

PLUTUS IAS



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1. **Gol permits up to 74% FDI under automatic route in Defence Sector**

On September 17, 2020, the Government of India permitted Foreign Direct Investment of 74 percent under automatic route in the defence sector. This is being done to attract more overseas investors in the defence industry.

Highlights

Till date, the Government of India has permitted 100% foreign investments in the defence sector. Of this 49% were allowed under automatic route and above this an approval from the government was required. Now the share of this automatic route has been increased to 74%. The announcement of this decision was made by the department for promotion of industry and internal trade (DPIIT).

DPIIT

The DPIIT was established in 1995 as DIPP. DIPP is Department of Industrial Policy and Promotion. The following programs and schemes are being implemented by DPIIT

- Transport subsidy scheme: It was launched in 1971 to develop industrialisation in inaccessible areas, hilly areas and remote areas. The scheme has been discontinued since 2016.
- North East Industrial and investment promotion policy: this was introduced in 2007.
- North East Industrial Development Scheme: The scheme was initiated in April 2017 and to be implemented till 2022.
- The Industrial Corridor projects in India are being implemented by DPIIT
- The Geographical indication (GI) promotion activities are also taken up by DPIIT. So far the department has notified 370 GI applications as of August 2020.

Recent defence reforms in India

- The Government of India has introduced several defence reforms under Atma nirbhar Bharat Abhiyan. Some of the reforms are as follows
- a separate capital budget has been allocated for indigenous weapon procurement.
- The ordnance factory board has been corporatized.
- A negative list for the import of defence equipment in the country has been created. In simple words a negative list is a ban on the imports.

Why the reforms?

Being the second largest armed forces in the world India aims to achieve self-Reliance in defence production. India also aims to increase its defence Exports as the country is the third largest in the world in allocating defence budget.

2.Lok Sabha passes Farm Reform bills: Facts, Concerns and Benefits

On September 17, 2020, Lok Sabha passed two farm bills amidst the protests from the opposition. The bills were on agriculture market reforms and contract farming provisions. The bill to amend the essential commodities Act, yet another farm bill was passed on September 15, 2020.

Highlights

The Government of India had earlier introduced three ordinances. They were as follows

- Farmers Produce Trade and Commerce (Promotion and Facilitation) ordinance,
- Farmers (Empowerment and protection) Agreement on Price Assurance and Farm Services ordinance
- Essential Commodities (amendment) ordinance.

These ordinances are now being replaced by the bills. The introduction of bills in the Parliament brought in huge protests in the states of Punjab and Haryana. Following these protests, the minister of food processing industries Shrimati Harsimrat Kaur Badal resigned from her post.

What is the bill on the agricultural market?

Farmers Produce Trade and Commerce (Promotion and Facilitation) bill, 2020 is the bill on agriculture market

Benefits

- It will create a platform where the traders and farmers can buy and sell their farm produce outside their registered Mandi operating under agricultural produce Market Committee (APMC).
- It will promote interstate and intrastate trading of farmer produce.

- The bill will help to reduce transportation cost and help farmers get better prices.
- It'll also facilitate a framework for electronic trading.

Concerns

- According to the opposition, the states will lose their revenue as they will not be able to collect Mandi fees if the farmers sell their produce out of the registered APMC mandis
- This will eventually end the minimum support price system.

What is the bill on contract farming?

Farmers (Empowerment and protection) Agreement on Price Assurance and Farm Services bill, 2020, is the bill on contract farming.

Benefits

- The bill will help farmers enter into contract with agricultural business firms, wholesalers, food processors and large scale retailers.
- The small and marginal farmers in India account to 86 percentage of total farmers in the country. They are farmers with land less than 5 hectare. The bill will help these farmers gain by aggregation and contracts.
- It will help the farmers access modern technologies and get better inputs.
- The bill will reduce cost of marketing and will boost farmers income
- it will engage farmers in direct marketing by eliminating the intermediaries.
- The bill will also help in bringing up an effective dispute resolution mechanism with redressal timelines.

Concerns

- According to the position, the farmers currently engaged in contract farming are those who are weaker in terms of ability to negotiate what they need.
- The wholesalers, exporters, processes will have an edge in disputes.

3.Libyan Prime Minister resigns: Libyan crisis, Civil War, role of United Nations

The Libyan Prime Minister Fayez Serraj is to resign by the end of October 2020. The United Nations has welcomed his resignation.

Government of National Accord

The current Libyan government under the leadership of PM Fayez Serraj is called the Government of National Accord. This government was formed under the initiative of the United Nations in 2015.

Background

In 2011, the NATO forces toppled the Libyan leader Muammar Gaddafi during the Libyan civil war. Since then Libya has been experiencing intense turmoil and instability. It has become a breeding ground for Islamist groups and armed militias.

Current scenario

Currently, Libya has no single government. The Government of National Accord controls the Western parts of Libya from Tripoli. The Libyan National Army backed Tobruk based Parliament governs the Eastern parts of Libya.

What is the issue?

The United Nations backed government of national record failed to provide stability to Libya. Basically, the GNA has no security forces. The public administration does not exist under GNA. Very few banks operate in the regions. The regions are also facing abundant water, petrol and power shortages.

Libyan National Army

The National Army has already taken control of most of the oil fields in the Eastern part of the country. The army is backed by Saudi Arabia, Egypt, Russia and France. The army is headed by Field Marshal Khalifa Aftar. He is a Libyan American Soldier. He served in the Libyan Army under the leadership of Gaddafi

Significance of Libya

Libya has the largest oil reserve in Africa. It is also one of the largest Oil producers in the world. Instability in the country might affect oil prices globally. It will also impact India directly.

International response

The United States had ordered the evacuation of its troops that were stationed in Tripoli, the capital of Libya. India evacuated its peacekeeping forces that consisted of 15 CRPF personnel. In February 2020, the United Nations Security Council endorsed a 55-point roadmap to end war in Libya. This Resolution refrains all the countries from interfering in Libya's internal conflicts. The Cairo declaration was proposed by Egypt in June 2020. However, none of these resolutions and declarations were adopted.

4. President accepts Union Minister Harsimrat Kaur Badal's resignation

On September 17, 2020, the Union Food Processing Industries Minister Shrimati Harsimrat Kaur Badal resigned over the protest against the three farm sector bills. The President of India Ramnath Govind accepted the resignation under the advice of the Prime Minister Shri Narendra Modi.

Highlights

Further, under the advice of the Prime Minister, the President has directed the Union Minister Narendra Singh Tomar to be assigned the charge of Ministry of Food Processing Industries. Tomar already holds multiple portfolios such as Ministry of Agriculture and Farmer Welfare, Rural Development and Panchayati Raj.

Is Badal still a MP?

Yes. The Member of Parliament is first elected by the people and then later selected as a Minister. He or she takes two oaths, one before the chairman of Rajya Sabha or speaker of Lok Sabha as a member, two, before the president of India as a minister. When a Minister resigns his resignation will not affect his membership of parliament.

What is the issue?

The Government of India recently introduced the following bills

- Farmers Produce Trade and Commerce (Promotion and Facilitation) bill,
- Farmers (Empowerment and protection) Agreement on Price Assurance and Farm Services bill
- Essential Commodities (amendment) bill.

These bills have replaced the ordinances that were promulgated earlier. These bills have now been passed in Lok Sabha. Following the introduction of these bills in the Parliament there were huge protests in the states of Punjab and Haryana. Shrimati Harsimrat has resigned over this issue.

Are the prime minister and other ministers elected or appointed?

APPOINTED. The Prime Minister and other ministers in the Parliament are appointed by the President of India. Article 75 of the Indian Constitution says that the Prime Minister is the person appointed by the president. There is no specific procedure for his appointment. The president appoints a person as the Prime Minister who is either the leader of the party that holds majority in Lok Sabha or the person who wins confidence of Lok Sabha by gaining the support of other political parties. The president can also appoint the prime minister on his own discretion. However, this is possible only when no party has gained a clear majority in the Lok Sabha.

Types of ministers

The constitution of India does not categorise ministers into types. However, by practice there are four types of ministers in India. They are

- **Cabinet ministers:** these ministers of present and participate in every meeting of the cabinet.
- **Minister of state with independent charge:** he does not work under a cabinet minister. He attends the meeting of the cabinet only when a matter concerning his department is on the agenda.

- **Minister of state:** he works under a cabinet minister. He does not have any independent charge of any department. The works of these ministers are allotted by the cabinet minister.
- **Deputy minister:** he works under Cabinet Minister or minister of state with independent charge. The work of a deputy Minister is allotted by the Minister under whom he is working.

Constitutional provisions of resignation of minister

- The third Schedule of Government of India (Transaction of Business) Rules, 1961 says that the Prime Minister and other ministers of the union shall resign submitting a letter to the president of India.
- The Transaction of Business Rules were made under clause 3 of article 77. The rules were made for more convenient transactions of business by the Government of India. The rules dictate functions and appointments of the cabinet committee as well.
- Schedule 3 of the constitution speaks about Union Ministers, members of parliament, judges of supreme court, state ministers, Comptroller and Auditor General of India, etc.

5.India's first private Jet Terminal at New Delhi: Key Facts

On September 17, 2020, India opened its first exclusive private jet terminal at New Delhi Indira Gandhi International Airport. The Terminal was inaugurated by the Union Civil Aviation Minister Hardeep Singh Puri. The airport will allow movement of 150 jets on a daily basis. The new terminal has the capacity to handle over 50 passengers in an hour.

Need for the terminal

- The Ultra rich population of India has grown by 116% between 2013 and 2018. It is expected to increase more by 37% by 2023. Ultra rich individuals are defined as persons with the net worth of 30 million USD.
- It is expected that India's fleet of business jets will expand more than 900% by 2033. India will account for 1,320 aircrafts by 2033.

Due to the above reasons it is essential to increase the number of private jet terminals in the country.

About the new terminal

The new terminal has more than 57 dedicated Chartered aircraft parking bays. It is spread over an area of eight lakh square feet. According to DIAL, the new terminal can handle code C type of aircraft. Code C Aircrafts are 50-seater charter aircrafts. They are the biggest in their category The Terminal has been built at a cost of Rs 150 crores. Dial is Delhi International Airport Limited.

Security

The central industrial security force (CISF) that guards the Delhi airport is to provide security to the new terminal as well. Around 40-45 CISF armed personnel are to be deployed at the new terminal. The Terminal will have access to IT system integrated perimeter security control system in order to provide high standard security. The security system will also be Wi-Fi enabled

Current scenario

The new terminal has been in operation since July 2020. The Terminal is to start its operation from September 20, 2020 after a security nod from the Bureau of Civil Aviation security

What are aircraft codes?

The aircraft codes are provided by the International Air Transport Association (IATA) and International Civil Aviation Organisation (ICAO). They are generally two-, three- or four-character alphanumeric code.

6.Global Smart City Index: Indian cities slip; Singapore tops

On September 17, 2020, the Institute for Management Development along with Singapore University released the Smart City index for the year 2020. The report says that the Indian cities declined in their technological updates.

Key highlights

According to the report Indian cities slipped in their rankings. Hyderabad was at 85th position. The city was at 67th position in 2019. New Delhi slipped to 86th rank from 68th in 2019. Similarly, Mumbai and Bengaluru slipped from 78th and 79th position to 93rd and 95th position respectively.

Why the slipping?

According to the report, the slipping might have been due to the pandemic. The pandemic had a detrimental effect on these cities and on their technological advancements. Their technological advancements were not up to date. Out of the 15 indicators, the report says that air pollution is one of the key areas where these cities have to prioritise on. Mumbai and Bengaluru face severe road congestion. On the other hand, Delhi and Hyderabad lagged on basic amenities.

Key Highlights: World

The Smart City Index 2020 was topped by Singapore. It was followed by Helsinki and Zurich at second and third positions respectively. The other world cities that topped the list were Auckland at 4th position, Oslo at fifth position, Copenhagen at sixth, Genoa at seventh, Taipei at eighth, Amsterdam at ninth, and New York at tenth position.

What is a Smart City?

According to the Smart City Index, smart cities are those that apply technologies to diminish the shortcomings and enhance the benefits of urbanisation.

About Smart City index

This year the Smart City index has ranked 109 cities from all over the world. The index has been prepared by capturing perceptions of 120 residents in each City. The residents were chosen randomly. The Chosen residents were asked questions on technological provisions in their cities in five areas such as mobility, health and safety, activities, governance and opportunities.