

● POLITY

● ECONOMICS

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POLITY AND GOVERNANCE

NITISH SWITCHES SIDES YET AGAIN, TAKES OATH AS CM

CONTEXT: Nitish Kumar, leader of the Janata Dal (United), became Bihar's Chief Minister again on Sunday. This is his record ninth time taking the post, and he's back in the BJP-led alliance after leaving it just 18 months ago. This is the fifth time he's switched political sides since 2015. Six BJP ministers and two BJP deputy chief ministers were sworn in with him.

BACKGROUND:

- Kumar has been Chief Minister of Bihar for most of the past two decades, except for a brief hiatus in 2014.
- In 2020, he joined hands with the BJP after winning the Assembly elections.
- However, in August 2022, he unexpectedly switched sides and formed a grand alliance ("mahagathbandhan") with the Rashtriya Janata Dal (RJD), Congress, and Left parties.
- This latest move back to the NDA comes just 18 months after his departure.

NEW GOVERNMENT:

- Six Ministers and two Deputy Chief Ministers (both from BJP) sworn in alongside Nitish Kumar.
- The new Cabinet includes members from BJP, JD(U), HAM(S), and an Independent MLA.
- Nitish Kumar promises to expand the Cabinet soon.
- The new NDA government in the State now has the support of 128 MLAs — 78 from the BJP, 45 from the JD(U), four from HAM(S), and one Independent in the 243-member State Assembly.

CURRENT STRENGTH AND POSITION OF BIHAR ASSEMBLY (AS OF JANUARY 29, 2024):

- Total Members: 243
- Effective Strength: 242 (One seat is vacant due to a recent demise)

PARTY/ALLIANCE STRENGTH:

- NDA (National Democratic Alliance): 128 MLAs (78 BJP, 45 JD(U), 4 HAM(S), 1 Independent)
- MGB (Mahagathbandhan): 114 MLAs (79 RJD, 19 Congress, 4 CPI(ML)L, 4 CPI, 8 Others)

POSITION:

- Ruling Alliance: NDA
- Opposition: MGB

ARTICLES RELATED TO THE CHIEF MINISTER:

Article 164: Empowers the Governor to appoint the Chief Minister and other ministers on the advice of the Chief Minister. However, the Chief Minister must be a member of the state legislature.

Article 167: Makes the Chief Minister the head of the Council of

Ministers and responsible for advising the Governor in exercising his functions, except when the Constitution requires the Governor to act independently.

Article 168: States that the Chief Minister and other ministers hold office at the pleasure of the Governor.

Article 164: Makes the Council of Ministers collectively responsible to the state legislature. This means they are accountable for their actions and policies to the assembly.

ARTICLES RELATED TO THE STATE ASSEMBLY:

Article 174: Grants the Governor the power to summon and prorogue the state legislature and dissolve the legislative assembly.

Article 175: Empowers the Governor to address the legislative assembly and send messages to the House.

Article 176: Allows the Chief Minister to address the legislative assembly.

Article 179: Specifies that the Chief Minister must be a member of the legislative assembly or must become a member within six months of taking the oath.

Article 182: Deals with the procedure for moving a no-confidence motion against the Chief Minister. If passed, the Chief Minister and the entire Council of Ministers have to resign.

ADDITIONALLY:

Article 163: Establishes the Council of Ministers to aid and advise the Governor in the exercise of his functions.

Article 164: Makes the Council of Ministers collectively responsible to the state legislature. This means they are accountable for their actions and policies to the assembly.

These articles together establish the Chief Minister as the head of the executive branch of the state government, responsible to the state legislature and working closely with the Governor.

SIGNIFICANCE:

- This political makeover demonstrates Nitish Kumar's pragmatism and ability to secure his position as Chief Minister.
- It raises questions about the stability of political alliances in Bihar and the long-term impact on development initiatives.
- The move could potentially reshuffle the national political landscape ahead of the 2024 Lok Sabha elections.

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INTERNATIONAL RELATIONS

FACTORIES GRIND TO A HALT AS RED SEA ATTACKS CREATE TRADE BOTTLENECKS

CONTEXT: Houthi rebels in Yemen, seeking to stop Israel's offensive against Hamas in Gaza, are attacking cargo ships plying the waters connecting Asia with Europe and the U.S., forcing traffic away from the Suez Canal and around the tip of Africa.



Attacks on ships in the Red Sea are delivering another shock to global trade, coming on top of pandemic-related logjams at ports and Russia's invasion of Ukraine. Disruption to Red Sea trade lasting a year could surge goods inflation by up to 2%, piling on pain while the world already struggles with higher prices for groceries, rent and more. The disruption is causing delays and driving up costs — at a time when the world has yet to vanquish a resurgence of inflation. Passage through another crucial trade corridor — the Panama Canal — is restricted by low water levels caused by drought.

Rising costs

The cost of shipping a standard 40-foot container from Asia to northern Europe has surged from less than \$ 1,500 in mid-December to nearly \$ 5,500. Getting Asian cargoes to the Mediterranean is even costlier: almost \$ 6,800, up from \$ 2,400 in mid-December. At the height of supply chain backups two years ago, it costed \$15,000 to ship a container from Asia to northern Europe and nearly \$14,200 to take one from Asia to the Mediterranean.

In 2021 and 2022, American consumers, stir-crazy from COVID-19 lockdowns and armed with government relief checks, went on a spending spree, ordering furniture, sports equipment and other goods. Their orders overwhelmed factories, ports and freight yards, leading to delays, shortages and higher prices.

Red Sea shipping snags posed a risk to global food security by slowing the distribution of grain to parts of Africa and Asia, which depend on wheat from Europe and the Black Sea area. It would be even worse if the conflict in West Asia widens and drives up oil prices, which are now lower than they were the day before Hamas attacked Israel on October 7.

INTERNATIONAL RELATIONS

3 U.S. TROOPS KILLED IN DRONE HIT IN JORDAN; BIDEN BLAMES IRANIAN-BACKED MILITANTS

CONTEXT: President Joe Biden blamed Iran-backed militants for a drone attack on a U.S. base in Jordan that killed three American troops. It is the first time American military personnel have been killed by hostile fire in West Asia since the start of the Israel-Hamas war. The incident will further raise tensions in the region and fuel fears of a broader conflict directly involving Iran.



'Regional explosion'

U.S. Central Command put the number of wounded from the attack near the Syrian border at 25, and said the identities of those killed will be withheld pending notification of their families.

Frequent target

U.S. and allied forces in Iraq and Syria have been targeted in more than 150 attacks since mid-October, according to the Pentagon, and Washington has carried out retaliatory strikes in both countries. Many of the attacks on U.S. personnel have been claimed by the Islamic Resistance in Iraq, a loose alliance of Iran-linked armed groups that oppose US support for Israel in the Gaza conflict.

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"Education is the ability to listen to almost anything without losing your temper or your self-confidence." - Robert Frost

SCIENCE AND TECHNOLOGY

INSAT-3DS SATELLITE SENT TO LAUNCH PORT IN SRIHARIKOTA

CONTEXT: The Indian Space Research Organisation (ISRO) has flagged off the INSAT-3DS satellite to the launch port at the Satish Dhawan Space Centre in Sriharikota.



The satellite likely to be launched on board the GSLV F14 next month is an exclusive meteorological satellite with the primary objective to provide continuity of services to the existing in-orbit INSAT-3D and 3DR satellites and significantly enhancing the capabilities of the INSAT system.

The satellite is a user-funded project with the Ministry of Earth Sciences, configured around the ISRO's well-proven I-2k bus platform with a lift-off mass of 2,275 kg. The satellite is designed for enhanced meteorological observations and monitoring of land and ocean surfaces for weather forecasting and disaster warning with state-of-the-art payloads such as a six-channel imager and 19-channel sounder meteorology payloads, communication payloads, a data relay transponder (DRT) and a satellite-aided search and rescue (SAS&R) transponder.

The DRT instrument receives meteorological, and oceanographic data from automatic weather stations and augments weather forecasting capabilities. The SAS&R transponder is incorporated in the satellite to relay a distress signal/ alert detection for search and rescue services with global receive coverage.

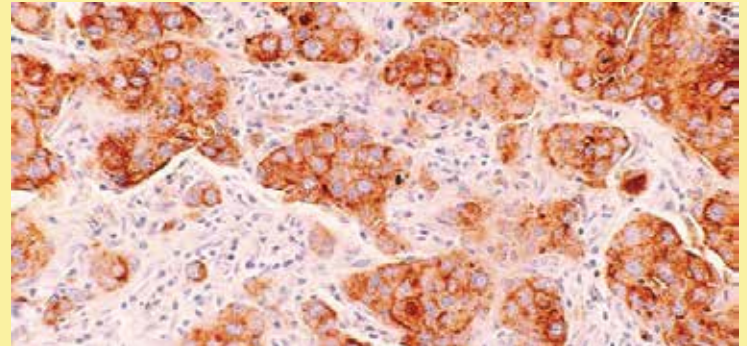
"Intelligence plus character-that is the goal of true education. — Martin Luther King Jr.



SCIENCE AND TECHNOLOGY

THE GENOMIC REVOLUTION PROMISES TO TRANSFORM CANCER CARE

CONTEXT: Cancer has emerged as a major public health concern worldwide with about 20 million new patients being added every year. The World Health Organization has estimated the cancer burden will increase by almost 60 % over the next decade, potentially rendering it the second major cause of death. India alone adds approximately 1.4 million new cancer cases every year, with almost 1 in 1,000 Indians being diagnosed annually, per the National Cancer Registry.



Cancer is a disease of the genome. It is caused by changes in genes that cause some cells to divide in an uncontrolled way. These changes can be inherited or acquired. Inherited genetic variants form the basis of many hereditary cancers, including breast and ovarian cancer. Advancements in genomic technologies in the past couple of decades, including global initiatives such as the Cancer Genome Atlas, have provided a shot in the arm to understand the molecular underpinnings of cancer, which, in turn, have yielded a new generation of therapies that target molecular defects.

Precision oncology

Of the 200-odd precision oncology therapies, the U.S. Food and Drug Administration has approved, almost a third have a DNA-based test as biomarker. As part of the U.K.'s ongoing '100,000 Genome Program', a study of over 13,800 cancer patients, published last week, suggested cancer genomics could indeed transform cancer care. The 100,000 Genome Program' reportedly demonstrated that genome sequencing integrated with routine clinical data could render cancer treatments more customisable. The implications of this study extend far beyond the boundaries of current practice of medicine, and mark a leap forward in the era of precision oncology.

At the heart of this transformation lies whole-genome sequencing, a tool that can sequence a person's DNA in its entirety – all 3.2 billion nucleotides – in a single comprehensive test. The sequencing and in-depth analysis do not treat the genome (derived from the blood) in isolation; instead, they happen together with the sequence of the genome obtained from cancerous tissue or a tumour.

Insights into cancer

Researchers obtained, sequenced, and analysed the genomes of people from blood and tumour tissues with

different types of cancers. Researchers can be applied in clinical settings to guide treatment strategies for cancer patients. A higher fraction of individuals diagnosed with brain tumours as well as those dealing with bowel or lung cancers had distinct DNA changes that could become new targets for therapy. The study also provided novel insights that could reshape even our understanding of challenging conditions such as ovarian cancers and sarcomas.

For example, approximately 10 % of sarcomas (rare cancers of the bone and soft tissue) exhibited genetic changes that could impact treatment decisions. The researchers also identified a corresponding proportion of ovarian cancers as being potentially inherited.

Consequences of genomic medicine

The U.K. Hospital trusts in East Midlands are incorporating insights from pre-emptive genome-sequencing and referring individuals with certain genetic mutations to clinical trials for certain therapies or steering clear of treatments or modifying the dosages of therapies that might potentially result in adverse side-effects. This underscores the immediate impact of ground-breaking genomics research: on implementing patient care in clinical settings.

But amid the optimism surrounding this breakthrough study, many researchers have also advised caution and urged a more nuanced perspective on the consequences of genomic medicine. One crucial consideration is the use of information gleaned from whole-genome sequencing in practice – especially in a scenario where, say, a particularly harmful genetic change has been identified in an individual but for which there are no treatments available.

Shifts in clinical testing

Advances in precision oncology therapies are rapidly closing. Research is moving towards a more comprehensive understanding of tumours, one that integrates genomics, along with studies on proteins and metabolites in the body – also known as ‘multi-omics’. At the same time, it is gaining wider application in identifying newer molecular subtypes of cancer with implications for cancer progression and treatment. However, integrating these new insights into clinical care will require a paradigm shift in clinical testing as it exists.

In sum, while the new study is a milestone in genomics and genomic medicine, we can see why it will also spark a broader conversation on the nuances of integrating genomics and genomics-guided treatments into the standard protocols of cancer care. As lessons from genomics research into oncology continue to unfold, it opens up new horizons, opportunities and – unmistakably – challenges. Research from such studies will lay the foundation for a future where genomics insights and evidence can seamlessly inform clinical decision-making on the population-scale.

INTERNATIONAL RELATIONS

A CLOSER LOOK AT MYANMAR'S DISCONTENT

CONTEXT: In February 2021, the Myanmar military staged a coup, overthrowing the democratically elected government and sparking widespread resistance. Three years later, the country remains in turmoil, with ethnic armed groups gaining territory, the resistance movement growing, and international criticism mounting. China and Thailand play key roles in the conflict, while India faces the need to adapt its Myanmar policy.

STORY SO FAR: In October 2023, ethnic armed groups in Myanmar launched coordinated attacks, inflicting heavy losses on the military and seizing control of key areas like Paletwa town (crucial for India's Kaladan project) and Bamar-majority regions. This signifies growing resistance to the junta, not just among ethnic groups but also within the Bamar community.

DISCONTENT AND TERRITORIAL LOSS:

- The Myanmar military's coup has backfired. They've lost vast territory to rebel groups (PDFs and ethnic armies) due to:
- Growing discontent: Public opposition and recruitment difficulties even among the Bamar majority weaken the military.
- Increased firepower: Despite advanced weapons acquired during eased sanctions (2010-2020), they resort to brutal tactics against civilians, fueling resistance.
- Erosion of military cohesion: Desertions, surrenders, and internal punishments for disloyalty indicate cracks within the army.
- This suggests the coup has not strengthened national unity but instead fractured Myanmar and empowered rebel groups.

CHINA & ITS INTEREST

CHINA:

- Defends Myanmar military internationally while maintaining close ties with some ethnic armed groups.
- Possibly facilitated a ceasefire between rebels and military in Shan State after achieving anti-scam objectives.
- Uncertain long-term stability due to potential discomfort from both sides with China's influence.

ASEAN:

- Condemned the coup but failed to significantly influence Myanmar's politics due to lack of access and internal divisions.
- Some members became more critical of the coup publicly.

THAILAND:

- Maintains ties with both the military and Suu Kyi, potentially playing a mediating role.
- Increasing humanitarian assistance.

WHY CHINA SUPPORTS MILITARY IN MYANMAR?

Strategic Interests:

- **Security:** Myanmar shares a long border with China, and the junta's control helps contain ethnic insurgencies and drug trafficking that could spill over into China.



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- **Economic:** China has significant investments in Myanmar, including infrastructure projects and resource extraction. The junta provides stability and access to resources for these projects.
- **Geopolitical:** Myanmar's geographical location makes it strategically important for China, acting as a buffer against India and Southeast Asian nations. Supporting the junta strengthens China's regional influence.

Realpolitik and Pragmatism:

- **Limited choices:** The junta is the only major power player in Myanmar besides the PDFs, and engaging with them gives China a seat at the table, even if it's not ideal.
- **Non-interference principle:** China often adheres to this principle in its foreign policy, avoiding criticizing other countries' internal affairs.

However, China's support for the junta is not without its challenges:

- **International pressure:** China faces criticism from the international community for supporting a regime accused of human rights abuses.
- **Instability:** The junta's grip on power remains shaky, and prolonged conflict could destabilize the region and threaten China's interests.
- **Long-term damage:** Supporting the junta could harm China's image and future relations with Myanmar's people.

It's important to note that China's support for the junta is not absolute. China has also publicly called for a peaceful resolution to the crisis and engaged with the National Unity Government in limited ways. Ultimately, China's approach is likely to remain pragmatic and focused on protecting its interests in the region.

India's Myanmar options:

- **Increased humanitarian aid:** This helps both displaced Myanmar citizens and reduces refugee pressure on India.
- **Policy recalibration:** Consider the realities of ongoing resistance, lack of strong leadership, and political fragmentation.
- **Engage with all stakeholders:** Consult the military, ethnic groups, and resistance forces for a comprehensive understanding.
- **Underlying theme:** India needs a new approach to Myanmar's complex situation beyond just its previous engagement with the military.

CONCLUSION: Three years after the coup, Myanmar remains in turmoil. Ethnic groups and resistance forces hold vast territory, discontent simmers, and regional powers play complex roles. China's support for the junta offers stability but faces challenges. India must adapt its approach, prioritizing humanitarian aid and engaging all stakeholders to navigate this fractured landscape. Building lasting peace will require a nuanced understanding of Myanmar's multifaceted realities.

INTERNATIONAL RELATIONS

CEREMONY, SUBSTANCE

CONTEXT: Emmanuel Macron's visit to India was primarily symbolic, as he filled in for US President Biden. India and France had already signed many agreements in 2023. The focus was on the ceremony and reaffirming their existing strategic partnership, with some new deals like co-producing helicopters and joint statements on regional issues.

BACKGROUND: Emmanuel Macron's visit to India as chief guest for Republic Day 2024 was largely symbolic, with a focus on ceremony and reaffirming their existing partnership. This was due to several factors, one of which was the short notice invitation: Macron filled in for US President Biden's declined invitation, leaving little time for substantial new agreements.

STORY SO FAR: Macron's visit to India was mainly symbolic due to short notice and existing agreements. The focus was on reaffirming their "Horizon 2047" roadmap for joint defence production, space cooperation, and technology transfer. They also signed MoUs on agriculture, digital health, and science. A joint statement condemned terrorism and expressed concern for regional issues. While major deals like nuclear cooperation weren't finalized, the visit solidified their partnership built on mutual respect and shared values.

SIGNIFICANCE: Despite lacking breakthroughs, Macron's visit cemented the Indo-French bond. The ceremony and reaffirmed commitments, showcased a partnership rooted in shared values and respect for autonomy. While some may call it a "missed opportunity," it reinforced a valuable friendship, paving the way for future progress.

INTERNATIONAL RELATIONS

MOMENTOUS RULING

CONTEXT: The International Court of Justice ruled Israel must prevent genocide in Gaza and provide humanitarian aid, despite not explicitly calling for a ceasefire. This follows South Africa's request to hold Israel accountable for potential violations of humanitarian law.

BACKGROUND: South Africa, concerned about potential genocide in Gaza during Israel's military operations, filed a case at the ICJ to hold Israel accountable for possible violations of international humanitarian law. The ICJ's ruling, while not explicitly calling for a ceasefire, binds Israel to prevent genocide and provide humanitarian aid.

STORY SO FAR: Despite no ceasefire call, the ICJ ruling binds Israel to prevent Gazan genocide and boost aid. South Africa's case against Israel for potential war crimes was vindicated. The order focuses on preventing genocide, including improved aid, and avoids a divisive ceasefire call. While Israel can still conduct legitimate military operations, it faces pressure to comply and avoid statements inciting genocide. This strengthens accountability for potential violations while allowing for self-defence. However, Israel's recent suspension of aid to UNRWA raises concerns about undermining humanitarian efforts.

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SIGNIFICANCE OF THE ICJ RULING ON ISRAEL AND GAZA:

- **Momentous and Binding:** The ICJ ruling, despite not explicitly calling for a ceasefire, holds momentous significance as it binds Israel to prevent acts of genocide in Gaza. This marks a critical step in holding Israel accountable for potential violations of international humanitarian law.
- **Preventing Genocide:** The order focuses on preventing genocide, encompassing acts like killing civilians, inflicting serious harm, and creating conditions for their destruction. This puts pressure on Israel to change its approach towards the conflict and prioritize protecting Palestinian lives.
- **South Africa's Vindicated Role:** South Africa's initiative to initiate this case stands vindicated, showcasing the possibility of challenging powerful nations on matters of human rights and international law.
- **Increased Scrutiny and Accountability:** The order requires Israel to improve humanitarian aid and avoid inciting statements, subjecting its actions to increased scrutiny and potentially promoting future accountability for any non-compliance.
- **Precedent and Comparison:** While no identical precedent exists, the ruling draws parallels with past ICJ actions, such as the Nicaragua v. United States case where the court condemned the US for assisting Contra rebels and ordered it to cease such activities.

POTENTIAL IMPACT:

The ruling could have several potential impacts:

- **Shifting public opinion:** Increased international pressure on Israel could influence public opinion globally and within Israel itself, potentially fostering support for a more peaceful resolution.
- **Enhanced legal framework:** The order could set a legal precedent, strengthening the framework for preventing genocide and protecting civilians in armed conflicts.
- **Diplomacy and negotiation:** The focus on preventing genocide could offer a new angle for diplomatic efforts and negotiations seeking a lasting solution to the Israeli-Palestinian conflict.

UNCERTAINTIES AND CHALLENGES:

- **Compliance:** Israel's record of defying international rulings raises concerns about potential non-compliance and the need for further pressure to ensure implementation.
- **Ceasefire and escalation:** While not explicitly demanded, the ruling's focus on preventing genocide could indirectly contribute to a ceasefire or, conversely, lead to further escalation if Israel feels its security threatened.
- **Long-term resolution:** Addressing the root causes of the conflict remains crucial for achieving a lasting peace, and the ICJ ruling, while significant, is only one step in this complex process.

SIGNIFICANCE OF ICJ RULING TO INDIA

The ICJ ruling could nudge India to re-evaluate its pro-Israel stance due to increased international pressure,

domestic public opinion favouring Palestine, and the ruling's alignment with India's values of human rights. However, India's strategic partnership with Israel, limited leverage in the conflict, and domestic political dynamics pose challenges. Ultimately, navigating this complex situation demands careful diplomacy and aligning with the international community's efforts for lasting peace. While a complete shift away from Israel is unlikely given India's deep relation with it, a more nuanced approach is possible.

CONCLUSION: The ICJ ruling's impact on India is complex, offering a chance to re-evaluate its stance while navigating strategic ties and domestic considerations. While a complete shift away from Israel is unlikely, a more balanced approach, aligned with international efforts, could pave the way for a more peaceful future in the region. Ultimately, India's role lies in fostering dialogue and supporting a just resolution for both Palestinians and Israelis.



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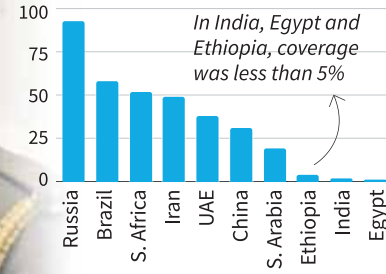
ONLY 1 % WOMEN SCREENED FOR CERVICAL CANCER IN INDIA



Need for more tests

The data for the charts were sourced from the National Family Health Survey and the World Health Organization

Chart 2: The share of women aged 30-49 who were screened for cervical cancer as of 2019 in BRICS nations



Precautionary step: A police officer gets tested for breast cancer as part of an awareness camp in Chennai.
K. PICHUMANI

Table 1: The share of women aged 15-49 who underwent specific screening tests for cancer in 2019-21, across States

	Cervix	Breast	Oral
Punjab	1.9	0.3	0.4
UP	1	0.3	0.6
Himachal	0.7	0.3	0.3
Haryana	0.5	0.2	0.3
Delhi	0.4	0.2	0.7
J&K	0.3	0.2	0.6
Rajasthan	0.3	0.1	0.2
Uttarakhand	0.3	0.1	0.3
MP	0.7	0.5	0.7
Chhattisgarh	0.3	0.2	0.2
Odisha	0.7	0.1	0.2
Bihar	0.5	0.2	0.3
Jharkhand	0.4	0.1	0.2
WB	0.1	0.1	0.1
Mizoram	3.8	1.6	0.7
Manipur	1.3	1	0.6
Arunachal	0.7	0.3	0.4
Meghalaya	0.4	0.3	0.4
Sikkim	0.5	0.2	0.6
Tripura	0.4	0.3	0.4
Assam	0.2	0.2	0.2
Nagaland	0.2	0.2	0.3
Maharashtra	1.7	1	1
Goa	0.9	1	0.5
Gujarat	0.2	0.1	0.2

	Cervix	Breast	Oral
Tamil Nadu	7	3.8	0.9
Andhra	3.2	0.6	5
Kerala	2.3	1.5	0.5
Telangana	2.1	0.3	1.8
Karnataka	0.5	0.2	0.4
India	1.2	0.6	0.7

Chart 3: Share screened for breast cancer in Tamil Nadu, across age-groups

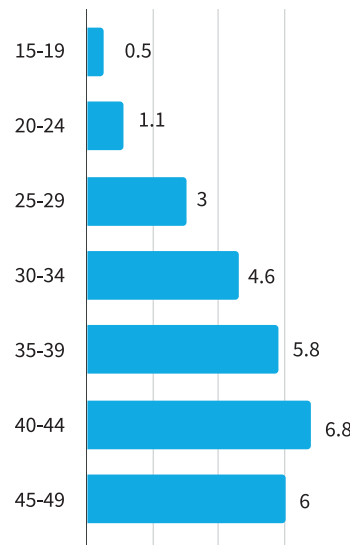


Chart 4: % tested for cervical cancer in TN, across years of schooling

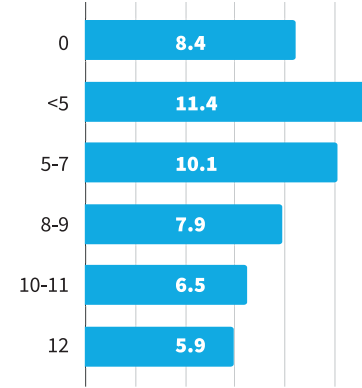
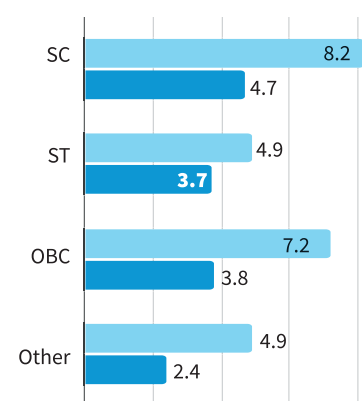


Chart 5: Share of women screened for cervical and breast cancer in Tamil Nadu, across social groups



INTERNATIONAL RELATIONS

WHAT ARE THE RBI'S GUIDELINES ON STATE 'GUARANTEES'?

CONTEXT: On January 16, the Reserve Bank of India (RBI) Working Group recommended to address issues relating to guarantees extended by State governments. The Working Group prescribed a uniform reporting framework for the guarantees extended, besides expanding the definition of what constitutes a 'guarantee.'

What constitutes a 'guarantee'?

A 'guarantee' is contingent liability of a State, processed by an accessory contract, that protects the lender/investor from the risk of borrower defaulting. They promise to be answerable for the debt, default or miscarriage of the latter. The entity to whom the guarantee is given is the 'creditor', the defaulting entity on whose behalf the guarantee is given is called the 'principal debtor' and the entity giving the guarantee (State governments in this context) is called the 'surety'.

The RBI working group's report notes that while guarantees are innocuous in good times, it may lead to significant fiscal risks and burden the State at other times. This may result in unanticipated cash outflows and increased debt. State governments are often required to sanction, and issue guarantees, on behalf of State-owned enterprises, cooperative institutions, urban local bodies and/or other State-governed entities, to respective lenders. The latter could be commercial banks or other financial institutions. In return, the entities are required to pay a guarantee fee to the governments.

What about definition of guarantee?

The Working Group suggested to use the term 'guarantee' in a broader sense and include all instruments, by whatever name they may be called, if they create obligation on the guarantor (State) to make a payment on behalf of the borrower at a future date. No distinction should be made between conditional or unconditional, or financial or performance guarantees in order to assess the fiscal risk.

What about according guarantees?

The Working Group has recommended that government guarantees should not be used to obtain finance through State-owned entities, which substitute budgetary resources of the State Government. Additionally, they should not be allowed to create direct liability/de-facto liability on the State. It further recommends adherence to the Government of India guidelines that stipulate that guarantee be given only for the principal amount and normal interest component of the underlying loan. Furthermore, they must not be extended for external commercial borrowings, must not be extended for more than 80 % of the project loan and must not be provided to private sector companies/ institutions.

What about risk determination?

The Group suggested that States assign appropriate risk weights (indicative of the holding the lender should ideally have to adjust the associated risk) before extending guarantees. The categorisation could be high, medium or low

risk. These must also consider past record of defaults.

Additionally, it deemed a ceiling on issuance of guarantees as "desirable." The report argues that should a guarantee be required to be invoked, it could lead to significant fiscal stress on the State government. To manage the potential stress, for incremental guarantees (additional guarantees) issued during a year, it proposes a ceiling at 5% of Revenue Receipts or 0.5% of GSDP — whichever is less.

What about disclosures?

The Working Group has recommended that the apex banking regulator may consider advising banks/NBFCs to disclose the credit extended to State-owned entities, backed by State-government guarantees. Availability of data, both from issuer and the lender, the report states, may improve the credibility of the data reported by the State government. It has also sought a proper database capturing all extended guarantees.

INTERNATIONAL RELATIONS

ANALYSING CHINA'S TIES WITH AFRICA

CONTEXT: Wang Yi, the Chinese Minister of Foreign Affairs visited four African countries, Egypt, Tunisia, Togo and the Ivory Coast from January 13-18, marking his 11th annual trip to Africa to enhance economic and security cooperation with the continent.



Why is Africa China's first stop for the past 34 years?

In the 1950s and 60s, China provided crucial support to African liberation movements against colonial powers, building ideological and political ties. During the 1970s, African nations played a decisive role in supporting China's successful campaign to replace Taiwan on the UN Security Council. This solidified the bond between the two continents. From the late 1990s onward, China's "Go Out Policy" prioritized foreign investment, leading to a surge in Chinese companies entering the African market. The focus shifted from ideology to economic engagement.

The Forum on China-Africa Cooperation (FOCAC) has been instrumental in solidifying and expanding economic and diplomatic ties between China and African countries. Its evolution from focusing on trade and aid to encompassing “mutual security assistance” reflects the depth and breadth of the relationship. The Belt and Road Initiative (BRI) with 52 signatories among African countries has further amplified China’s engagement with Africa, fostering infrastructure development and increasing connectivity. China’s economic dominance in Africa is undeniable, with over one-fourth of its raw material exported to China. Between 2000 and 2022, loans worth \$170.08 billion were granted by China to 49 African countries. This dependency raises questions about resource management and economic diversification for African nations. The presence of a Chinese military base in Djibouti marks a significant shift in China’s role in Africa. It demonstrates China’s growing strategic interests beyond purely economic partnerships.

What was the visit about?

Wang Yi’s visit to Africa had multiple objectives. The major agenda was to

- Implement the outcomes of the China-Africa Leaders Dialogue held in August 2023 in Johannesburg, South Africa.
- Execution of three initiatives, including support for Africa’s industrialisation, agricultural modernisation, and cooperation on talent development.
- Communicated its intention to be a global actor, mediating peace in Gaza.

What are China’s objectives in Africa?

First, access to key resources. Africa supplies 90 % of the world’s cobalt and platinum, and 75 % of coltan, essential for electronics. China has the largest refineries in Africa for rare earths and minerals that are vital to its emerging tech industry. The dominance in the mining sector has made the U.S. dependable on China for key minerals from Africa.

Second, the African alliance and its geopolitical aspirations. In the UN General Assembly, Africa is the largest bloc and has the power to swing resolutions on contentious issues like the South China Sea. Africa has been vocal in supporting China in the international arena including its “One China” policy for Taiwan and Hong Kong.

Third, strengthening the Yuan (RMB). China is encouraging Africa to trade in Chinese currency. The RMB offers cross-border yuan-based “panda bonds,” by which foreign governments can issue funds from China at lower interest rates. Additionally, China’s debt restructuring of Zambia’s \$4.1 billion loan has incentivised borrowers towards RMB. With lower Chinese interest rates and the depreciation of African local currency, the RMB stands as an alternative to the dollar.

Fourth, commercial opportunities. Africa imports largely from China for finished goods. The African markets for Chinese exports are beneficial for the Chinese economy. Africa’s young population and cheap labour force support Chinese exports globally and in Africa.

What does the visit mean for Africa?

Africa receives investment, trade and development aid from China in return for natural resources. China has also become a significant source of foreign direct investment. Chinese-built infrastructure and industrial parks have provided employment opportunities and has made the idea of “Made in Africa” a reality. Additionally, Chinese support in advancing hybrid crops helped Africa further its agricultural sector. In Africa, cooperation with China is perceived with a high degree of mutual trust and as a ‘win-win partnership’. Besides, the China-Africa partnership featuring non-intervention has gained momentum across the continent. Chinese disregard for imposing political conditionality on development aid, unlike the West, has given opportunities to African countries to secure their interests. However, the West has voiced fears that Chinese investments are predatory, hinting at debt traps. Although some countries including Kenya and Zambia have poorly managed their debt, other African countries have manageable debt arrangements with China. However, the Chinese debt trap narrative cannot be outrightly dismissed. Besides, Chinese ‘non-interference’ rhetoric has given several authoritarian regimes in Africa a space to stay in power.

SCIENCE AND TECHNOLOGY

WHAT IS END-TO-END ENCRYPTION AND HOW DOES IT SECURE INFORMATION?

CONTEXT: End-to-end (E2E) encryption in particular protects information in a way that has transformed human rights organisations’, law-enforcement agencies’, and tech companies’ outlook on their ability to access information about individuals to protect, prosecute or profit from their engagement, as the case may be.

What is E2E encryption?

E2E is encryption that refers to particular locations between which information moves. Say you are chatting with your friend on a messaging app. When you send a message, it first goes to a server maintained by the company that built the app; based on its instructions, the server routes the message to your friend. In this setup, two important forms of encryption are encryption-in-transit and E2E encryption.

Encryption-in-transit means before a message is relayed from the server to you (or vice versa), it is encrypted. This scheme is used to prevent an actor from being able to read the contents of the message by intercepting the relay. In E2E encryption, the message is encrypted both in transit and at rest — that is when being relayed from your phone to the server (or vice versa) and when it is sitting inside the server. It is only decrypted when your friend receives the message.

How is information encrypted?

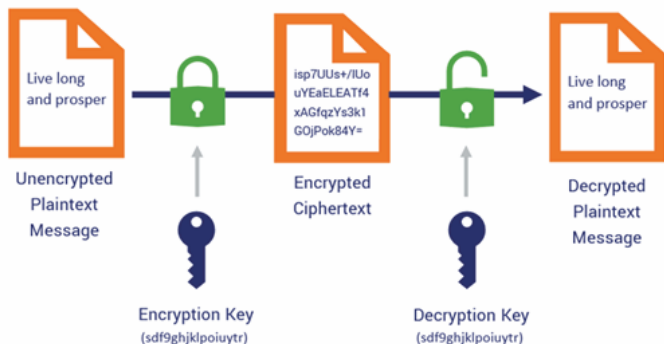
There are several ways to encrypt information depending on the level of secrecy and protection required. If some information is to remain encrypted for 100 years, a computer must require more than 100 years to decrypt it without the key.

How Asymmetric Encryption Works



Asymmetric encryption will work as long as the private key and the correspondence between the public key and the private key are kept secret. In advanced implementations of asymmetric encryption, this correspondence is 'stored' in the solution of a mathematical problem that even a computer would require a long time to solve. It is useful when the sender and the recipient are different. The level of protection it confers is greater the longer the key is.

How Symmetric Encryption Works



Can E2E encryption be 'cracked'?

Messaging apps with E2E encryption promise that even their parent companies won't be able to read messages sent and received by its users. However, the informational content of the messages can still be acquired in other ways.

A common example is the man-in-the-middle (MITM) attack. This is related to the example earlier of an unnoticed man in the middle of the room jumping up to intercept your message to your friend. In that instance, the man didn't have the key and couldn't decrypt the message. In an MITM attack, this man is the attacker and he has been able to acquire the key to decrypt the message, either by hacking your device to obtain the encryption key as well as the correspondence between the encryption and decryption keys or by hacking your friend's device to acquire the decryption keys. MITM attacks can be prevented by using and comparing fingerprints. Each fingerprint is some data that uniquely identifies a key. Users can compare the fingerprints of their public keys in a separate channel (that is different from the one susceptible to an MITM attack) to make sure an attacker doesn't intercept a message, modify it, re-encrypt it with a different key and send it to the recipient.

Another issue with E2E encryption is that it could induce complacency in a user who believes an attacker can't access, say, an image they're sending over a messaging app in any other way. Since the image may be stored on the sender's device, an attacker can hack the device to obtain it. Some potent malware can also 'snoop' on your messages by infiltrating your device via other means, an SMS, and reading them before they are encrypted.

Finally, the company that installs E2E encryption on its products can install a backdoor or an exception that allows the company to surmount the encryption and access the messages. Such a thing may be required by law, such as companies being expected to retain and, in the event of litigation, share that information with lawyers. Illegal use also abounds, of course, such as that exposed in the Edward Snowden affair in 2013. The whistle-blower revealed, for example, that Skype had installed a backdoor on its application that allowed it to access and make copies of the contents of messages to share with the U.S. National Security Agency even though the messages were E2E-encrypted.



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