DAILY CURRENT AFFAIRS ANALYSIS

14 MAY 2024

1 - Relations between India and Bhutan:

GS II

International Relations

- **Which aspects of the bilateral talks between Bhutan and India stand out?**

- **Petroleum Concession:**

- In order to promote economic cooperation and progress in the hydrocarbon sector, both nations inked an agreement on the delivery of petroleum products. This arrangement ensures a steady and dependable supply from India to Bhutan.

- **Collaboration on Food Safety:**

- An agreement to strengthen cooperation in food safety measures was struck by the Food and Drug Authority of Bhutan and the Food Safety and Standards Authority of India (FSSAI).
- By assuring adherence to food safety regulations and lowering compliance costs, it will promote trade between the two nations.

- **Energy Conservation and Efficiency:**

- An agreement on energy conservation and efficiency was reached by both nations, indicating their shared commitment to sustainable development.
- India wants to help Bhutan create standards and labelling programmes, encourage the use of energy-efficient products, and improve home energy efficiency.

- **Resolution of Border Disputes:**

- The visit of the prime minister of Bhutan takes place in tandem with continuing negotiations between China and Bhutan to settle their border issue, which has consequences for the security of the surrounding area, especially the Doklam region.
- China and Bhutan reached a consensus on a strategy to resolve their border dispute in August 2023.
- The formal signing of the deal took place in October 2021 after this.
- This deal was reached four years after China's effort to build a road in the Doklam region in 2017 caused hostilities between India and China.

- **Bhutan's Gelephu Regional Economic Centre:**

- A major step towards regional growth and connectivity is represented by Bhutan's aspirations to establish a regional economic hub at Gelephu.
- The project, which was started by the King of Bhutan in December 2023, is to create a 1,000 square km "Gelephu Mindfulness City" (GMC). Gelephu will promote sustainable development, concentrating on non-polluting industries like IT, education, hospitality, and healthcare, in contrast to traditional financial hubs that are typified by skyscrapers.
- Ideally situated to promote economic integration and trade facilitation, Gelephu is strategically significant as it sits at the intersection of developing connectivity projects spanning Southeast Asia and the Indo-Pacific region and India's "Act East" policy.

- **In what way does Bhutan affect India?**

- **Strategic Significance:**

- Bhutan is a crucial buffer state for India's security interests due to its strategic location and shared borders with both China and India.
- In order to preserve Bhutan's sovereignty and territorial integrity, India has aided the country in sectors like communication, infrastructure, and defence.
- In order to bolster Bhutan's defensive capabilities and preserve its territorial integrity, India has assisted Bhutan in building and maintaining its border infrastructure, including roads and bridges.
- Bhutan was instrumental in enabling Indian forces to enter its territory in 2017 during the Doklam conflict between India and China in order to stave off Chinese invasions.

- **Economic Significance:**

- India is the main export destination for Bhutan as well as its biggest commercial partner.
- Bhutan has the potential to generate a large amount of income from hydropower, and India has played a key role in helping Bhutan develop its hydroelectric projects.

- **Cultural Significance:**

- Although India is predominately Hindu, there is a thriving Buddhist community there as well, therefore the two nations have close cultural ties. Bhutan is primarily Buddhist.
- India has helped Bhutan maintain its cultural legacy, and a large number of Bhutanese students pursue higher education in India.

- **The significance of the environment:**

- As one of the few nations in the world that have made the commitment to maintain carbon neutrality, Bhutan has India as a major ally in achieving this objective.
- Bhutan has received support from India in fields including sustainable tourism, renewable energy, and forest conservation.

- **What Difficulties Exist in the Relations Between Bhutan and India?**

- **China's Expanding Presence:**

- India is concerned about China's growing influence in Bhutan, especially around the disputed boundary between the two countries. India has been the closest ally of Bhutan and has been essential in preserving Bhutan's security and sovereignty.
- Although they have not yet established formal ties, China and Bhutan have continued to communicate amicably.

- **Border Conflicts:**

- The 699 kilometre border between India and Bhutan has generally been calm.
- Nonetheless, there have been a few instances of Chinese military crossing international borders in recent years.
- A significant flashpoint in the triangular relationship between China, India, and Bhutan was the Doklam impasse in 2017. Relations between India and Bhutan could be strained if these disagreements get worse.

- **Projects Using Hydropower:**

- One of the main economic pillars of Bhutan is the hydropower industry, and India has played a significant role in its growth.
- Bhutan has expressed apprehensions over certain hydroelectric projects' conditions, as they are perceived to be excessively advantageous to India.
- As a result, there is some popular resistance to Indian participation in the industry in Bhutan.

- **Trade Concerns:**

- Over 80% of Bhutan's total imports and exports come from India, making it the country's biggest trading partner. However, Bhutan's trade imbalance—it imports more from India than it exports—has raised some concerns in that country.
- Bhutan has been attempting to decrease the trade deficit by gaining more access to the Indian market for its goods.

- **Way Ahead:**

- India can support Bhutan's economic growth by making investments in the tourism, infrastructure, and other areas. In addition to assisting Bhutan in becoming self-sufficient, this will open up job opportunities for its citizens.

- To encourage a deeper understanding and enjoyment of one another's literature, art, music, and culture, India and Bhutan might support cultural exchange initiatives.
- Sub-regional cooperation can be strengthened if citizens of both nations are able to travel without a visa.
- India and Bhutan have the potential to enhance their strategic collaboration in order to tackle mutual security issues. They can cooperate to fight transnational crimes like drug trafficking and terrorism.

Source → The Hindu

2 - Combining State Municipalities and Cantonments:

GS II

Government Policies and Interventions

- The main purpose of cantonments is to house military personnel and provide necessary infrastructure.
- History: The term "cantonments," which comes from the French word "canton," which means "corner" or "district," was originally used to describe makeshift military camps.
- But with time, they changed to become semi-permanent towns where military members and their families can find housing, workplaces, educational opportunities, and other amenities.
- Cantonments have a long history in India, dating back to the British East India Company era. Following the Battle of Plassey in 1757, the first cantonment was erected in Barrackpore, near Calcutta, in 1765.
- Originally intended only as places for military personnel to be stationed, these areas have come to house civilian populations who support and assist the armed forces logistically.
- In India, the Cantonments Act of 1924 established a legal framework for the management, growth, and control of cantonments, formalising their administration and governance.
- How do the cantonment administrations in India operate?
- Sections and their organisation:
- Class I to Class IV are the four categories into which cantonments are divided based on population and area size.
- Two elected civilians and two government/military members make up the board of a class IV cantonment, compared to eight elected civilians and eight government/military members in a class I cantonment.
- This board is in charge of certain administrative facets of the cantonment.

- The chief executive and member-secretary of the board are officers of the Defence Estates Organisation, while the station commander of the cantonment serves as the ex-officio president.
- In order to counterbalance the official representation, the board is composed equally of elected and nominated/ex-officio members.

- **Executive Oversight:**

- Cantonment management is directly under the authority of a Ministry of Defence inter-services organisation.
- Urban Self Governance of the Cantonments and the Housing Accommodation therein is the subject matter of the Union of India, according to Entry 3 of the Union List (Schedule VII) of the Indian Constitution.
- According to the Cantonments Act, 1924 (which was followed by the Cantonments Act, 2006), there are about 62 cantonments throughout the nation that have received notifications.
- Municipalities' administrative framework and rules governing urban governance:
- At the central level, the following three ministries are in charge of "urban local government":
- Housing and Urban Affairs Ministry.
- Regarding cantonment boards, the Ministry of Defence
- For Union Territories, the Ministry of Home Affairs.

- **State-wide:**

- According to the Constitution, urban government is included in the list of states. As a result, each state has its own administrative structure and regulations for ULBs.
- The establishment of Urban Local Bodies (ULBs)—including municipal corporations—as institutions of local self-government was made possible by the Constitution (74th Amendment) Act, 1992.
- Additionally, it established mandatory the periodic elections for these bodies and gave state governments the authority to delegate some functions, authority, and power to collect revenue from them.

- **Why is it necessary to combine the municipalities and cantonments?**

- **Various Limitations:**

- Residents in cantonment regions have long complained about various restrictions and argued that cantonment boards have not been able to address the problems.
- For instance, freedom of movement within the building and access to home loans.

- **Municipal Government and Public Facilities:**

- Infrastructure development and enhanced public amenities can result from the incorporation of civilian areas into municipal governance.
- Greater resident input into local governance decisions could lead to improved public services and urban planning.

- **What Problems Exist When Cantonments and Municipalities Merge?**

- **Legal and Administrative Difficulties:**

- Several legal and administrative issues, such as coordinating the integration of infrastructure systems like power, water supply, sewage, and roads between the cantonment and civilian districts, may arise during the conversion of a cantonment town into a combined municipality.

- **Opposition from Current Constituencies:**

- Politicians and city council members can be reluctant to use money from their districts to assist the recently combined communities.
- This opposition might make the city's inequality worse and make it more difficult to develop infrastructure and services in the combined districts.

- **Stress on Infrastructure:**

- Cantonment regions may put stress on the current transport, sewage, water supply, and healthcare infrastructure if they are abruptly added to ULBs.
- The amalgamated areas may require ULBs to upgrade and extend their infrastructure, which could result in poor living conditions and service disruptions.

- **Environmental Issues:**

- Unchecked development and commercialization in combined areas, particularly in environmentally delicate locations like hill stations, may have a negative impact on the surrounding ecosystems and the environment.
- Development that is not properly controlled can cause problems including deforestation, soil erosion, and a higher susceptibility to landslides and floods.

- Security concerns are raised when civilian areas are close to military sites, especially when it comes to unlawful construction and encroachment near defence infrastructure.
- To guarantee the safety and security of military personnel and property, ULBs are required to abide by security policies and procedures established by the armed forces.

3 - Human Development Report 2023–2024:

GS II

International Reports

- **The Human Development Report: What is it?**

- Since their first in 1990, Human Development Reports (HDRs) have used the human development method to examine a variety of topics.
- The United Nations Development Programme's (UNDP) Human Development Report Office creates the reports.

- **About HDI:**

- The Human Development statistic (HDI) is a composite statistic that considers three indicators to determine average accomplishment in human development.
- Reaching the third Sustainable Development Goal (SDG), life expectancy at birth
- Years of education anticipated (SDG 4.3),
- Average years of education (SDG 4.4)
- SDG 8.5 refers to gross national income (GNI).

- **Which aspects of the report stand out the most?**

- Switzerland (0.967), Norway (0.966), and Iceland (0.959) are the top three countries (scores).
- The Central African Republic (0.387), South Sudan (0.381), and Somalia (0.380) are the worst three countries.
- Larger Economies: Russia (0.821), Japan (0.878), the UK (0.889), the USA (0.927).
- Monaco and the Democratic People's Republic of Korea (North Korea) are not included in the index of nations.

- **Record Highs in Growth Disparity:**

- The wealthy nations underwent unheard-of growth. However, half of the world's poorest countries are still much behind where they were before the COVID-19 pandemic.

- The last two decades have seen a steady decline in the disparity between rich and poor countries, but this trend has recently reversed.
- The HDI is expected to rebound in 2023 from falls in 2020 and 2021, but the development levels of affluent and poor countries still differ significantly.

- A "democracy paradox" is beginning to emerge, as the majority of respondents to the study say they support democracy but also endorse leaders that might compromise democratic ideals.
- This paradox has fueled political polarisation and inward-looking policy initiatives, along with a sense of helplessness and a lack of control over decisions made by the government.
- Worldwide Disparities and the Expanding Human Development Divide:
- Significant economic concentration has exacerbated global inequality; three or fewer countries account for about 40% of the world's goods trade.
- According to the estimate, in 2021, the combined market capitalization of the three biggest IT companies globally exceeded the GDP of over 90% of nations.

- **Overview of India:**

- Performance at Different Indicators: In 2022, India's average life expectancy increased to 67.7 years from 62.7 years in the year before.
- Over the course of a year, India's Gross National Income (GNI) per capita has increased by 6.3% to USD 6951.
- The average number of years of education for each person is rising, coming in at 12.6.
- HDI Score: According to the UN's 2023–24 report, India ranked 134th out of 193 nations with an HDI score of 0.644 in 2022.
- India is thus categorised as having "medium human development.
- India's HDI was 0.434 in 1990; a 48.4% improvement is shown in the score in 2022.
- Notable Achievements: The life expectancy at birth has increased by 9.1 years, the predicted years of schooling have increased by 4.6 years, and the mean years of schooling have increased by 3.8 years.
- India's efforts to reduce gender inequality are evidenced by the country's Gender Inequality Index (GII), which is higher than the world average at 0.437.
- India is ranked 108th out of 166 countries on the GII 2022 ranking, which assesses nations based on labour market participation, empowerment, and reproductive health.

- **The neighbour of India's performance:**

- China is ranked 75 while Sri Lanka is ranked 78, both belonging to the High Human Development group. Sri Lanka is ranked substantially higher.
- Additionally, India is ranked lower than Bangladesh (129th) and Bhutan (125th). Bangladesh, Bhutan, and India are all classified as having a medium level of human development.
- India is ranked higher than Pakistan (164) and Nepal (146).

4 – How SHGs Empower Women:

GS II

Government Policies and Interventions

- **Growth of Lakhpati Didis and SHGs:**

- With roughly 92.1 million members and a total number of 8.5 million, SHGs in India are leading a revolutionary movement.
- One significant result of this movement is the increasing percentage of Lakhpati Didis.
- Through sustainable livelihood practices, Lakhpati Didi, a government project, seeks to enable women in Self-Help Groups (SHGs) to earn at least Rs 1,00,000 annually.
- The program's original goal of 2 crore women was set when it was first established in 2023, but in 2024–2025, that number was raised to 3 crore.
- The increasing contribution of women to GDP and economic activity is highlighted by this movement.
- The female labour force participation rate (LFPR) is rising, which is indicative of women's increased participation in the formal sector thanks to formalisation activities.

- **Linking Banks and Getting Credit:**

- The SHG Bank Linkage Programme (SHG-BLP) has been instrumental in changing the game, since 97.5% of SHGs currently have bank accounts.
- Timely loan access is made possible by this strong banking connection, which is essential for adding economic value. When SHGs have access to the best finances at lower interest rates, they may overcome obstacles and reach their full marketing potential.
- Scheduled Commercial Banks (SCBs) have close to Rs 2 trillion in SHG assets.

- **Use of Credit and Repayment:**

- In comparison to FY19, the average ceiling sanctioned to SHGs has grown by 2.2 times in FY24.
- The average payback of credit increased by 3.9 times in FY24 compared to FY19, indicating prudent and timely repayment. This indicates a significant improvement in credit repayment.

- **Digital Integration:**

- A hitherto unheard-of level of financialization is being made possible by Bank Mitras and Digital Didis.
- While SARAS Melas is a good initiative, it might be enhanced even further by being integrated into digital platforms such as Open Network for Digital Commerce (ONDC).
- In every region, spending via the Aadhar Enabled Payment system rose by at least three times between FY23 and FY24.

- **Growth in Income:**

- Between FY19 and FY24, the salaries of female SHG members tripled, with urban members experiencing a 4.6-fold increase.
- The relative income of over 65% of rural SHG members increased in FY24 compared to FY19.
- State-by-state Development:
- While Telangana and Andhra Pradesh have the highest number of Self-Help Groups (SHGs), female SHG revenues have climbed dramatically in Tamil Nadu, Uttarakhand, Kerala, Punjab, and Gujarat.
- Millions of Lakhpati Didis are predicted to live in practically every state of India by FY27.

- **What Difficulties Do Self-Help Groups Face?**

- **Restricted Resources:**

- Due of their generally low financial resources, SHGs find it challenging to make the investments in marketing, distribution networks, and infrastructure needed to grow their business.

- **Standardisation and quality assurance:**

- For Self-Help Groups (SHGs), maintaining uniform quality and standardisation of goods and services can be difficult, especially when they are functioning on a small scale with little funding and technological know-how.

- **Technology Access:**

- Limited access to contemporary technology might make it more difficult for SHGs to expand their reach and scale effectively. Examples of these technologies include digital platforms, e-commerce solutions, and automated production processes.

- **Restricted Access to the Market:**

- SHGs frequently face obstacles when trying to reach markets outside of their immediate neighbourhoods because of things like a lack of market knowledge, constrained distribution options, and rivalry from more established companies.

- **Social and Cultural Divides:**

- Sociocultural hurdles, like gender discrimination, a lack of family support, or opposition to change, can impede the growth and acceptability of Self-Help Groups (SHGs) in certain communities.

- **What SHG-Related Initiatives Exist?**

- The goal of the Deendayal Antyodaya Yojana, also known as the National Rural Livelihoods Mission (DAY – NRLM), is to organise impoverished rural women into Self-Help Groups (SHGs).
- strives to develop and assist Self-Help Groups (SHGs) till they attain higher earnings and a better standard of living.
- executes Mahila Kisan Sashaktikaran Pariyojana (MKSP) and the Start-up Village Entrepreneurship Programme (SVEP) as sub-schemes.
- The goal of SVEP is to help SHG members launch non-farm businesses at the village level.
- MKSP, which serves roughly 1.77 crore women farmers nationally, empowers women in agriculture.

- **Programmes for Micro Enterprise Development (MEDPs):**

- Since 2006, NABARD has assisted mature SHGs with access to bank financing to implement need-based skill development programmes (MEDPs).
- MEDPs are on-the-ground skill development training programmes designed to help SHG members optimise their current production operations or fill up skill gaps.

- **Plan for Encouraging Women Self-Help Groups (WSHGs) in Left Wing Extremism (LWE) and Backward Districts of India:**

- With the aid of anchor agencies, the programme seeks to create sustainable WSHGs, make it easier for people to connect with banks for financing, assist people's livelihoods, and guarantee loan repayments.

- **Way Ahead:**

- Increase the SHG-BLP's outreach to neglected communities and far-flung regions.
- Simplify the loan application procedure and offer customised financial products to meet the various demands of Self-Help Groups.

- Encourage the development of market connections between SHGs and e-commerce sites, retail chains, and larger enterprises.
- Participate in trade shows, online marketplaces, and exhibits to further the branding and marketing of SHG products.
- To support SHG activities, make investments in building infrastructure such as shared production centres, transportation networks, and storage facilities.
- Promote public-private collaborations to make the most of resources, knowledge, and connections to support SHGs in their overall development.

Source → The Hindu