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## POLITY GOVERNANCE

## LEAVE BENEFITS FOR WOMEN IN ARMED FORCES MADE UNIFORM

**CONTEXT:** Rajnath Singh, the Defense Minister, has given his approval to a proposal that ensures women soldiers, sailors, and air warriors receive maternity, childcare, and child adoption leave equivalent to that of officers.

**BACKGROUND:** Presently the women officers in defence forces have certain benefits. Currently, female officers are entitled to 180 days of fully paid maternity leave for each child, up to a maximum of two children. They also receive 360 days of childcare leave during their entire service career, provided the child is below 18 years of age. Additionally, a 180-day child adoption leave is granted for adopting a child below one year of age.

**STORY SO FAR:** Indian Defence Minister Rajnath Singh has granted approval for extending maternity, childcare, and child adoption leave to women soldiers, sailors, and air warriors, aligning their benefits with those of officers. This decision, in line with Singh's vision of inclusive participation, aims to improve working conditions for women in the armed forces, facilitating a better balance between their professional and family lives.

This initiative reflects a paradigm shift toward gender inclusivity in India's military. The armed forces are embracing the bravery, dedication, and patriotism of women soldiers, sailors, and air warriors in diverse roles, from operational deployment in Siachen to serving on warships and excelling in various fields. Notably, in 2019, women were recruited in the Indian Army's Corps of Military Police, marking a significant milestone.

**CONCLUSION:** The decision to grant maternity, childcare, and child adoption leave to women soldiers, sailors, and air warriors on a par with the officers is a welcome step towards inclusive participation of women in the armed forces. It will help women in the military balance their professional and family lives in a better manner, and empower them to contribute more meaningfully to the defense of the nation.

## POLITY GOVERNANCE

## KERALA GOVERNOR TO REBUT GOVT.'S PLEA IN SC

**CONTEXT:** Govt. of Kerala had approached the Supreme Court regarding occupants of Raj Bhavan creating hurdles in decision making and also citing Justice Punchi Committee report.

**STORY SO FAR:** Kerala Governor Arif Mohammed Khan and the Left Democratic Front (LDF) government are locked in a dispute over the governor's withholding of assent to Legislative Assembly Bills. The government has filed a case with the Supreme Court, alleging that the Raj Bhavan is obstructing decision-making processes. The governor has signaled that he will strongly oppose the government's assertion that he neglected his constitutional obligations.

The dispute has its roots in the Justice Punchi Committee report, which was commissioned by the government to review the functioning of the Raj Bhavan. The report found that the governor had been overstepping his authority and interfering in the government's functioning. The government has accused the governor of acting in a politically partisan manner by withholding assent to Bills passed by the Assembly.

The governor has defended his actions, arguing that he is entitled to withhold assent to Bills if he believes that they are unconstitutional or against the public interest. He has also accused the government of trying to undermine his authority.

The Supreme Court's involvement in the dispute is likely to have a significant impact on the relationship between the governor and the government. The court's ruling could clarify the governor's powers and responsibilities, and help to resolve the deadlock between the two sides.

**ADDITIONAL INFORMATION:** The governor is the Constitutional Head of the State, but constitutionally he is expected to act on the aid and advice of the Chief Minister who enjoys real powers. He is appointed by the President of India and acts on the advice of the state government except where the Constitution mandates him to act on his own discretion.

The LDF government is a coalition led by the Communist Party of India (Marxist). It has been in power in Kerala since 2016.

The Justice Punchi Committee report was submitted to the government of India.

The governor has withheld assent to several Bills passed by the Assembly in recent years, including a Bill to remove him as the Chancellor of state universities.



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The Supreme Court is currently hearing the government's case against the Raj Bhavan. The court is likely to issue a ruling in the coming months.

**SIGNIFICANCE:** The outcome of the dispute is likely to have a significant impact on the future of governance in Kerala. If the Supreme Court rules in favour of the government, it could weaken the governor's position and make it easier for the government to pass legislation. If the court rules in favour of the governor, it could strengthen his position and lead to a more adversarial relationship between the Governor and the government.

## ECOLOGY

### TIDING OVER

**CONTEXT:** As the annual air quality crisis hits Delhi and surrounding regions, challenges persist despite some improvements, requiring a coordinated approach.

**BACKGROUND:** Delhi and parts of surrounding states encounter their annual air quality inflection point in November. Air pollution crisis has devolved into a stalemate with no clear solution. CAQM, the body tasked with addressing the issue, has limited powers. November remains to be the critical month for pollution. Concerted approach needed to address challenges of November, beyond stubble burning.

**MAJOR ISSUES:** Delhi and surrounding states face their annual air quality crisis in November, when the southwest monsoon has receded and pollutants from human activities accumulate in the air. Despite studies and executive actions, the crisis has devolved into a stalemate. The CAQM, tasked with addressing the issue, has limited powers and can only recommend measures.

While air quality in Delhi from January to October this year was the best in six years, the number of days in November when air quality becomes severe has remained the same. Measures to curb pollution have been taken, but November remains the critical month. Incidents of stubble burning are down this year, but are expected to increase in the coming weeks.

Beyond stubble burning, there are other daunting challenges, such as vehicular pollution and construction dust. Tackling November's air pollution crisis may mean hard measures and greater inconvenience. The CAQM needs to assert its independence and ensure greater coordination and compliance within Delhi and the surrounding states to address the challenge.

**CONCLUSION:** Delhi and surrounding states face a severe air pollution crisis in November. Despite measures taken to curb pollution, the crisis has remained the same. The CAQM needs to take a more assertive role in addressing the issue.

## ECONOMICS

### REVENUE REBOUND

**CONTEXT:** Gross Goods and Services Tax (GST) revenues hit their second highest monthly tally in October at a little over ₹1.72 lakh crore, breaking a few long- and short-term trends.

**STORY SO FAR:** GST revenues in October at ₹1.72 lakh crore hit their second highest monthly tally, reflecting a 13.4% uptick over last year's kitty, the highest so far in 2023. This reverses a persistent deceleration in revenue growth seen through the second quarter of this financial year. The Finance Ministry will hope that this growth rate pick-up sustains so that its 2023-24 fiscal math gets some buffer from any possible spending or subsidy shocks.

Last month's mid-year indirect tax collections bely a pattern that the highest revenues are received in April as businesses close their books of accounts for the financial year. Year-end compliances had propped up this April's kitty to a record ₹1.87 lakh crore. The entire bump up in October's revenues, stemming from transactions undertaken in September, may not be ascribed to a consumption spike at the onset of the festive season.

Experts believe the Revenue Department's continuing crackdown on the non-compliant, and a September 30 deadline for settling any disputes that may have arisen since the GST regime's launch in 2017-18, also played a role. However, there is some indication of a recovery in domestic demand. While revenues from domestic transactions and services imports grew 13%, the revenue growth from imports that the Finance Ministry did not explicitly disclose, was sharper at 13.94%.

This is not only the fastest uptick in at least nine months but also marks only the third time in seven months that goods import revenues have grown. Some of this must reflect a rebound in discretionary demand, even if this may be largely for premium or high-end goods rather than a broad-based bump. If this sustains through the festive season, revenues could hold up even if companies are reporting some weakening of demand growth in October in consumer goods, especially in rural areas.

A new amnesty scheme to settle a limited set of GST demands, unveiled last week for taxpayers who failed to appeal them in time, may also bolster the kitty as it mandates firms to deposit an additional amount of the disputed levy for consideration.

**CONCLUSION:** The growth in GST revenues in October is a positive sign for the Indian economy. It indicates that there is some recovery in domestic demand and that the Revenue Department's crackdown on the non-compliant is paying off. If the growth in revenues sustains through the festive season, it will provide a buffer to the government's fiscal math in 2023-24.

*“Doing nothing is very hard to do. You never know when you're finished.”—Leslie Nielsen*

## INTERNATIONAL RELATIONS

## MUCH TO LOSE IF THE 'INDIAN VETERANS IN QATAR' CASE FESTERS

**CONTEXT:** Eight former Indian Navy officers sentenced to death in Qatar on espionage charges. Case politically motivated and damaging India-Qatar relations. Indian government should secure their release.

**STORY SO FAR:** Eight former Indian Navy officials were sentenced to death by a Qatari court, posing a diplomatic challenge for India. The veterans were working in Qatar for a company that provided training to the Qatar Emiri Naval Forces. They were arrested in September 2022 and sentenced to death in October 2023 on charges of espionage. India has provided them with legal assistance and is appealing to the Emir of Qatar for a pardon.

### IMPACT ON DIPLOMATIC TIES

The impact on diplomatic ties between India and Qatar could be significant if the case of the eight Indian Navy veterans sentenced to death in Qatar is not settled on mutually acceptable terms. This could have a negative impact on India's nuanced position on the ongoing Israel-Hamas war and support to the Palestinian cause, as well as Qatar's emerging role in working out a rapprochement between the Arab world and Israel. It could also lead to radical elements inimical to both countries occupying the space left behind by Dabra Global Technologies. India's political leadership should rise to the challenge and appeal to the Emir of Qatar for a complete and unconditional pardon for all eight naval veterans. This would be in the best interest of both countries.

## POLITY GOVERNANCE

## A LEAF OUT OF NEW ZEALAND'S VOTING SYSTEM

**CONTEXT:** A split voting system, such as the one in New Zealand, could allow voters to choose candidates based on merit while ensuring that their party preference determines legislative composition.

### ODISHA'S UNIQUENESS

Odisha and Auckland are different in many ways, but they share a common political behavior: split voting. This means that voters cast different votes in Lok Sabha and State Assembly elections. In Odisha, this can be seen in the 2019 elections, where the BJD led in 88 out of 146 Assembly Constituencies for Lok Sabha votes, but won 113 out of 146 Assembly Constituencies for Assembly votes.

### MMP SYSTEM

The mixed member proportional (MMP) system used in New Zealand allows voters to cast two votes: a 'party vote' to determine the overall composition of Parliament and an 'electorate vote' to elect a local MP. This system allows voters to

split their vote, meaning they can vote for a different party in each category.

In the recent parliamentary elections, Auckland Central voters exhibited a clear split pattern. They chose Chlöe Swarbrick from the Green Party as their local MP but favoured the National Party in their party vote. This suggests that voters are mindfully and diversely casting their votes, and that the MMP system allows for more nuanced voting patterns.

Overall, the MMP system allows voters to have more control over their votes and ensures that Parliament is more representative of the population as a whole.

### ADVANTAGES OF MMP

The Mixed Member Proportional (MMP) electoral system has its share of criticism, including the potential for tactical voting, where voters might support a party they don't fully endorse to keep another out of power. However, the benefits of MMP seem to outweigh these drawbacks.

First, it allows for more localized accountability for elected representatives, as they can't solely rely on party affiliation.

Second, it promotes policy-focused campaigns since parties don't need to prioritize individual candidate winnability.

Third, MMP improves representation for marginalized groups like women, indigenous communities, and differently-abled individuals. New Zealand, for example, saw a significant increase in female and Maori representation after implementing MMP.

Fourth, MMP enhances democracy by allowing voters to express diverse political preferences without wasting their votes, as every party vote counts. Fifth, it offers flexibility, allowing voters to choose both a party and a candidate, independently.

Finally, MMP has lowered the average age of MPs in New Zealand, thanks to a lower entry barrier for young politicians.

In the Indian context, where compulsory voting can limit voter liberty, a split voting system could provide a solution. It would enable voters to select candidates based on merit while ensuring their party preference still influences legislative composition. This nuanced approach aligns with the essence of democracy, offering voters diverse choices. Although historical concerns exist regarding split voting in India, recent political behavior in states like Odisha indicates a growing willingness to embrace such nuanced choices.

### SIGNIFICANCE

The mixed member proportional (MMP) system used in New Zealand has several advantages over the first-past-the-post (FPTP) system used in India. The MMP system allows for more localized accountability for elected representatives, policy focus, improved representation for minority groups, enhanced democracy, flexibility, and a younger and more diverse Parliament.

A split voting system could offer a solution to some of the challenges of the Indian electoral framework, such as

compulsory voting and the reluctance of voters to vote for candidates outside their preferred party. It would allow voters to choose candidates based on merit while ensuring that their party preference determines legislative composition.

The essence of democracy lies in offering nuanced and, if need be, diverse choices. The ability to distinguish between candidate and party signifies a mature democracy. Although historically, the Indian electorate might have been wary of split voting, contemporary political behavior, as seen in Odisha, indicates an eagerness to embrace such nuanced choices.

India could learn from the MMP system and consider adopting a similar split voting system. This would allow voters to have more control over their votes and ensure that Parliament is more representative of the population as a whole.

## POLITY GOVERNANCE

# AHEAD OF FATF REVIEW, CENTRE TAKES MEASURES TO IMPLEMENT SUGGESTIONS

**CONTEXT:** On May 3 this year, the Finance Ministry had issued a notification designating the three categories of finance professionals as 'persons carrying on a designated business or profession' under the Prevention of Money Laundering Act (PMLA).

Ahead of India's mutual evaluations by the Financial Action Task Force (FATF), the Union government has taken several measures to implement the intergovernmental body's recommendations, which includes notification of practising chartered accountants, company secretaries, and cost and management accountants as reporting entities made following the 2010 review.

The FATF carries out the review to determine whether its recommended measures to curb money laundering and terror financing have been taken by the member country and if they are effective. The law provides that a 'reporting entity' means a banking company, financial institution, intermediary, or a person carrying on a designated business or profession.

Through another notification on May 9, the Centre brought five activities under the same preview. They included acting as a formation agent of companies and limited liability partnerships (LLP); and acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a firm, or a similar position in relation to other companies and LLPs.

Under the PMLA, a reporting entity has to maintain a record of all transactions (for five years), and documents evidencing the identity of its clients and beneficial owners, account files and business correspondence with them, and furnish information as and when sought by the designated authority.

Section 12AA of the Act lays down the additional responsibilities of a reporting entity. Prior to the commencement of each specified transaction, it has to verify the identity of its clients; examine the ownership and financial position, including sources of funds of the client; and record the purpose behind the specified transaction and the intended nature of relationship between the transacting parties. If the client does not fulfil the conditions, the reporting entity must disallow the specified transaction. If the transaction is suspicious or likely to involve proceeds of crime, the entity has to increase the future monitoring of the business relationship with the client, including greater scrutiny of transactions. The information gathered while applying these enhanced due diligence measures has also to be maintained for five years.

## ECONOMICS

# HINDSIGHT BIAS AND THE EQUITY MARKETS

**CONTEXT:** The intricacies of global equity markets, especially in the Indian context, extend beyond headline-grabbing factors such as surging bond yields

**BACKGROUND:** The meltdown in global equity markets have raised concerns about the Indian market. The Indian equity market has faltered in recent months, despite the global market recovery. There are a number of factors contributing to this, including:

1. **An overvalued Indian Rupee,** with a strong Rupee compared with its main export competitors, make Indian exports more expensive to foreign trade partners.
2. **Post-COVID recovery:** The K-shaped post-pandemic recovery trajectory with non-contact intensive sectors strongly rebounding, while a sluggish growth observed in the contact intensive sectors. This has led to a decline in consumption, as the middle class faces financial strain and looming job losses in India's top IT firms.
3. **Conflict in West Asia:** Tensions in West Asia have put the markets on edge, with auto-gas prices surging and industries like tyres, paints, and chemicals likely to face impact on sales and profit.
4. **Rising inflation:** Inflation is on an upward trajectory, particularly in food and services, which comprise more than 70% of the consumption basket. This trend may persist during the next six months.
5. **FII, FI investments:** While foreign institutional investors (FIIs) are divesting, Indian retail investors, mutual funds, and domestic institutional investors are purchasing. However, the upside potential for Indian equity seems limited, and there's minimal hope for substantial FII investments in the foreseeable future.

## Key factors to watch in the Indian equity market in the coming months

1. **Global market conditions:** The Indian equity market is closely linked to global markets, and any deterioration in

global conditions could lead to further downturns.

2. Rupee-valuation discrepancies: The overvalued rupee is a major concern for Indian exporters, and any further appreciation of the rupee could further hurt exports.
3. Post-pandemic recovery patterns: The K-shaped recovery is likely to continue in the coming months, and this could weigh on consumption.
4. Household savings dynamics: Dwindling household savings could further suppress consumption, which is a major driver of the Indian economy.
5. Geopolitical strains: Tensions in West Asia and other parts of the world could remain elevated, and this could have a negative impact on the Indian equity market.
6. Inflationary pressures: Inflation is likely to remain elevated in the coming months, and this could further erode consumer purchasing power.
7. Contrasting behavior of foreign and domestic investors: The contrasting behavior of foreign and domestic investors is a cause for concern. If FIIs continue to divest, it could put further pressure on the Indian equity market.

**CONCLUSION:** The Indian equity market is facing a number of challenges, both global and domestic. Investors should be cautious and adaptable in the face of these evolving circumstances. Investors should focus on quality stocks with strong fundamentals and healthy balance sheets. It is important to diversify one's portfolio across sectors and asset classes. Investors should avoid making any hasty decisions, and they should consult with a financial advisor before making any investment decisions.

## SCIENCE AND TECHNOLOGY

# THE ZIKA GENOME AND INSIGHTS INTO THE ERA OF EMERGING OUTBREAKS

**CONTEXT:** The dengue virus and, the Zika virus, together infect up to around 400 million people every year. The Zika virus is a mosquito-borne flavivirus. Most infections in humans are asymptomatic or with mild symptoms, including fever, rash, and joint pain.

The Zika virus became notorious during the 2015-2018 outbreak that swept through the Americas. The Zika virus outbreak during the 2015-2018 was characterised by an alarming increase in the number of microcephaly cases in new-borns, prompting the World Health Organisation to declare it a public health emergency of international concern in early 2016.

Researchers isolated the virus in 1947 from monkeys from the Zika forest in Uganda. The first human cases were detected in 1952 in Uganda and Tanzania. There have since been multiple outbreaks around the world, but largely confined to the tropics.

Researchers sequenced the complete genome first in 2007. It has more than 10,000 bases of single-stranded RNA. It encodes for a large polyprotein, which is further cleaved into capsid, membrane precursor (prM), envelope, and seven non-structural proteins. The diagnosis of a Zika virus infection is mostly through genetic testing. An antibody-based test would be complicated because antibodies produced by the infection can cross-react with those of the dengue (DENV), yellow fever, and West Nile viruses.

## Epidemiology and surveillance

The Zika virus has an RNA genome, and thus a very high potential to accumulate mutations. The tools, techniques, and modalities we've developed to track the evolution, genetic epidemiology, and molecular underpinnings of transmission and pathogenesis could be extended to Zika virus outbreaks as well. Genomic studies have suggested that the Zika virus has two lineages: African and Asian.

## Zika and microcephaly

The small heads of children born to infected mothers has been one of the more alarming complications of a Zika virus infection. Earlier, based on studies with mice, researchers had suggested that a mutation in one of the precursor membrane proteins, called prM, of the Zika virus was associated with microcephaly. Researchers also suspected that this mutation originated during the outbreak in French Polynesia in 2013 before breaking out in South America, causing microcephaly.

## Making it attractive

Zika virus and DENV infections are interesting in their own right. In a beautiful demonstration of the interplay between organisms with significant public health consequences, researchers in Tsinghua University, suggested in a recent study in Cell that infections of two viruses in primates encourage specific microbes to grow on the skin by suppressing an antimicrobial peptide, RELM, on the skin. These microbes produce acetophenones, which are volatile molecules that could provide a chemical cue to mosquitoes, attracting them towards the individual and supporting forward transmission of the viruses.

A significant body of evidence suggests that a Zika virus infection can significantly increase the risk for severe dengue. Researchers exposed a large cohort of people in Nicaragua to both Zika and DENV one after the other, and found that while high levels of anti-DENV antibodies were protective, intermediate levels due to a prior Zika or DENV infection could significantly enhance the severity of dengue infections. This observation is of great public health significance because Zika and dengue circulate around the planet, and could inform the design of Zika vaccines.

As climate change helps drive the spread of vector borne diseases, and global warming brings environmental conditions that favour them to new places, our genomic technologies and such deep insights into the molecular pathogenesis of these viruses will be an important guiding light.



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