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News Analysis (09 Apr, 2019)

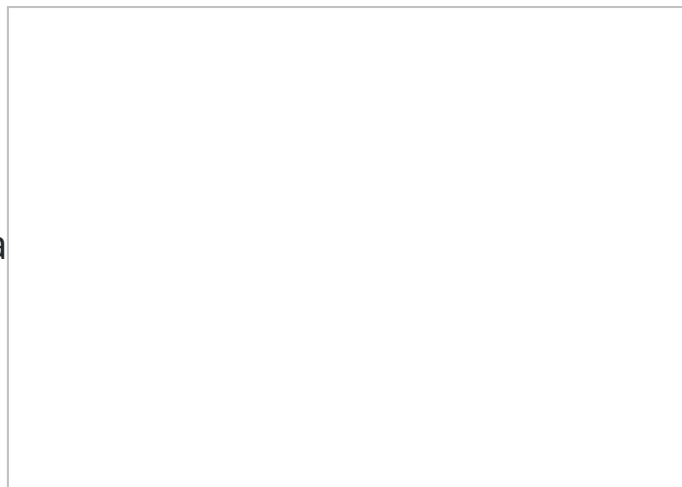
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Parliamentary Election in Maldives

The Maldivian Democratic Party (MDP) has made a landslide victory in the parliamentary election in the Maldives by winning more than two-thirds seats in 87-Member People's Majlis (Maldives Parliament).

- MDP victory is also a boost to President Ibrahim Mohamed Solih of the Maldives, who also belongs to MDP. Victory paves the way for easy passage of bills and a policy agenda with a realistic chance of implementation.
- President Solih assumed power after a presidential election in September 2018, replacing his predecessor Abdulla Yameen, who had propelled the Maldives into China's economic embrace.

Significance For India



After a downward trend in relation during the presidency of Abdulla Yameen, that benefited China considerably, the relation between India and Maldives are warming up again under the new president Ibrahim Solih.

India-Maldives Relation

- India and the Maldives share deep **historical, cultural, and economic ties.**
- India was among the **first to recognize the Maldives after its independence in 1965** and to establish diplomatic relations with the country. India established its mission at Malé in 1972.
- India's bilateral and financial assistance to the Maldives has been reciprocated through an **"India first" policy by the Maldives.**
- Importance of the Maldives for India:
 - The Maldives is an important aspect of India's **'Neighbourhood First' policy.**
 - **Strategically located in the Indian Ocean,** Maldives archipelago comprising 1200 coral Islands lies next to key shipping lanes which ensure uninterrupted energy supplies to countries like China, Japan, and India. More than 97% of India's international trade by volume and 75% by value passes through the region.
 - As the pre-eminent South Asian power and a **'net security provider' in the Indian Ocean region,** India needs to cooperate with the Maldives in security and defense sectors.
 - India is also a preferred destination for Maldivians for education, medical treatment, recreation, and business.
 - **Maldives is also a member of SAARC.** It is important for India to have the Maldives on board to maintain its leadership in the region.
 - Since China's naval expansion into the Indian Ocean - Maldives significance has steadily grown and now it's at the heart of international geopolitics.
 - There is significant Indian diaspora in the Maldives. Innumerable Indians work across the hospitality, education, and health-care sectors of the Maldives economy.

South Asian Association for Regional Cooperation (SAARC)

- The South Asian Association for Regional Cooperation (SAARC) is a regional intergovernmental organization and geopolitical union in South Asia **formed in 1985.**
- The member states include **Afghanistan, Bangladesh, Bhutan, India, Nepal, Maldives, Pakistan and Sri Lanka.**
- SAARC comprises 3% of the world's area, 21% of the world's population and 9.12% of the global economy, as of 2015.
- **The organization promotes the development of economic and regional integration. It launched the South Asian Free Trade Area in 2006.**
- SAARC maintains permanent diplomatic relations at the UN as an observer and has developed links with multilateral entities.

IMO's New Rule on Electronic Information Exchange

International Maritime Organisation (IMO) has mandated new rules for national governments to introduce electronic information exchange between ships and ports

- The new rules took effect from 8th of April 2019 and, seeks to make cross-border trade simpler and the logistics chain more efficient.
- The requirement, mandatory under IMO's Convention on Facilitation of International Maritime Traffic (FAL Convention), is part of amendments under the revised Annex to the FAL Convention, adopted in 2016.

FAL Convention

- The Facilitation of International Maritime Traffic (**FAL Convention**) was adopted in **1965**.
- The main objective of the convention is to **achieve the most efficient maritime transport as possible, looking for smooth transit in ports of ships, cargo, and passengers**.
- The Facilitation Convention **encourages the use of a "single window" for data**, to enable all the information required by public authorities in connection with the arrival, stay and departure of ships, persons and cargo, to be submitted via a single portal, without duplication.
- Under the requirement for **electronic data exchange, all national authorities should now have provision for electronic exchange of this information**.

India's Initiatives

- India launched a Port Community System — 'PCS1x'— at ports in December 2018.
- Port Community System (PCS1x) is a cloud-based new generation technology, with a user-friendly interface.
- This system will enable maritime trade to have improved communication with the customs.

International Maritime Organization

- The International Maritime Organization is a **specialized agency of the United Nations**.
- **IMO is responsible for measures to improve the safety and security of international shipping and to prevent pollution from ships**.
- It is also involved in legal matters, including liability and compensation issues and the facilitation of international maritime traffic.
- It was established by means of a Convention adopted under the auspices of the United Nations in Geneva on 17 March 1948 and met for the first time in January 1959.
- **It currently has 174 Member States**.

NIRF & ARIIA Rankings 2019

The President of India has announced the **results for National Institutional Ranking Framework (NIRF)-2019 and Atal Ranking of Institutions on Innovation Achievements (ARIIA)-2019** at a function held in Vigyan Bhawan at New Delhi.

These were the **fourth edition of NIRF** Rankings and **first edition of ARIIA** ranking.

Highlights

NIRF Rankings 2019

- Indian Institute of Madras (**IIT Madras**) has **topped** the list in **'overall category'**.
 - 7 IITs are among the **first ten position** holders whereas **JNU, Delhi has secured the seventh rank.**
 - Seven Institutes from Karnataka have made it to the top 100.
- **IISc Bengaluru** has **topped 'University category'**.
Banaras Hindu University (BHU) has retained its **third position in the top 10 universities** in the country for the third consecutive year.
- **Miranda House, Delhi has secured the top position in Colleges category**, IIT Madras in engineering category, National Law School of India University, Bangalore in Law category, IIT Kharagpur in Architecture category, AIIMS in medical category, IIM Bangalore in management category and Jamia Hamdard, New Delhi in 'Pharmacy Category'.

ARIIA Rankings 2019

- **IIT Madras** has topped the **'Public funded Institutions Category'**.
- **Vellore Institute of Technology, Tamil Nadu** has topped the **'Private Institutions Category'**.

National Institutional Ranking Framework (NIRF)

- The National Institutional Ranking Framework (NIRF) **was launched by the Minister of Human Resource Development on 29th September 2015.**
- This framework **outlines a methodology to rank institutions across the country.**
- The **parameters** broadly cover
 - Teaching, Learning and Resources,
 - Research and Professional Practices,
 - Graduation Outcomes,
 - Outreach and Inclusivity and
 - Perception.

- NIRF rankings 2019 has been given under 8 categories: Overall, Universities, Engineering, Medical, Management, Law, Architecture, Pharmacy and Colleges.

Atal Ranking of Institutions on Innovation Achievements (ARIIA)

- It is an **initiative of Ministry of Human Resource Development (MHRD)**, Govt. of India to systematically rank all the major higher educational institutions and universities in India on indicators related to **“Innovation and Entrepreneurship Development”** amongst students and faculties.
- **Major Indicators** are:
 - Budget & Funding Support.
 - Infrastructure & Facilities.
 - Awareness, Promotions & support for Idea Generation & Innovation.
 - Promotion & Support for Entrepreneurship Development.
 - Innovative Learning Methods & Courses.
 - Intellectual Property Generation, Technology Transfer & Commercialization.
 - Innovation in Governance of the Institution.
- More than quantity, ARIIA **focuses on quality of innovations** and tries to measure the real impact created by these innovations nationally and internationally.

Currency-to-GDP Ratio

The **currency in circulation** as on 29 March, 2019 **stood at ₹21.40 trillion**, which is up by 60.2% from ₹13.35 trillion as of **March 2017 (the fiscal year in which demonetisation took place)**.

- The Currency-to-GDP ratio as of March 2019 was 11.23% which is **highest in three years**.
 - The currency-to-GDP ratio as of March 2017 and March 2018 was 8.69% and 10.70%, respectively.
 - Hence, the **currency-to-GDP ratio has grown** between March 2017 and March 2019.
- The currency in circulation has **increased by 1.5 percentage point** with **every one percentage increase in GDP**, despite the increased efforts of authorities to push for a less cash economy.
- Despite emergence of various alternatives to cash transactions, public still have a **strong affiliation for currency** as evident from the currency to GDP ratio.
- **37.3% of the bank notes** in circulation are of the **denomination of ₹2,000** and **42.9% are of ₹500 denomination**. The higher **denomination notes encourages hoarding**.
- Technically, the fundamental determinants of currency demand growth are rate of

growth in GDP, inflation rate, interest rate, and above all the increased usage of non-cash payment instruments. One important aspect in this context is the **Direct Benefit Transfers (DBT).**

In recent past, there has been substantial amount of cash transfers in the form of **PMAY-G (₹43,375 crore), MGNREGS (₹43,287 crore), PAHAL (LPG subsidies) (₹34,128 crore) — totalling up to ₹1,89,266 crore.** These cash transfers contributed in part to a **sharp increase in currency transactions.**

Importance

- The ratio of currency in circulation to Gross Domestic Product (GDP) takes into **account the size of the Indian economy.**
 - As any economy grows, the total amount of currency being used in it **also grows in absolute terms.**
 - Hence, it is important to take the size of the economy into account.
- Considering the presence of a **huge informal sector in the Indian economy,** a higher currency-to-GDP ratio suggests that **economic transactions in the informal sector is picking up.**

Although it's still not back to the pre-demonetization levels. This is clearly good news for the Indian economy.

Currency & Corruption

While people may take bribes in the form of cash, it does not mean that they hold on to that cash in the form of wealth. The cash is typically used to **buy real estate and gold. E.g.:**

The **ratio of currency to GDP of Japan in 2017 was 20.44%,** yet it is less corrupt than India. Whereas, for **Nigeria it was 1.85% in 2016, which is a lot more corrupt than India.**

Important Facts For Prelims (9th April 2019)

World Homeopathy Day 2019

- Every year, **10 April** is celebrated as 'World Homeopathy Day' all over the world to **commemorate the birth anniversary of the founder of Homoeopathy, Dr. Christian Friedrich Samuel Hahnemann.**
- A **two day international convention** (9-10 April, 2019), for celebrating the day, has been **organized by the Central Council for Research in Homoeopathy (CCRH)** at Dr. Ambedkar International Centre in New Delhi.
 - **Theme-** Linking Education and Clinical Practice with Research: Advancing

Scientific Collaborations.

- AYUSH awards relating to Homoeopathy for Life Time Achievement, Best Teacher, Young Scientist and Best Research paper will be conferred during the convention.
- 24 students will be awarded scholarships under the Short Term Studentship in Homoeopathy (STSH) and four students for 'Quality MD Dissertation in Homoeopathy'.
- MoU's will be signed with two more PG Homoeopathic Colleges with an effort to link education with research.
- A wide range of topics will be discussed in the convention like Linking education and clinical practice with research, Homoeopathic Education: Research component, Utilisation of existing research by clinicians, Drug Development & Validation, Research initiatives by students, etc.

Central Council for Research in Homoeopathy (CCRH)

- It is an **autonomous research organisation under Ministry of AYUSH.**
- **Mission:** Conducting scientific and ethical research thereby enhancing success rate of clinical practice, promotion of safe, efficient and effective treatment in health care delivery and ensuring global acceptance of Homoeopathy.

Homeopathy

- The word 'Homoeopathy' is derived from two Greek words, **Homois meaning similar and pathos meaning suffering.**
- It simply means treating diseases with remedies, prescribed in minute doses, which are capable of producing symptoms similar to the disease when taken by healthy people.
- It is **based on the natural law of healing- "Similia Similibus Curantur"** which means "likes are cured by likes".
- It was given a **scientific basis by Dr. Samuel Hahnemann (1755-1843) in the early 19th century.**

Dhanush Artillery Guns

- The Ordnance Factory Board (OFB) has handed over the first batch of **six indigenously built Dhanush artillery guns** of the 114-piece order to the Army.
- Dhanush is an **upgraded version of the Swedish 155-mm Bofors howitzers**, which India procured in the mid-1980s.
- It is a 155-mm, 45-calibre gun with a maximum range of 40 km in salvo mode (simultaneous discharge of artillery), compared to the 39-calibre, 27-km range of the original guns, so it can be deployed in both deserts and mountains.
- The gun is fitted with inertial navigation system with global positioning system- (GPS)

based gun recording and auto-laying, an enhanced tactical computer for onboard ballistic computations, an onboard muzzle velocity recording, an automated gun sighting system equipped with camera, thermal imaging and laser range finder.

- It has achieved indigenisation to the extent of about 81% and by the end of 2019, the indigenisation level of the gun will go up to 91%.
- It can be noted that **Dhanush is also a surface-to-surface short range nuclear capable ballistic missile** with a strike range of 350 kms developed by the Defence Research and Development Organisation (DRDO).

It is naval variant of the indigenously-developed **'Prithvi-II' missile (under the Integrated Guided Missile Development Programme-IGMDP).**

GRIDTECH 2019

- Recently the Vice President of India inaugurated the **6th International Exhibition and Conference GRIDTECH-2019 on new technologies in Transmission, Distribution, Renewable Integration, Smart Grid and Communication.**
 - It was organised by **POWERGRID**, with the support of **Ministry of Power** and in association with Central Board of Irrigation & Power (CBIP) and Indian Electrical and Electronics Manufacturers Association (IEEMA).
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