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Category: POLITY/POLICY WATCH

1. [Legal drinking age raised to 23 in Kerala](#)

In news:

- The Kerala government has raised the legal drinking age from 21 to 23 years
- The State Cabinet has decided to amend the Abkari Act for the purpose.
- The previous UDF government had adopted a pro-prohibitionist policy by shutting down bars and closing state-run liquor vending outlets to reduce the availability of legal liquor.
- But in September this year, the LDF government eased the norms for four star and above bars by reducing the mandatory offset from places of worship and educational institutions from 200 metres to 50 metres, touching off a State-wide scramble to upgrade bars and hotels.
- **Key Fact:** Maharashtra and New Delhi had raised the age to 25 but found it had little impact on the ground.

2. [Centre to promote North East as single tourist destination](#)

In news:

- The Centre will promote North East as a single tourism destination with an aim to double the tourist inflow within next three years.
- **Key Fact:**
 - The region has huge potential considering the untapped locations across the eight North Eastern states.
 - From 2013 to 2016, the tourism sector in North East grew by 5.2 per cent. During this period, 77 lakh domestic and 1.6 lakh foreign tourists visited the region.

Thematic destinations:

- The Centre is more interested in promoting the North East tourism as different thematic destinations such as adventure tourism and eco tourism under the existing tagline " **Paradise Unexplored** .
- The government is also looking at promoting North East in neighbouring countries, especially ASEAN nations.

3. [U.P. becomes first State to endorse Centre's triple talaq draft bill](#)

Context:

- On August 22, the Supreme Court struck down triple talaq, calling the practice unconstitutional and in violation of **Article 14** of the Constitution.

In news:

- Uttar Pradesh has become the first State to endorse the Central government's draft bill that makes instant **triple**

talaq a **cognisable** and **non-bailable offence** .

- The draft law, provides for three-year imprisonment and a fine to a man trying to divorce his wife by uttering â€œtalaqâ€ three times.

Muslim Women Protection of Rights on Marriage Bill™ :

- The draft â€œ**Muslim Women Protection of Rights on Marriage Bill™** was sent by the Centre to the States as the practice continued despite the Supreme Court striking it down.
- The draft was prepared by an inter-ministerial group headed by Home Minister Rajnath Singh.
- The proposed law would only be applicable on instant triple talaq or â€œtalaq-e-biddatâ€™ and it would give power to the victim to approach a magistrate seeking â€œsubsistence allowanceâ€ for herself and minor children.
- The woman can also seek the custody of her minor children from the magistrate who will take a final call on the issue.
- Under the draft law, triple talaq in any form â€œ spoken, in writing or by electronic means such as email, SMS and WhatsApp â€œ would be bad or illegal and void.
- The provision of subsistence allowance and custody has been made to ensure that in case the husband asks the wife to leave the house she should have legal protection.

4. [Section 498A, dowry: Most FIRs, least convictions](#)

In news:

- Cruelty by husband or his relatives, covered under **Section 498A** of Indian Penal Code (IPC), makes up the largest chunk of all crimes against women
- The charge, often levelled by a wife against her in-laws in cases of dowry harassment, accounts for over 30 per cent of all crimes against women

Lowest rate of Conviction:

- Cases under Section 498A was found to have the lowest conviction rate â€œ merely 12.1 per cent â€œ among all cases of crimes against women

Other cases:

- Close to 10,000 cases were also registered under the Dowry Prohibition Act in 2016, but conviction rate here too was just over 15%
- The highest conviction rates have been reported in cases of immoral trafficking (38.5%) and acid attacks (37%)

Section 498A:

- Section 498A has been a matter of debate over the last few years
- Government in 2015 even attempted to make the offence compoundable. This would have allowed complainants to enter into a compromise with the accused and agree to have the charges dropped
- Making the dowry law compoundable was also among the recommendations made by the **Law Commission and the Justice Malimath Committee**
- Various courts, including the Supreme Court, have over the years called Section 498A as being prone to abuse
- In 2014, the SC said that it had a â€œdubious place of pride amongst the provisions that are used as weapons rather than shield by disgruntled wivesâ€

Category:Â INTERNATIONAL AFFAIRS/BILATERAL RELATIONS

1. [U.S. President Donald Trump recognises Jerusalem as Israelâ€™s capital](#)

In news:

- S. President Donald Trump reversed decades of policy and recognised Jerusalem as the capital of Israel.
- This particular move will further drive a wedge between Israel and the Palestinians.
- Trump called his decision â€œa long overdueâ€ step to advance the peace process. He said his decision marked the start of a â€œnew approachâ€ to solving the thorny conflict between Israel and the Palestinians.

Palestine response:

- A Palestinian envoy said the decision was a declaration of war in the region.

2. [Solar Alliance comes into existence](#)

Context:

- The International Solar Alliance is an Indian initiative, jointly launched by PM Narendra Modi and the president of France on 30th November 2015 in Paris, on the sidelines of COP-21, the UN climate conference.

In news:

- Indiaâ€™s global initiative, the **International Solar Alliance (ISA)** that aims at increasing solar energy deployment in member countries, came into legal, independent existence.
- It is the first treaty-based international intergovernmental organisation to be based out of India.
- So far, 19 countries are part of the compact â€œ **Bangladesh, Comoros, Fiji, France, Ghana, Guinea, India, Mali, Mauritius, Nauru, Niger, Seychelles, Somalia, South Sudan, Tuvalu, Australia, Cuba, Malawi and Peru** .
- **Key features:**
 - The ISA, also sees itself as on a mission to mobilise more than \$1000 billion in investments needed by 2030 for â

€massive deployment€ of solar energy, pave the way for future technologies adapted to the needs of moving to a fossil-free future and keep global temperatures from rising above 2C by the end of the century.

- India has committed itself to having 175,000 MW of renewed energy in the grid by 2022.

• **India's contribution:**

- As part of the agreement, India will contribute \$27 million (Rs.5 crore approx) to the ISA for creating corpus, building infrastructure and recurring expenditure over five years from 2016-17 to 2020-21.
- In addition, public sector undertakings of the Government of India, Solar Energy Corporation of India (SECI) and Indian Renewable Energy Development Agency (IREDA), have made a contribution of \$1 million (Rs.5 crore) each for creating the ISA corpus fund.

3. [Back India's entry into NSG, China told](#)

Context:

- The political committee of the 41-member **Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies** , that is meeting in Vienna, is likely to decide on India's membership request to the **Wassenaar Arrangement** .

In news:

- Russia is speaking to China at €all levels€ for India's membership at the **Nuclear Suppliers Group** , and hopes that India will win membership to the **Wassenaar Arrangement**.
- Russia's role is considered more important this year as it retains close ties with both India and China, two countries who have tense ties with each other.

Basic Information:

Wassenaar Arrangement:

- The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, commonly known as the Wassenaar Arrangement, is a multilateral export control regime (MECR) with 41 participating states.
- The Wassenaar Arrangement was established to contribute to regional and international security and stability by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies, thus preventing destabilizing accumulations.
- Participating states seek, through their national policies, to ensure that transfers of these items do not contribute to the development or enhancement of military capabilities which undermine these goals, and are not diverted to support such capabilities.
- Every six months member countries exchange information on deliveries of conventional arms to non-Wassenaar members that fall under eight broad weapons categories: battle tanks, armoured fighting vehicles (AFVs), large-caliber artillery, military aircraft, military helicopters, warships, missiles or missile systems, and small arms and light weapons.

Admission requires states to:

- Be a producer or exporter of arms or sensitive industrial equipment
- Maintain non-proliferation policies and appropriate national policies, including adherence to:
 - Non-proliferation policies, such as (where applicable) the Nuclear Suppliers Group, the Missile Technology Control Regime, and the Australia Group
 - Nuclear Non-Proliferation Treaty, the Biological Weapons Convention, the Chemical Weapons Convention and, where applicable, START I (including the Lisbon Protocol)
- Maintain fully effective export controls
- The People's Republic of China and Israel are not members, but they have aligned their export controls with Wassenaar lists, and are significant arms exporters. The Arrangement is open on a global and non-discriminatory basis to prospective adherents that comply with the agreed criteria
- Admission of new members requires the consensus of all members.

Category:Â ECONOMY

1. [RBI holds rates, eyes inflation and rebounding growth](#)

In news:

- The Reserve Bank of India kept its policy rate steady, as widely expected, after inflation accelerated to a seven-month high and stronger economic growth reduced the need for monetary stimulus.
- The repo rate left unchanged at 6.00 percent, its lowest since November 2010.
- The RBI also kept the reverse repo rate unchanged at 5.75 percent.
- The annual rate of consumer inflation increased in October to 3.58 percent, driven by higher food and crude oil prices.

Basic Information:

Monetary Policy Tools:

Cash Reserve Ratio (CRR) is a specified minimum fraction of the total deposits of customers, which commercial banks have to hold as reserves either in cash or as deposits with the central bank.

Statutory liquidity ratio (SLR) is the Indian government term for reserve requirement that the commercial banks in India require to maintain in the form of gold, government approved securities before providing credit to the customers.

- Statutory Liquidity Ratio is determined by Reserve Bank of India maintained by banks in order to control the expansion of bank credit.
- The SLR is determined by a percentage of total demand and time liabilities. Time Liabilities refer to the liabilities which the commercial banks are liable to pay to the customers after a certain period mutually agreed upon, and demand liabilities are such deposits of the customers which are payable on demand. An example of time liability is a six month fixed deposit which is not payable on demand but only after six months. An example of demand liability is a deposit maintained in saving account or current account that is payable on demand through a withdrawal form such as a cheque.

Repo rate is the rate at which the central bank of a country (Reserve Bank of India in case of India) lends money to commercial banks in the event of any shortfall of funds.

- In the event of inflation, central banks increase repo rate as this acts as a disincentive for banks to borrow from the central bank. This ultimately reduces the money supply in the economy and thus helps in arresting inflation.
- The central bank takes the contrary position in the event of a fall in inflationary pressures.

Reverse repo rate is the rate at which the central bank of a country (Reserve Bank of India in case of India) borrows money from commercial banks within the country.

- It is a monetary policy instrument which can be used to control the money supply in the country.
- Repo and reverse repo rates form a part of the liquidity adjustment facility.

Marginal standing facility (MSF) is a window for banks to borrow from the Reserve Bank of India in an emergency situation when inter-bank liquidity dries up completely.

- Banks borrow from the central bank by pledging government securities at a rate higher than the repo rate under liquidity adjustment facility or LAF in short. The MSF rate is pegged 100 basis points or a percentage point above the repo rate. Under MSF, banks can borrow funds up to one percentage of their net demand and time liabilities (NDTL).
- Bank rate is the rate charged by the central bank for lending funds to commercial banks.
- Bank rates influence lending rates of commercial banks. Higher bank rate will translate to higher lending rates by the banks. In order to curb liquidity, the central bank can resort to raising the bank rate and vice versa.

Market Stabilization scheme (MSS) is a monetary policy intervention by the RBI to withdraw excess liquidity (or money supply) by selling government securities in the economy. The MSS was introduced in April 2004. Main thing about MSS is that it is used to withdraw excess liquidity or money from the system by selling government bonds.

Open market operations (OMO) refers to the buying and selling of government securities in the open market in order to expand or contract the amount of money in the banking system, facilitated by the RBI.

2. [PSU banks: reforms with recap](#)

In news:

- The proposed **recapitalisation** of public sector banks will include a package of reforms.
- The Centre had announced a Rs.11 lakh crore recapitalisation plan for PSU banks, of which Rs.1.35 lakh crore would be raised **through recapitalisation bonds**.

Why recapitalization?

- Reeling under the pressure of poor asset quality over the last three years, PSU banks have seen their capital erode.
- Apart from making provisions for bad loans, the lenders would need capital to meet the **Basel-III norms** and to support their business growth.

Priority for infusion

- The banks that had managed their balance sheets well™ would be given priority for capital infusion while others would have to show the resolve to reform.
- Recap bonds will be front loaded for banks that have managed their balance sheet strengths more prudently and can use injected capital to lend besides providing for legacy asset losses.

3. [The unfortunate consequences of GST anti-profiteering rules](#)

In news:

Anti-profiteering methodology

- India may adopt a product-specific approach similar to that of Australia to ensure that the full benefit of price reductions due to the goods and services tax (GST) is passed on to consumers
- This means that when the authority gets any complaint, it will examine the input tax credit flowing into a product and the resultant reduction in total tax

Success rate of Anti-profiteering :

- Enforcing this will be a tall order especially because anti-profiteering has not been a success in most countries where implemented. Australia, Malaysia, Canada and New Zealand are some countries where anti-profiteering or similar provisions have been put in place
- It crimped corporate profitability and it could also result in **tax terrorism**.

Reasons:

- Such provision can work only when things like raw material costs do not swing sharply
- There are many such variables and they would differ from one company to another, adding to the implementation challenge
- The movement in prices is also a function of the demand-supply scenario.

Nothing here for Today!!!

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F. Practice Questions for UPSC Prelims Exam

G. UPSC Mains Practice Questions

GS Paper I

- What are the two major legal initiatives by the State since Independence addressing discrimination against Scheduled Tribes (STs)?

GS Paper II