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Category: GENDER EQUALITY

1. [Uttarakhand 13th in Gender Vulnerability Index](#)

- The first ever Gender Vulnerability Index is computed by Plan India, a non-governmental organisation.
- It provides state-wise ranking by analyzing four parameters, namely health, education, poverty and protection/safety from violence.
- The index is topped by Goa followed by Kerala and Mizoram.
- Bihar ranked the lowest in the index particularly women safety and security.
- The composite index has been developed within research for the NGO's “Plan for Every Child campaign”.
- It is aimed at comprehensively understanding the dimensions of various problems affecting children, particularly girls, in difficult circumstances.

Category: GOVERNANCE

1. [“LG cannot differ with govt. on trivial issues”](#)

Context

- The Supreme Court on Thursday reminded the Delhi government that there were limitations to its powers under the Constitution, but added that in matters where the Lieutenant Governor (L-G) had differences with it, he could not sit on files.
- Instead, L-G was required to forward them to the President within a reasonable time.
- The court said in urgent matters, it is the L-G who is given primacy.
- The executive power of the government of Delhi was not exclusive to the executive power of the Centre.
- SC was hearing the Delhi government's plea challenging a Delhi High Court order confirming the L-G as the administrative head of the National Capital Territory (NCT).

The Plea by the State government

- Appearing for the state government, Senior Counsel contended that its day-to-day working was being hindered as civil servants feel they don't have to report to the ministers but only to the L-G and the L-G feels he has inherent power to veto.
- As a result, the aid and advice of the Council of Ministers is neutralized.
- And, even civil servants do not recognise the ministers as heads of departments. As a result no decision can be

- taken.
- The Senior Counsel for the state also sought to know if this is contemplated under Article 239AA and the provisions must be interpreted in a way that it serves the object.
- The counsel added that even the decisions on extending welfare measures were stuck because of the L-G's stance and this interfered with the government functioning and a constructive interpretation will not defeat the purposes of 239AA.

The SC viewpoint

- The SC wanted to know that in the absence of a law, who has the power the executive or the L-G and added that the language of the Constitution says L-G's decision is final.
- The court was of the view that the public order in Delhi, police or land cannot be subject of executive power of government of Delhi.
- The court also considered if some restrictions can be read into the proviso dealing with the powers of the L-G or whether it can be restricted to some cases.
- And added that even when there were differences between the L-G and state government, the L-G cannot be sitting on a file. He is under Constitutional obligation to refer it to President, which means he has to send that in a reasonable time. The L-G he must also record his differences in writing.
- The SC pointed out that under Article 239 (1), it was the President who appoints the administrator for Delhi and this administrator was designated as L-G, which means the administration of Delhi is by the President in the name of the administrator and that the substantive power to appoint the administrator is under Article 239 (which deals with the administration of Union Territories and President's power in this regard) and not under Article 239AA.
- But the State's counsel countered it by saying that though the genesis of appointment is in 239, the measure is in 239AA and the objective of 239AA would not have been to create dual governments.
- The SC said that the L-G was entitled to have his views and whatever power executive has it has to flow from 239AA.
- Article 239AA(4) (which speaks about a Council of Ministers to aid and advise the L-G) may be a recognition of Article 73, which says that the executive powers of the Union extends to all matters in respect to which the Parliament can make law.
- The CJI added that when the Constitution-makers included these provisions in the document, they probably had in mind the question of Constitutional collegiality.

Category: GOVERNANCE AND EMPLOYMENT

1. [Demonetization made India a better habitat](#)

Is unemployment our real problem?

- Our unemployment rate of 4.9 per cent is not a vague but a wages problem (i.e. low wages)
- This diagnosis is important
- As our real problem is wages, India needs the higher productivity that comes from structural change: Formalisation, industrialisation, urbanisation, skilling and deep financial markets

How demonetisation made India a better habitat for formal job creation?

- Demonetisation has reduced cash with citizens.
- Bank deposits have increased by somewhere between Rs 2.8-4.3 lakh crore.
- Currently, banks are lending this liquidity to the RBI but when they start doing their jobs well, this liquidity will boost investment and formal job creation.
- Demonetisation exploded the number of digital payments on UPI/Bhim from 1 lakh in October 2016 to 7.7 crore in October 2017.
- Digitisation is important for formalisation because it makes regulatory arbitrage and tax evasion difficult.
- Demonetisation has catalysed a savings shift away from gold and real estate.
- The eight months after demonetisation saw mutual fund inflows of Rs 1.69 lakh crore and the three months after demonetisation saw Life Insurance Premiums rising by 46 per cent.
- Greater financialisation of savings creates a virtuous cycle for formal job creation because they deepen and broaden domestic capital markets.
- Expensive loans are better than no loans but the cost of money has been crippling for India's entrepreneurs.
- Lowering interest rates is a policy priority and banks had been only passing on 50 per cent of lower policy rates to customers; in the year after demonetisation this has risen to 100 per cent.
- India's economic trajectory suggests interest rates could reduce another 3 per cent over time.
- sustained formal job creation needs the lower interest rates that come from macroeconomic stability, fiscal discipline, muted inflation expectations and an Independent Monetary Policy Committee.
- Demonetisation targeted a less-cash society because cash is the primary tool of corruption
- Demonetisation did not end corruption but raised its costs
- And ending our sense of humour about the rule of law that bred a riskless view of cash is an important pre-condition for sustained, formal, high-wage job creation

The way forward

- The problem for India's youth is not jobs but wages.
- As India completes a year of demonetisation, it's early for conclusions but the early results are encouraging

Category: SECURITY

1. [The Indian Army has launched an independent and fully-integrated Joint Training Node \(JTN\)](#)

- Planning to host foreign armies in joint exercises, the Indian Army has launched an independent and fully-integrated

Joint Training Node (JTN) at Umroi cantonment in Shillong.

- The JTN is the first of its kind in eastern command and is different from other joint training centres in Belgaum, Varangte and Bakloh.
- The concept was envisaged keeping in mind the conducive weather terrain offering optimal training environment, and has been developed at par with training centres of leading armies of the world.
- The JTN is ready to host the Bangladesh Army, and exercises with Myanmar and Chinese armies are planned for next year.

Category: ECONOMY

1. Paradise Papers: Promoter firms pledge Zee shares to raise funds via offshore route

- Centre reconstitutes the Multi-Agency Group formed in 2016 to investigate disclosures on offshore accounts of 714 Indians.

What are the "Paradise Papers"?

- These are around 13 million leaked files from offshore service providers and company registries obtained by a German newspaper.
- It was made public by the International Consortium of Investigative Journalists (ICIJ) and its media partners.
- They essentially reveal the offshore interests and activities of politicians, world leaders and celebrities, and the tax engineering of more than 100 MNCs, from around 180 countries.
- It also includes details of corporate registries maintained by governments in 19 secrecy jurisdictions often referred to as "tax paradises".
- Notably, a major portion of these files are in relation with a Bermuda firm Appleby and a Singapore-based Asiatic Trust.
- Unlike the previous leaks, the latest revelations are more about mega corporates than individual players, on their misuse of offshore jurisdictions.
- India ranks 19th in terms of the number of names that feature in the papers.

What is the Multi-Agency Group?

- The latest report comes a few months after a similar "Panama Papers" disclosure that came in 2016.
- The Panama Papers named several prominent Indian politicians, actors, and businessmen as having offshore undisclosed bank accounts.
- Following this, a Multi-Agency Group (MAG) was constituted.
- The government has now reconstituted this MAG led by the Central Board of Direct Taxes (CBDT), to investigate cases relating to the "Paradise Papers" data disclosure.
- This will have representatives from CBDT, Enforcement Directorate, Reserve Bank of India and the Financial Intelligence Unit.

How are offshore companies a concern?

Legality " It is not necessarily illegal to set up offshore companies.

- This is because India has double-taxation avoidance agreements (DTAAs) with several countries with lower tax rates than its own.
- The companies incorporated in such countries can use their tax residency certificates (TRC) to enjoy the tax benefits available legally.

Apprehensions " However, increasingly, companies and bank accounts are created overseas, providing nominee office-bearers and facilitating bank loans or transfer of shares in multiple secrecy jurisdictions.

- This essentially means using or incorporating overseas shell companies to take tax advantages through illegal means.
- These include:
 1. operating as fake entities and engaging in tax evasion, manipulation of the market, money laundering, parking black money, etc.
 2. round tripping i.e. taking untaxed money out of the country through inflated invoices and then bringing it back as investment.
 3. instances of assets of Indian companies being used to guarantee loans raised by offshore companies without disclosing it to Indian regulators.
 4. changing ownership of offshore companies to actually change the ownership of shares held in Indian companies without paying taxes in India.

Impediment " A company is generally entitled to arrange its financial affairs in whichever way it wishes, to reduce its tax liability.

- The fact that the motive for a particular transaction is to avoid tax does not necessarily invalidate the transaction unless the law of the land specifies so.
- There is a corporate army engaged in imaginative bookkeeping to discover and exploit legal loopholes to evade tax in most cases.
- The burden of justification thus is always on the financial regulators.

Exposures " The recent disclosures help regulators overcome the obstacle of secrecy, enabling them to investigate instances of financial malpractices.

- The sheer size of the Paradise Papers disclosures and the corporate-centric leads they provide, mark a big step

forward.

- Such insight into corporate ingenuity allows regulators to bring in better laws and global tax reforms.

2. Nov. 8 was a black day: Manmohan Former Prime Minister calls note ban, GST twin blows that ‘broke the back of businesses’

- Former Prime Minister Manmohan Singh said the twin blows of demonetisation and implementation of the Goods and Services Tax (GST) were disastrous for the economy and ‘broke the back of businesses.’
- Singh launched a scathing attack on the NDA government and reiterated his statement in Parliament that the note ban was ‘organised loot and legalised plunder.’
- ‘Demonetisation has proved to be mere bluster to reap political dividends while the real offenders have escaped. I repeat, this was organised loot and legalised plunder,’ Dr. Singh said, a day before the controversial move’s first anniversary, which the Central government is celebrating as ‘Anti-Black Money Day.’
- ‘One must remember that nowhere in the world has any democracy undertaken such a coercive move, withdrawing 86% of legal tender in one single swoop.’

New low for investment

- According to him, the growth in private investment is at a 25-year low, which is terrible for the country’s economy.

Category: ENVIRONMENT

1. India questions rich nations’ sluggish climate actions under previous commitments at Bonn Summit

- The climate change meet in Bonn must heed the 2015 targets, despite the U.S. reversal.
- The 23rd conference of the UN Framework Convention on Climate Change under way in Bonn faces the challenge of raising the ambition of the world’s leaders, and giving practical form to the provisions of the Paris Agreement.
- Although 169 countries have ratified the accord, and there is tremendous support for greener, low-risk pathways to growth worldwide, the Trump administration in the U.S., one of the top emitters of greenhouse gases (GHGs), has announced it will withdraw from the pact.
- Even if it will take until 2020 to achieve an actual withdrawal, the U.S. action reverses the overall momentum achieved in Paris in 2015, and negates President Barack Obama’s legacy of regulations designed to reduce America’s GHG emissions, especially from the use of coal.
- It is heartening that China, which has achieved rapid economic growth and leads in GHG emissions, is firmly behind the pact to reduce the risk of climate change.
- There is steady progress in the growth of renewable energy sources as they become cheaper and the efficiency of solar, wind and energy storage technologies improves.
- The Agreement has a benchmark of raising \$100 billion a year by 2020.
- The recent Emissions Gap Report from the UN underscores the terrible mismatch between the voluntary pledges made by countries for the Paris Agreement and what is necessary to keep a rise in global average temperature below 2°C, preferably 1.5°C.
- India’s emissions have been rising overall, but it has committed itself to lowering the emissions intensity of its GDP by 33-35% by 2030 from the 2005 level.
- By some estimates, India has been awarded among the highest levels of multilateral climate funding at \$745 million since 2013.
- Securing funds for mitigation and adaptation is a high priority for India, but it must ensure that States acquire the capacity to absorb such assistance efficiently.
- While the emphasis on a giant renewable energy programme has won global acclaim, the focus is equally on India’s readiness to embrace green technologies across the spectrum of activity, including buildings and transport.

Nothing here for Today!!!

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F. Practice Questions for UPSC Prelims Exam

G. UPSC Mains Practice Questions

GS Paper III

- The famous Banaganapalle mangoes of Andhra Pradesh and Tulaipanji rice of West Bengal are among the seven commodities that have been granted GI this year. With respect to the GI tag, analyze the benefits available on the commodity after tagging?
- Recently Prime Minister Narendra Modi has asked the private sector to invest more in contract farming. What is contract farming and how can it benefit the agricultural economy in India?
- Is Naga peace talk process very crucial for North-east development? What measures can be taken by the government to bring a conclusion to the issue?