



NEWS ANALYSIS

27 JULY 2024

Today's prelims practice Question

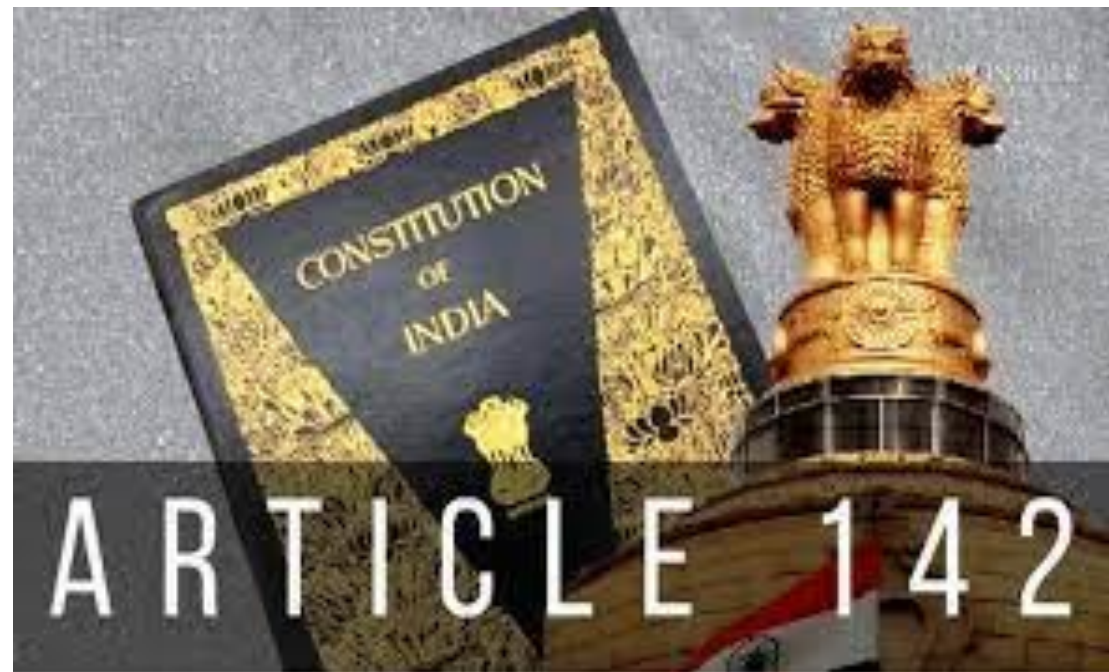
Article 142 of the Indian Constitution, sometimes in news is related to

- a) Appellate jurisdiction of Supreme Court in appeals from High Courts**
- b) Measures taken by the Supreme Court to do complete justice.**
- c) Original jurisdiction of the Supreme Court**
- d) Conferment on the Supreme Court of powers to issue certain writs**

Explanation

ARTICLE 142 OF THE CONSTITUTION OF INDIA

ARTICLE 142 deals with enforcement of DECREES and ORDERS of the Supreme Court and says that in exercise of its jurisdiction, it may pass order for doing COMPLETE JUSTICE in any matter pending before it.



Today's prelims practice Question

Which of the following countries borders Myanmar?

1.Thailand

2.Laos

3.Cambodia

4.China

Select the correct answer code:

a) 1, 2, 3

b) 1, 3, 4


c) 1, 2, 4

d) 1, 2

Discuss the reasons for India's high current account deficit and suggest ways to address it.

APPROACH OF THE ANSWER

1. Start your answer by introducing current account deficit.
2. Discuss reasons for high current account deficit in India and suggest measures to address it.
3. Conclude accordingly.

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- ❑ India, one of the fastest growing economies in the world, has been facing a persistent **high current account deficit (CAD)** in recent years. The current account, which **measures a country's transactions with the rest of the world**, reflects the balance of trade, net income, and net transfer payments.
 - ❑ In simple terms, a **high CAD indicates that the country is importing more goods and services than it is exporting** and relying on foreign capital inflows to finance the deficit.

Reasons for India's High CAD:

- ❑ **Widening Trade Deficit:** India's trade deficit, the **difference between exports and imports**, has been widening in recent years due to a surge in **imports of crude oil, gold**, and other commodities.
- ❑ The rising price of oil and other imported goods has contributed to the widening trade deficit, making it more difficult for India to balance its trade with the rest of the world.
- ❑ **Increase in non-essential Imports:** India has been importing more capital goods, intermediate goods, and consumer goods, which have been pushing up the current account deficit.
- ❑ **Low Exports:** India's **exports have remained sluggish due to a lack of competitiveness** in the global market and a **lack of investment in infrastructure and research and development**.

- ❑ This has resulted in a persistent trade deficit, contributing to the high CAD.
- ❑ **Depreciation of the Rupee:** A weaker rupee makes imports more expensive, leading to a higher current account deficit.
- ❑ **High fiscal deficit:** The high fiscal deficit in India has led to a higher current account deficit as the government has to finance its spending by borrowing from abroad.

Ways to Address the High CAD:

- ❑ **Boosting Exports:** The government can take steps to boost exports by **investing in infrastructure, improving the business environment, and promoting innovation.**
- ❑ This can be achieved by creating a favorable environment for investment, **reducing bureaucratic barriers, and providing incentives for exporters.**
- ❑ **Encouraging Inward Investment:** The government can encourage inward investment by **reducing the regulatory burden and providing a stable business environment,** by creating a favorable tax regime, improving access to finance, and reducing corruption.

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- ❑ **Controlling Imports:** The government can take steps to control imports by promoting domestic production, reducing import tariffs, and encouraging the use of local goods and services.
 - ❑ By creating a favorable **environment for investment**, reducing bureaucratic barriers, and **promoting innovation**.
 - ❑ **Encouraging Saving:** The government can encourage saving by promoting financial literacy, improving access to finance, and providing incentives for savings.
 - ❑ This can be achieved by creating a favorable environment for investment, reducing bureaucratic barriers, and promoting innovation.
 - ❑ **Increase Energy Security:** India needs to reduce its dependence on imported energy, which will **reduce its import bill and improve its CAD**.
 - ❑ This can be achieved by increasing domestic energy production, developing alternative energy sources, and improving energy efficiency.

Conclusion

- ❑ India's high CAD is a result of a combination of factors, including a widening trade deficit, low exports etc.
- ❑ To address this challenge, the government needs to take a multi-pronged approach, including boosting exports, encouraging inward investment, controlling imports, and encouraging saving.
- ❑ By taking these steps, India can reduce its dependence on foreign capital, improve its balance of trade, and become a more stable and sustainable economy.

Ahom dynasty from Assam make it to UNESCO World Heritage List

Royal burial mounds of the Ahom dynasty from Assam make it to UNESCO World Heritage List

The Hindu Bureau
NEW DELHI/GUWAHATI

The Charaideo Moidams, a 700-year-old mound-burial system of the Ahom dynasty from Assam, were added to the UNESCO World Heritage List on Friday, making them the 43rd property from India to be included in the prestigious index.

The announcement was made at the 46th session of the World Heritage Committee being held here.

“This historic recognition brings global attention to the unique 700-year-old mound-burial system of the Ahom kings at Charaideo, highlighting the rich cultural heritage of Assam and Bharat,” Union Minister for Culture and Tourism



An aerial view of the royal burial mounds built by the Ahom dynasty in Charaideo in eastern Assam. AP

Gajendra Singh Shekhawat told the media after the announcement.

Similar to the pyramids of Egypt, the Moidams are earthen burial mounds of

the members of the Ahom royalty whose 600-year rule was ended by the British takeover of the region.

The Ahoms adopted the Hindu method of crema-

tion after the 18th century and began entombing the cremated bones and ashes in a Moidam at Charaideo.

The highly venerated Moidams make the Charaideo district a tourist destination.

First from Northeast

The Moidams are the first from the northeastern States to be recognised as a World Heritage Site in the cultural category. Assam has two other such sites in the natural category - Kaziranga National Park and Manas National Park, both upgraded to tiger reserves.

“THIS IS HUGE. The Moidams make it to the #UNESCO World Heritage list under the category Cultural Property - a great win

for Assam. Thank You Hon’ble Prime Minister Shri @narendramodi ji, Members of the @UNESCO World Heritage Committee and to the people of Assam,” Chief Minister Himanta Biswa Sarma wrote on X.

He said the Charaideo Moidam embodies the deep spiritual belief, rich civilisational heritage, and architectural prowess of Assam’s Tai-Ahom community.

The Moidams were nominated as India’s official entry in 2023.

Of the 386 Moidams explored so far, 90 royal burials at Charaideo are the best preserved, representative, and most complete examples of this tradition.

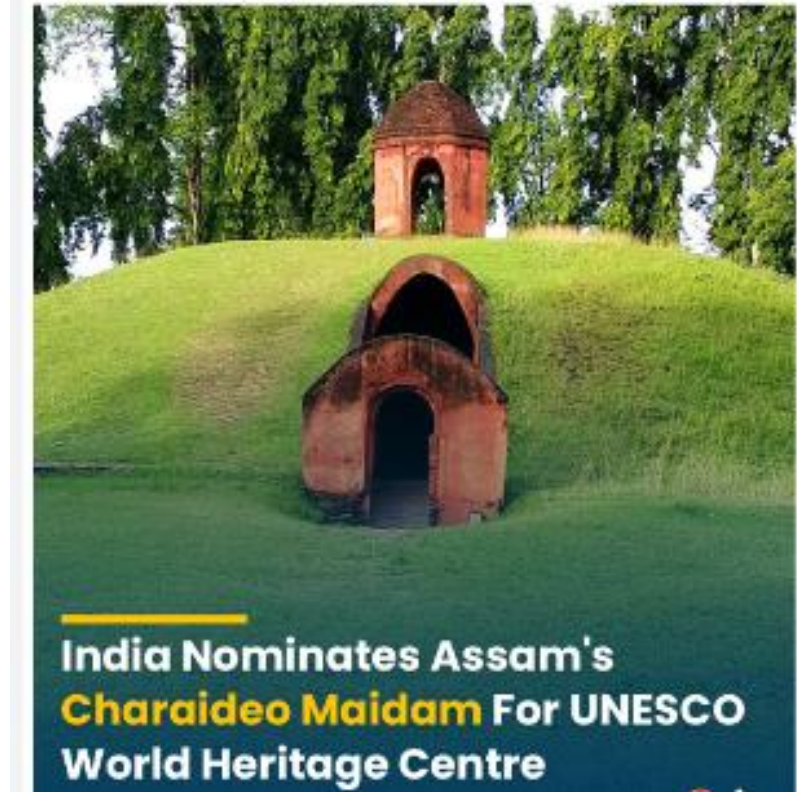
CONTEXT

- **The Charaideo Moidams, a 700-year-old mound-burial system of the Ahom dynasty from Assam, were added to the UNESCO World Heritage List on Friday, making them the 43rd property from India to be included in the prestigious index.**

- The announcement was made at the **46th session of the World Heritage Committee.**
- “This historic recognition brings global attention to the unique 700-year-old mound-burial system of the **Ahom kings at Charaideo**, highlighting the rich cultural heritage of Assam and Bharat.”
- Similar to the pyramids of Egypt, **the Moidams are earthen burial mounds of the members of the Ahom royalty** whose 600-year rule was ended by the British takeover of the region.
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- Assam has two other such sites in the natural category – **Kaziranga National Park and Manas National Park, both upgraded to tiger reserves.**
- The Charaideo Moidam embodies the deep spiritual belief, rich civilisational heritage, and architectural prowess of Assam's Tai-Ahom community.
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If Governors are subverting federalism

SC to examine if Governors are 'subverting' federalism

Top court's decision comes on a petition by Kerala over the Governor sitting on crucial Bills and eventually referring them to the President, who acts on the aid and advice of the Union Cabinet

Krishnadas Rajagopal
NEW DELHI

The Supreme Court on Friday agreed to examine if Governors, by indefinitely sitting on crucial Bills only to eventually refer them to the President who solely acts on the advice of the Centre, are opening the doors for Union interference in the legislative domain of States, thereby subverting federalism.

The decision of the court to intervene came in a petition filed by the State of Kerala which brought in to focus the role of its Governor, who kept Bills pending for two years before reserving seven of them for the consideration of the President, who has no discretion and entirely depends on the aid and ad-



vice of the Centre.

The President had subsequently withheld consent to four though none of the seven Bills had dealt with Centre-State relations.

Withholding assent

Kerala, represented by senior advocates K.K. Venugopal, Jaideep Gupta and advocate C.K. Sasi, said the Governor should have returned the Bills, which dealt with amendments to

The machinations of the Governor saw the Centre take decisions on issues exclusively coming within the ambit of the State's legislative domain

STATE OF KERALA IN THE SC

State cooperative societies, Lokayukta and university laws, to the State Legislative Assembly "as soon as possible" and given reasons for his objections. Instead, the Governor had sat on them. He denied the people of Kerala the "benefits of the welfare legislation" before referring the seven Bills to the President in November last year without mentioning the time-lapse.

Kerala said the Centre

had withheld assent on four Bills without assigning any reasons.

Thus, the State said, the machinations of the Governor saw the Centre take decisions on issues exclusively coming within the ambit of the State's legislative domain.

It argued that the Governor's power to reserve a Bill for the consideration of the President is limited and confined to specific circumstances detailed in the proviso to Article 213 of the Constitution.

Chief Justice D.Y. Chandrachud said the court would look into "when Governors can refer Bills to the President". The next hearing of the case has been posted on August 20.

CONTINUED ON
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Context

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- A petition filed by the State of Kerala which brought into focus the role of its Governor, who kept Bills pending for two years before reserving seven of them for the consideration of the President, who has no discretion and entirely depends on the **aid and advice of the Centre**.

Withholding assent

- Governor should have returned the Bills, which dealt with **amendments to State cooperative societies, Lokayukta and university laws**, to the State Legislative Assembly “as soon as possible” and given reasons for his objections.



- The interference of the Governor saw the Centre take decisions on issues exclusively coming within the ambit of the State's legislative domain.
- The Governor's power to **reserve a Bill for the consideration of the President** is limited and confined to specific circumstances detailed in the proviso to **Article 213 of the Constitution**.

Recent Issues:

- **Governors refusing to give timely assent for the bills sent by the State Legislatures.**
- **Governors send many bills passed in the State Legislature for Presidential assent, even in bills which do not usually require President's assent.**

Discretionary powers		Execution of discretion beyond the constitutional permissibility is considered an attack on the elected government of the State and people's mandate
CONSTITUTIONAL DISCRETION OF GOVERNORS INCLUDES	SITUATIONAL DISCRETION OF GOVERNORS	
<ul style="list-style-type: none"> ◦ When they have to reserve the Bill for the consideration of the President ◦ When he has to recommend for President's rule in the State ◦ When given additional charge as administrator of union Territory 	<ul style="list-style-type: none"> ◦ For appointing Chief Minister after no party get clear majority or when the incumbent dies in the office ◦ When he dismisses Council of Ministers on an inability to prove confidence in the legislative Assembly ◦ When he dissolves the Assembly when it loses its majority 	

Case Laws associated with issues in Governor's office:

- In *Rameshwar Prasad vs. Union of India (2006)*, after finding that the Governor abused power in recommending Presidential rule in Bihar, the Supreme Court said that the motivated and whimsical conduct of the Governor is amenable to judicial review.
- The Court said that “right persons” should be chosen as Governors for maintaining “the sanctity of the post”.
- In *NCT of Delhi vs. Union of India (2018)*, a Constitution Bench of the Supreme Court emphasised the need to identify the “moral values of the Constitution” based on a notion of “constitutional culture”.



Solutions to resolve issues:

- **The Sarkaria Commission Report (1988)** recommended that the “Governor should be a detached figure and not too intimately connected with the local politics of the State”.
- **The Justice M.M. Punchhi Commission** report (2010) said that “to be able to discharge the constitutional obligations fairly and impartially, the Governor should not be burdened with positions and powers which are not envisaged by the Constitution.”
- Amendment to **Article 155 of the Constitution** regarding the appointment of Governor,
- To consult the Chief Minister in the appointment of the Governor.
- To create an independent body for selecting the Governor with a reasonably significant role for the Chief Justice of India.
- To legally prohibit further rehabilitation of Governors in any official capacity.

A new push in the Bay of Bengal

A new push in the Bay of Bengal

India hosted the 2nd BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) Foreign Ministers' Retreat in New Delhi earlier this month with a focus on providing an "informal platform to discuss ways and means of cooperating and accelerating action in security, connectivity, trade, and investment within the Bay of Bengal." The retreat was held in preparation for the sixth summit meeting, scheduled for September, in which the BIMSTEC leaders will meet in person for the first time in the post-pandemic era. They are also expected to sign the BIMSTEC Agreement on Maritime Transport Cooperation to improve regional connectivity – a foundational aim of this grouping.

Strengthening ties with eastern neighbours
BIMSTEC is the regional organisation devoted to the Bay of Bengal, with a membership of five South Asian and two Southeast Asian countries, cooperating across seven diverse sectors. It allows New Delhi to engage multilaterally with the other countries of the Bay of Bengal region, which are its eastern neighbours and therefore vital for its economic development, security, and foreign policy imperatives. India also remains intent on solidifying relations with its eastern neighbours as China's growing presence in the Bay of Bengal poses a potential threat to regional stability and New Delhi's position as a preferred security partner in these waters.

Strengthening ties with Bangladesh and Myanmar accords India the advantage of providing its landlocked north-eastern region with access to the sea. Improved ties with Myanmar and Thailand will also lend India the opportunity to have a more profound presence in the Indo-Pacific, as it holds the ASEAN (Association of South East Asian Nations), in which these two countries are members, to be of



Harsh V. Pant

Professor at King's College London and is Vice President for Studies and Foreign Policy at Observer Research Foundation, New Delhi



Sohini Bose

Associate Fellow, Neighbourhood Studies at ORF

The intent of BIMSTEC member states to push forth with a bold vision for the region was evident at the 2nd Foreign Ministers' Retreat

central importance in its vision of the Indo-Pacific. Thailand reinforced this idea at the retreat by identifying itself as a bridge between BIMSTEC and ASEAN. These priorities were reflected in the opening address by the Minister for External Affairs, S. Jaishankar, when he stated that BIMSTEC represents the intersection of India's 'Neighbourhood First' outlook, the 'Act East Policy', and the SAGAR (Security And Growth for All in the Region) vision.

Two parts of the retreat

The retreat was divided into two parts. In the first segment, participants assessed the current state of regional cooperation within BIMSTEC, building on a presentation by India on the implementation of key outcomes of the 1st Retreat. Multiple ideas were shared by the member states including the establishment of Centers of Excellence in member states, focusing on Agriculture, Disaster Management, and Maritime Transport. India announced support for cancer research, treatment, and issuance of e-visas for patients of all BIMSTEC states, while Sri Lanka proposed the inclusion of kidney disease. The need for involving the private sector in trade and promoting young entrepreneurs was also highlighted, as was the importance of connectivity, cyber-security, and countering the trafficking of narcotics and illegal arms.

In the second session, the expectations of each country from the forthcoming summit were discussed. Sri Lanka underscored the need to map mineral resources found in abundance in the BIMSTEC countries and create opportunities for the vertical integration of stages of production within specific sectors in the economies of the countries, enabling them to diversify their production structure. Bangladesh highlighted the need for cooperation in the Blue Economy and urged member states to ban fishing during the

breeding season to address the problem of depleting catch in the Bay. Bhutan expounded on the need for collaboration in tourism and cultural exchanges, while Nepal highlighted its 'whole of the region' approach to leverage synergies among member states and transform BIMSTEC into a results-oriented regional forum. Thailand underscored the need for cooperation in non-traditional security domains, and Myanmar added the need to combat online scamming to the list. These proposals will be presented to the heads of state before the September summit.

Bilateral merits

While the retreat was a multilateral milestone for India, it had its bilateral merits too. Mr. Jaishankar met several of his counterparts on the sidelines. He shared with Myanmar India's concerns over the flow of displaced persons, narcotics, and arms across the border and urged for the return of unlawfully detained Indians. He also held a meeting with the Bangladesh Foreign Minister, who requested him to ensure the smooth supply of daily essentials and send a technical team for the Teesta project, signifying another step towards easing this long-pending concern. At the end of the retreat, the Foreign Ministers called on Prime Minister Narendra Modi.

This year marks a decade of India's Act East and Neighbourhood First policies, and the thrust on BIMSTEC is a manifestation of New Delhi's efforts to continue nurturing collaborative growth for national and regional well-being. Thus, Mr. Jaishankar encouraged future collaborations through new energies, resources, and a renewed commitment to cooperation.

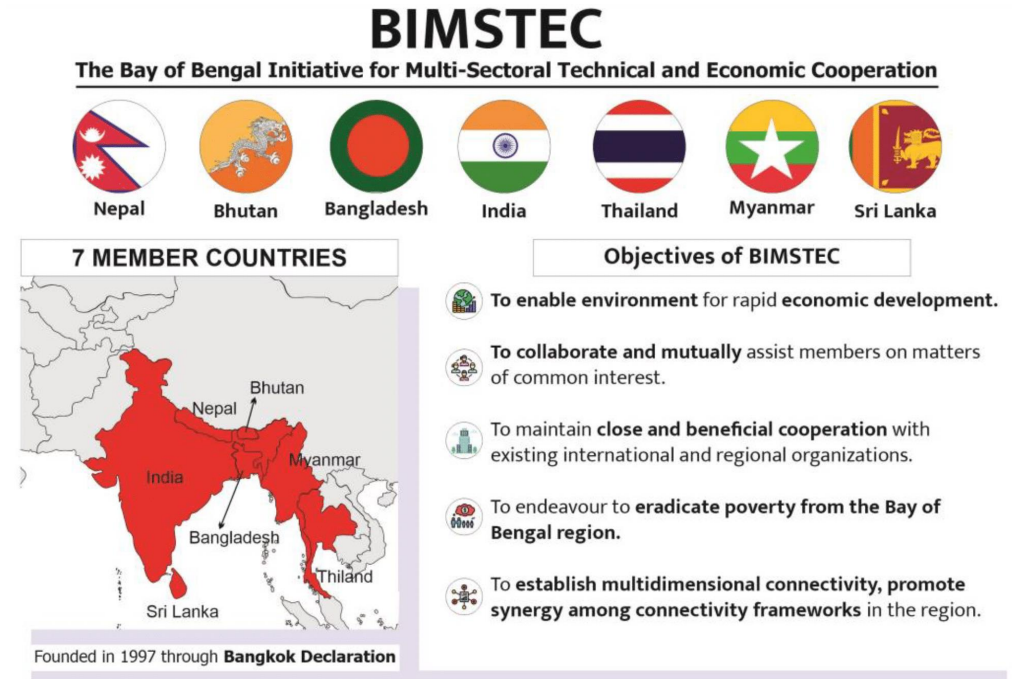
It remains to be seen how many of these proposals find culmination at the forthcoming Summit but the intent of the member states to push forth with a bold vision for the region was clearly evident at the retreat.

Context

- India recently hosted the **2nd BIMSTEC Foreign Ministers' Retreat, focusing on security, connectivity, trade, and investment** within the Bay of Bengal region. This retreat precedes the sixth BIMSTEC summit, scheduled for September, where leaders are expected to sign a significant maritime transport agreement.

Retreat Overview

- **Regional Cooperation Assessment:** The retreat began with a review of regional cooperation within BIMSTEC, evaluating the progress of outcomes from the 1st Retreat. India proposed establishing Centers of Excellence in Agriculture, Disaster Management, and Maritime Transport.
- **Health and Connectivity Initiatives:** India offered support for cancer research and treatment across BIMSTEC countries and proposed issuing e-visas for patients. Sri Lanka suggested including kidney disease in health collaborations.
- **Commitment to Regional Growth:** India emphasized the importance of continuing collaborative growth and nurturing regional cooperation under India's Act East and Neighbourhood First policies, showcasing a commitment to addressing regional challenges.



Expectations from the Summit

- **Resource Mapping and Economic Integration:** Sri Lanka proposed mapping mineral resources and integrating production stages within BIMSTEC economies to diversify production. Bangladesh emphasized cooperation in the Blue Economy.
- **Tourism and Cultural Exchange:** Bhutan advocated for greater collaboration in tourism and cultural exchanges, while Nepal proposed a ‘whole of the region’ approach to enhance synergy among member states.
- **Non-Traditional Security Concerns:** Thailand highlighted the need for cooperation in non-traditional security areas, and Myanmar added the need to address online scamming as a priority.



ASEAN corner stone of India's Act East policy



ASEAN cornerstone of India's Act East Policy: Jaishankar

The Association of Southeast Asian Nations (ASEAN) was the cornerstone of India's Act East Policy and its Indo-Pacific vision, External Affairs Minister S. Jaishankar said on Friday, as he sought to expand cooperation with the bloc. Mr. Jaishankar was in the Laotian capital of Vientiane to participate in the meetings of ASEAN members. In his remarks at the opening session of the ASEAN-India Foreign Ministers Meeting, he said, "The current political, economic and security cooperation with ASEAN is of the utmost priority so is the people-to-people linkages, that we are constantly seeking to expand." Mr. Jaishankar's visit to Laos was of particular significance as this year marked a decade of India's Act East Policy, which was announced by Prime Minister Narendra Modi in 2014, the Ministry of External Affairs said. PTI

Context

- **The Association of Southeast Asian Nations (ASEAN) was the cornerstone of India's Act East Policy and its Indo-Pacific vision.**



- “The current political, economic and security cooperation with ASEAN is of the utmost priority so is the people-to-people linkages, that we are constantly seeking to expand.”
- This year marked a decade of India’s Act East Policy, which was announced by Prime Minister Narendra Modi in 2014.



The Act East Policy announced in 2014 is the upgrade of the Look East Policy which was promulgated in 1992

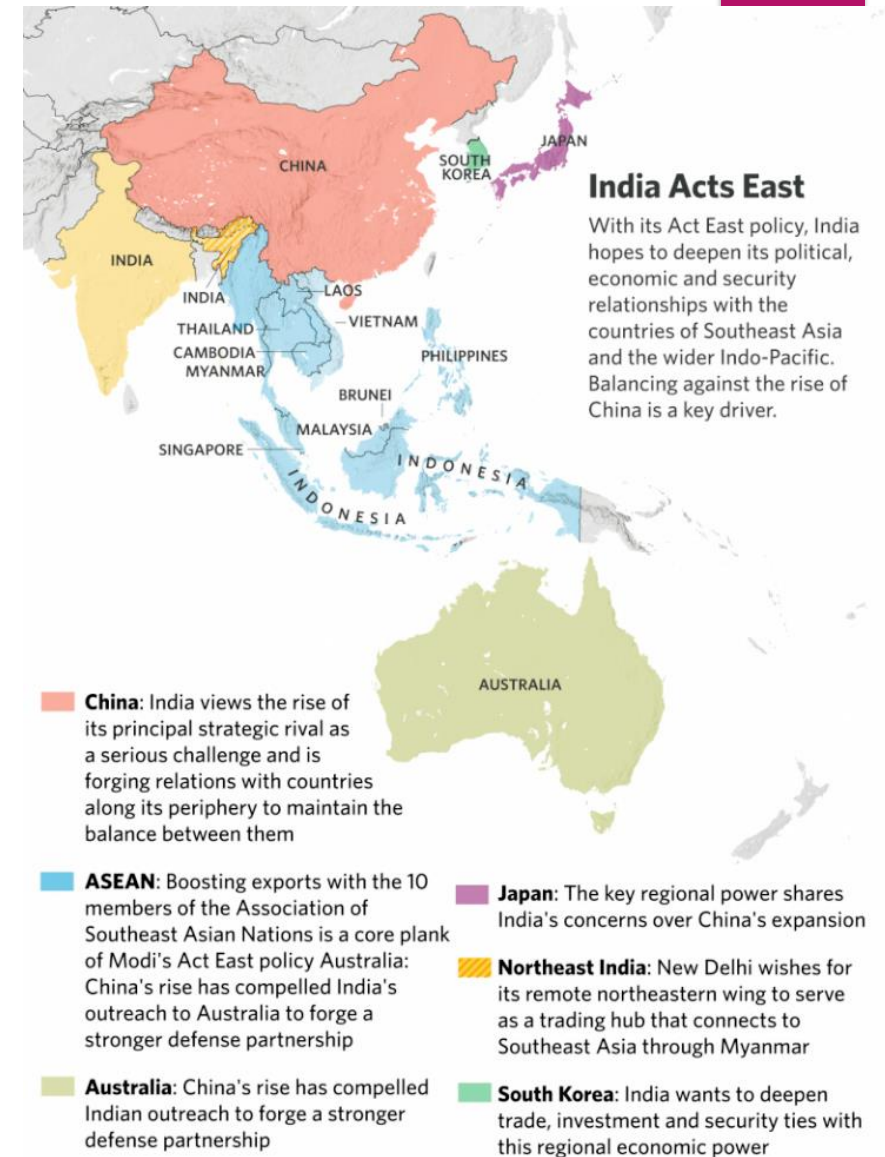


Act East Policy

- The '**Act East Policy**' announced in November, 2014 is the upgrade of the "Look East Policy".
- It is a diplomatic initiative to promote economic, strategic and cultural relations with the vast Asia-Pacific region at different levels.
- It involves intensive and continuous engagement with Southeast Asian countries in the field of connectivity, trade, culture, defence and people-to-people-contact at bilateral, regional and multilateral levels.

Aim:

- To promote economic cooperation, cultural ties and developing a strategic relationship with countries in **Indo-pacific region** with a proactive and pragmatic approach and thereby improving the economic development of the North Eastern Region (NER) which is a gateway to the South East Asia Region.





Thank you

Address

**B-47, Main Road Shivalik
Enclave, Block-B, Shivalik Colony,
Malviya Nagar, New Delhi-110017**

Phone Number +91 8178833167