

News Analysis (14 Feb, 2020)

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USTR takes India off Developing Country List

Why in News

The office of the **United States Trade Representative (USTR)** has taken off India from the list of developing and least-developed countries that are eligible to claim benefits for preferential treatment with respect to Countervailing duties (CVDs) investigations.

Talking business

- India was in the 'developing country' list till February 10, eligible for relaxed norms
- Country was taken off the list, as were Brazil, Indonesia, Malaysia, Thailand, Vietnam
- New lists include 36 developing, 44 least developed nations
- In 1998, U.S. had come up with lists of nations classified as per level of development
- Lists helped determine if they were subject to U.S.' CVDs (countervailing duties)

- A CVD probe was to be terminated if offending subsidy was too small
- 1998 rule is now 'obsolete' as per USTR notice



- The preferential treatment with respect to CVDs investigations falls under the US' **Generalized System of Preferences (GSP) scheme.**
 - Generalized System of Preferences (GSP) is an umbrella that comprises the bulk of preferential schemes granted by industrialized nations to developing countries.
 - Countervailing duty (CVD) is an import tax imposed on certain goods in order to prevent dumping or counter export subsidies.

 Along with India, USTR has also eliminated other countries including Brazil, Indonesia, Hong Kong, South Africa, Malaysia, Thailand, Vietnam and Argentina from getting preferential treatment.

The new lists consist of 36 developing countries and 44 least developed countries.

• The move comes ahead of US President Donald Trump's visit to India to talk and potentially sign a trade deal.

Background

- The USA had come up with lists of countries classified as per their level of development to harmonise the USA preferential treatment laws with the <u>World</u> <u>Trade Organization's (WTO)</u> Subsidies and Countervailing Measures (SCM) Agreement in 1998.
 - The WTO Agreement on Subsidies and Countervailing Measures disciplines the use of subsidies, and it regulates the actions countries can take to counter the effects of subsidies.
 - Under the agreement, a country can use the WTO's dispute-settlement procedure to seek the withdrawal of the subsidy or the removal of its adverse effects. Or the country can launch its own investigation and ultimately charge extra duty ("countervailing duty") on subsidized imports that are found to be hurting domestic producers.
- The **classification of the countries** (developed, developing and least-developed) is done according to the following criteria:
 - Per capita Gross National Income or GNI.
 - Share of world trade.
 - Other factors such as <u>Organisation for Economic Co-operation and</u>
 <u>Development (OECD)</u> membership or application for membership, EU membership, and <u>Group of Twenty (G20) membership</u>, etc.
- Thus the country with per capita GNI above \$12,375 or Rs 8.82 lakh, the share of more than 0.5% to the world trade and membership to the above-mentioned organisations is considered as a developed country by USTR.

India- As a USTR's Developed Country

- According to USTR, India's share in global trade was 2.1 % for exports and 2.6% for imports in 2017.
- Also India, along with nations like Argentina, Brazil, Indonesia, and South Africa, is part of the **G20 bloc and G20 membership indicates that a country is developed.**

As the G20 members account for large shares of global economic output and trade.

• Further, being a part of G20 India can be classified as a developed country **despite** having a per capita GNI below \$12,375.

Impact on India

- **India** is the **largest beneficiary nation under the GSP**, with total benefits from tariff exemptions amounting to \$260 million in 2018, according to the data from the USTR's office.
- In 2018, India exported goods worth \$6.3 billion (as per USTR figures) to the US under the GSP, accounting for around 12.1% of India's total export to that country.
- India no longer in the list of developing countries allows the USA to hold a CVD investigation.
 - The CVD laws allow the US to hold an investigation into the trade policies of other countries to determine whether they are harming the US trade.
 - If the investigation finds that India's policies allow exporters to sell their products in the US at a lower rate the US can impose a countervailing duty, to make the Indian goods more expensive in the US markets.
- Despite having a minimal impact on India's overall outbound trade with the US, specific exports from India in a diverse set of sectors such as jewellery, leather, pharmaceuticals, chemicals and agricultural products may face higher costs and competition.

Source: TH

SC Order on Criminalisation of Politics

Why in News

The Supreme Court (SC) has ordered **political parties to publish the entire criminal history of their candidates for Assembly and Lok Sabha elections** along with the reasons that forced them to field suspected criminals.

- The order was a reply to the contempt petition about the general disregard shown by political parties to a 2018 Constitution Bench judgment (Public Interest Foundation v. Union of India) to publish the criminal details of their candidates in their respective websites and print as well as electronic media for public awareness.
- The SC passed an order while exercising powers under Articles 129 and 142 of the Constitution which deals with the contempt power of the Supreme Court and enforcement of its decrees and orders.

Highlights of the Order

• It is mandatory for **political parties (at the Central and State election level)** to upload on their website **detailed information regarding individuals with pending criminal cases.**

It shall also include the nature of their offences, charges framed against them, the court concerned, case number, etc.

 Additionally, the political parties need to offer an explanation as to why candidates with pending criminal cases are selected as candidates in the first place.

Thus the candidate's 'mere winnability at the polls' shall not be the sole reason for handing over a ticket to the candidate to contest elections.

- The above information needs to be published in a **local as well as a national** newspaper as well as the parties' social media handles.
- The information mandatorily to be published either within 48 hours of the selection of candidates or less than two weeks before the first date for filing of nominations, whichever is earlier.
- The political parties need to submit compliance reports with the **<u>Election</u> <u>Commission of India</u> within 72 hours.**

If a political party fails to submit then the Election Commission shall bring such non-compliance by the political party concerned to the notice of the Supreme Court as being in contempt of this Court's orders/directions.

Significance of the Order

Over the last four general elections, there has been an alarming increase in the
incidence of <u>criminals in politics</u>. The increasing criminalisation of politics
threatens the law-making process and thus lawmakers should be above any kind of
serious criminal allegation.

In **2004**, **24%** of the Members of Parliament (MPs) had criminal cases pending against them. This number has increased to **43% of MPs in 2019**.

• The direction of SC to **legislate parliamentary legislation** to curb criminalisation of politics may help **to deliver constitutional governance.**

Source: TH

The Future of Earth, 2020 Report

Why in News

The South Asia Future Earth Regional Office, the Divecha Centre for Climate Change and the Indian Institute of Science have released "The Future of Earth, 2020" report.

The report has been prepared with the aim of **reducing carbon footprint** and **halting global warming below 2 degree Celsius by 2050.**

Key Findings

• Five Global Risks

- Climate change
- Extreme weather
- Biodiversity loss
- Food crisis
- Water crisis

• Example of Interrelation between different Global Risks

- Extreme heat waves can accelerate global warming by releasing large amounts of stored carbon from affected ecosystems, and at the same time intensify water crises and/ or food scarcity.
- The loss of biodiversity weakens the capacity of natural and agricultural systems to cope with climate extremes, thus increasing vulnerability to food crises.
- Strains on food production are expected to increase, as a result of various forces including climate change, biodiversity loss, and a global population on the rise.

• Greenhouse Gas Emissions

- Despite declarations of a climate crisis or climate emergency by the leaders of more than 700 cities, states and governments, the concentration of carbon dioxide in the atmosphere during 2019 reached more than 415 parts per million (ppm).
- The five years from 2014 to 2018 were the warmest recorded over land and ocean since 1880.

• Decline in Biodiversity

- Humans have significantly altered 75% of the planet's land area. About a quarter
 of species in assessed plant and animal groups are threatened.
- In 2018, the world's last male northern <u>white rhino</u> died in his Kenyan enclosure, while the Brazillian blue parrot, Spix's Macaw, was declared extinct in the wild.

• Trends Highlighted

- Right-wing populism, a breed of politics that exploits people's fears during times
 of economic decline and growing inequality, and that focuses on nationalist
 tendencies to clamp down on borders and reject immigrants, is on the rise
 around the world. This often leads to a denial of climate change facts or impacts.
- The digital platforms such as social media, search engines and e-commerce algorithms, tend to favour the spread of information designed to engage with emotion over reason, which can cause the propagation of "fake news", and can lead to social harms like an erosion of trust in vaccines.

Suggestions

- Reversing the trends of loss of life on the planet will require some new ways of thinking about conservation.
- Humans are now the main driver behind planetary change, thus human systems should be targeted. This means addressing societal systems including populism, finance, and information transmission, alongside the practices and technologies that emit greenhouse gases, from fossil-fuel burning to food production.
- Bolstering financial resilience should go hand in hand with increasing the resilience of the communities.
- Negative impact of migration can be avoided with pragmatic planning that anticipates inevitable demographic change, and accommodates human movements with infrastructure and targeted social inclusion programmes.

South Asia Future Earth Regional Office

- South Asia Future Earth Regional Office is hosted by the Divecha Centre for Climate Change, Bengaluru, India. The office plays a key role in promoting solution-oriented research on environmental sustainability in the south Asian region.
- Future Earth, established in 2015, is an international sustainability research network.
- The Divecha Centre for Climate Change was established at Indian Institute of Science in January 2009. The primary goal of this centre is to understand climate variability and climate change and its impact on the environment.

Source: TH

BIMSTEC Conference on 'Combating Drug Trafficking'

Why in News

Recently, **India hosted** the first-ever **BIMSTEC** Conference on Combating Drug Trafficking in New Delhi. It was organised by the **Narcotics Control Bureau (NCB)**, India's federal agency for drug law enforcement.

BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) is an international organisation comprising 7 countries — India, Bangladesh, Bhutan, Myanmar, Nepal, Sri Lanka and Thailand - that fall in the littoral and adjacent areas of the Bay of Bengal.

Key Points

 <u>Drug trafficking</u> is a global illicit trade involving the cultivation, manufacture, distribution and sale of substances which are subject to drug prohibition laws.

- The UN's World Drug Report points out that over 5% of the global population between 15-64 years of age is addicted to narcotics and use of illicit drugs.
- The BIMSTEC conference sought to provide an **opportunity to all the member nations to deliberate on the increased threats posed by drug trafficking** and the **collective steps** that were required to negate such threats.

BIMSTEC and Drug-Trafficking

- Regional maritime connectivity and trade through the Bay of Bengal are imperative for the shared prosperity and economic growth of the entire BIMSTEC region. However, one of the most prominent of security challenges for the region is drug trafficking through sea.
- It is thus very important for all countries to engage with each other to exchange ideas, policies and best practices in order to combat this menace.
- In general, Asian countries are increasingly being affected by **drug trafficking**.

 BIMSTEC, being the key link between South Asian and South East Asian nations, is one of the most effective platforms to tackle this global threat.

India and Drug-Trafficking

- India is a transit point for opiates produced illegally.
 - India is in the middle of two major illicit opium production regions in the world:
 - The Golden Crescent (Iran-Afghanistan-Pakistan) in the West.
 - The Golden Triangle (South-East Asia) in the East.
- **Manipur and Mizoram** having borders with Myanmar and other coastal States are sensitive and may become a gateway for illicit drugs entering India.
- To protect itself from the menace of drug trafficking, India has adopted a **Zero Tolerance Policy** towards all kinds of narcotics and psychotropic substances to realise its vision of a **Drug-free India**.
 - India has also started an **e-portal for digitalisation of drug data** to assist various drug enforcement agencies.

Source:PIB

Conservation Plan for Konark Temple

Why in News

The Union Government has decided to restore and preserve the nearly 800-year-old Konark Sun Temple, Odisha.

Earlier, the monument had entered into controversy over allegations that the stone carvings on the outer surface were being replaced with plain blocks of stones causing irreplaceable loss to the uniqueness of the temple.

Key Points

• Konark was built by King **Narasimhadeva I (1238-1264AD)** in the **13th century** and is located in Eastern Odisha near the sacred city of **Puri.**

King Narasimhadeva I was a famous ruler of the **Ganga Dynasty** and with his accession to the throne, the Ganga Dynasty **reached its zenith.**

• It is a UNESCO World Heritage Site (1984).



- Dedicated to the Sun God, Konark is the culmination of Odisha temple
 architecture, and one of the most outstanding monuments of religious architecture
 in the world.
- Its scale, refinement and conception represent the strength and stability of the Ganga
 Dynasty as well as the value systems of the historic milieu.
- The entire temple was designed in the shape of a **colossal chariot** with 7 horses and **24 wheels**, carrying the sun god, Surya, across the heavens.
 - 'Konarka', the place bears a name composed of two world elements: KONA meaning corner and ARKA meaning the Sun.
 - The Sun god worshipped in **Ark Kshetra** is also called Konark.
 - In 'Brahma Purana' the Sun God in Ark-kshetra has been described as Konaditya.
 - Surya has been a popular deity in India since the Vedic period.

Source:TH

Arth Ganga Project

• During the first meeting of the <u>National Ganga Council</u> in Kanpur (Uttar Pradesh) in 2019, the Prime Minister urged for a holistic thinking process where <u>'Namami Gange'</u> evolves to 'Arth Ganga'.

In simple terms, 'Arth Ganga' implies a sustainable development model with a focus on economic activities related to Ganga.

- As part of this process, farmers will be encouraged to engage in **sustainable agriculture practices**, including zero budget farming, planting of fruit trees and building plant nurseries on the banks of Ganga.
- Above practices, along with creation of **infrastructure for water sports** and development of campsites, cycling and walking tracks etc., would help to tap the 'hybrid' tourism potential of the river basin area- for purposes of **religious as well as adventure tourism.**
- Almost half of the Indian population lives around the Ganges River belt. Moreover, of India's total freight, about 1/5th originates and 1/3rd terminates in the states around Ganges Belt. Thus, **inland waterway is one of the most important pillars of "Arth Ganga" project.**
 - **National Waterway-1** is an inland water transport route between Haldia in West Bengal and Prayagraj in Uttar Pradesh.
 - The Ministry of Shipping is also developing Varanasi (Uttar Pradesh) Freight
 Village and Sahibganj (Jharkhand) Industrial Cluster-cum-Logistics Park with an objective of creating synergy with Inland Waterways.
- The income generated from encouraging ecotourism and Ganga wildlife conservation and cruise tourism etc. would help to generate sustainable income streams for cleaning of Ganga.

Source: PIB

Apiary on Wheels

Why in News

The Ministry of Micro, Small and Medium Enterprises has flagged off 'Apiary on Wheels'.

- 'Apiary on Wheels' is a unique concept designed by the **Khadi and Village Industries Commission (KVIC)** for the **easy upkeep and migration of Bee Boxes** having live Bee colonies.
- It is a holistic approach to address the challenges faced by the beekeepers. It is designed so as to reduce the labour and cost of maintaining and upkeeping Bee Boxes and live bee colonies across India.

- Apiary on Wheels is a platform which can carry 20 Bee Boxes from one place to another without any difficulty. It is like an attachment which can be easily connected with a Tractor or a Trolley and may be pulled to any suitable destination.
- The KVIC launched **Honey Mission** in 2017 and has been training beekeepers, distributing Bee Boxes and helping rural, educated but unemployed youth to earn extra income through beekeeping activities, at their doorstep.

Khadi and Village Industries Commission

- KVIC is a **statutory body** established under the Khadi and Village Industries Commission Act, 1956.
- The KVIC is charged with the planning, promotion, organisation and implementation of programmes for the development of Khadi and other village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary.
- It functions under the Ministry of Micro, Small and Medium Enterprises.

Source: PIB