architecture.

- The first meeting of the G20 Leaders took place in Washington, D.C., on November 14-15, 2008, where the Leaders agreed to an action plan to stabilize the global economy and prevent future crises. As a result the premier forum acquired its current name and significance.

- G20 members represent almost:
 - 90% of global GDP.
 - 80% of international global-trade.
 - 2/3 of the world's population lives in G20 member countries.
 - 84% of all fossil fuel emissions are produced by G20 countries

Courtesy –G20 website
- The recent G20 summit was held on Sept 5th and 6th, 2013 at St. Petersburg, Russia. The theme was “growth and employment”, which reflected the needs of the current global economy.

Panel for entrusting the task of solarisation of towers in rural areas to BSNL

- A panel constituted by the Department of Telecommunications (DoT) has recommended that state-run BSNL be entrusted the task of solarisation of the telecom towers in areas where there is acute shortage of power in rural areas
- The funding would be supported from Universal Service Obligation Fund (USOF).

What do you mean by USOF?

- Apart from the higher capital cost of providing telecom services in rural and remote areas, these areas also generate lower revenue due to lower population density, low income and lack of commercial activity. Thus normal market forces alone would not direct the telecom sector to adequately serve backward and rural areas. Keeping in mind the inadequacy of the market mechanism to serve rural and inaccessible areas on one hand and the importance of providing vital telecom connectivity on the other, most countries of the world have put in place policies to provide Universal Access and Universal Service to ICT.
- The Indian Telegraph (Amendment) Act, 2003 giving statutory status to the Universal Service Obligation Fund (USOF) came into existence in December 2003.

Courtesy- Ministry of Communication & IT