Electoral Bonds

One India
One Election
Next IAS, an initiative of MADE EASY Group, is here to become a Friend, Philosopher and Guide for Civil Services aspirants. MADE EASY- a name synonymous with success in ESE and GATE exams is known for imparting quality education, its professionalism and for service to students. Our organisation strongly believes in quality of teaching and service. Next IAS aims to bring the same level of expertise and dedication for student services who are preparing for Civil Services Examination.

Classroom Courses
- General Studies Prelims cum Main Foundation Course
- General Studies (Prelims Exclusive Batches)
- CSAT (Prelims Exclusive)
- Essay writing (Mains Exclusive)
- Exclusive Batch on ‘Current Issues’ for Main Examination
- Optional Subjects (Civil Engg., Mechanical Engg., Electrical Engg.)

Test Series
- General Studies (Preliminary)
- General Studies (Mains)
- Essay (Mains)
- Optional Subjects (Civil Engineering, Mechanical Engineering, Electrical Engineering, Public Administration, Geography)

Reasons to Choose NEXT IAS
- Panel of 12 renowned faculties from UPSC guidance arena.
- Comprehensive coverage of syllabus.
- Frequent motivational and counseling seminars.
- Pre planned class schedule, with accurate implementation of time-table.
- Interactive classrooms - As we believe in “see and learn”, we have best quality teaching tools with equipped audio-visual classrooms.

Old Rajinder Nagar Centre:
Ground Floor, 6, Old Rajinder Nagar (Near Salwan School Gate No. 2) New Delhi - 110060;
Ph : 011-49858612, 8800338066

Saket Centre (Classes) : 316/274, Westend Marg (Opp. MADE EASY Centre), Saidulajab, Near Saket Metro Station, New Delhi-30
Admission & Enquiry : 44-A/1, Kalu Sarai, Near Hauz Khas Metro Station, New Delhi-110016; Ph : 011-45124642, 8800776445

info@nextias.com www.nextias.com
Contents

Feature Articles

Electoral Bonds ................................................................. 7
State Funding of Elections .................................................. 9
Simultaneous Elections .................................................... 11
Assam NRC ........................................................................ 14
WTO : Buenos Aires meet ................................................. 16
Contract Farming ............................................................... 18
World Inequality Report - 2018 ......................................... 20
Indo-SL Fishermen Problem ............................................. 21
Hambantota ................................................................. 23
Chabahar Port ................................................................. 25
Iran Protests ................................................................. 27
Jerusalem ........................................................................ 28
National Security Strategy (USA) ................................. 31
U.S. Military Aid to Pakistan ........................................... 33
Seychelles ........................................................................ 35
Surgical Strike ................................................................. 36
Triple Talaq ..................................................................... 38
Adultery ........................................................................ 40
The Bhima-Koregaon Violence ........................................ 42
National Medical Commission Bill-2017 ...................... 44
SRS Bulletin-2016 ............................................................. 46
Kota Suicides .................................................................. 48
AISHE 2016-17 ................................................................. 50
Net Neutrality ................................................................. 52
Supercomputers ............................................................... 56
LI-FI ................................................................................. 59
Polluter Pays Principle .................................................. 61
Environmental Performance Index (EPI) 2018 .............. 62
Erosion of Majuli Island .................................................. 63

1 Economy

GST (Compensation to States) Amendment Bill, 2017 .......... 65
Taxable Savings Bonds .................................................... 65
G-sec ............................................................................. 65
Foreign Direct Investment (FDI) ....................................... 66
Skill Development .......................................................... 67
Jan Dhan Yojana ............................................................. 67
Darpan ........................................................................... 69
IDFC Bank ................................................................. 69
 Universal Exchanges ........................................................ 69
 Insider Trading Via Social Media ..................................... 69
 Credit Rating Agencies (CRAs) ....................................... 70
 Sristi ............................................................................. 71
 Mandatory Packaging in Jute Materials ......................... 72

2 International Issues

China-Af-Pak Trilateral ..................................................... 77
Kabul-Mumbai Air Corridor .............................................. 77
Rohingyas ................................................................. 78
Indo-Myanmar Land Border Crossing ................................ 78
Red Corner Notice (RCN) ............................................... 78
Carmichael Project ........................................................ 79

3 Internal Security

Maoist Incidents Fewer in 2017 ....................................... 81
Military Modernisation .................................................. 81
Territorial Army ............................................................. 82
Sujay ............................................................................. 82
Mi-8 (Pratap) ................................................................. 82
Smart Fencing ................................................................. 83
Anti-Tank Guided Missiles ............................................ 83

4 Polity & Governance

High Court and Supreme Court Judges Amendment Bill, 2017 .... 84
Speaker Protem .............................................................. 84
Chief Minister (CM) ....................................................... 85
Aspirational Districts ...................................................... 85
Official Emblem of West Bengal .................................... 86
Tenure of Directors-General of Police ............................. 86
Nyaya Gram ................................................................. 86
Representation of the People (Amendment) Bill of 2017 ....... 86
The Public Premises (Eviction of Unauthorised Occupants) Amendment Bill, 2017 .................................................. 87
Human Resource Management in Panchayats .................. 87
Consumer Protection Bill, 2018 .................................... 88
New Delhi International Arbitration Centre Bill, 2018 ......... 88
Social Issues

All India Institute of Ayurveda (AlIA) ................................................................. 89
AIIMS, Bilaspur ................................................................................................. 89
Glanders Disease .............................................................................................. 89
Antimicrobial Resistance (AMR) ..................................................................... 90
Tobacco Pack Warnings .................................................................................. 91
National Technical Board on Nutrition ......................................................... 91
Indian Institutes of Management Bill 2017 .................................................... 92
Brain Drain ........................................................................................................ 92
Contraceptive Use ............................................................................................ 92
Bijoya Chakravarty Committee ....................................................................... 93
NARI; E-Samvad ............................................................................................... 93
Women Directors ............................................................................................. 93
Accessibility & Disability .................................................................................. 93
Arunachal Pradesh Declared ODF ................................................................. 94
NCT of Delhi Laws (Special Provisions) Second (Amendment) Bill, 2017 .... 94
Tribal Sub-Plan ................................................................................................ 95
Tribal’s Education ............................................................................................ 95
Social Progress Index-2017 ............................................................................. 96

Environment, Disaster Management & Geography

Ganga Gram Project ......................................................................................... 97
CAG Report on Namami Gange ....................................................................... 97
Blue Flag Certification ..................................................................................... 98
Diwali Cracker Ban .......................................................................................... 98
Pollution-Free Firecrackers ............................................................................ 99
Regional Project to Tackle Stubble Burning .................................................. 99
Humpback Whale ............................................................................................ 100
African Wild Dog ............................................................................................. 100
Indian Soft-Shell Turtles ................................................................................. 100
Night Frogs ...................................................................................................... 101
Impatiens Balsamina ....................................................................................... 101
Tetramorium Ants ........................................................................................... 101
Invasive Species .............................................................................................. 101
Ginger Species in North-East .......................................................................... 103
Mitini ................................................................................................................ 103
Environment Marshals ................................................................................... 103
Kamala Mills Fire ............................................................................................. 103
Zojila Tunnel .................................................................................................... 104
Mission Seven Summits ................................................................................... 104
Turial Hydel Project ........................................................................................ 105

Science & Technology

Big Bubble Theory ............................................................................................ 106
PSLV-C40 ......................................................................................................... 106
IPrism ............................................................................................................... 106
Spectrum ......................................................................................................... 106
Drones .............................................................................................................. 107
Microbes in Space ........................................................................................... 108
Telecommunication Interconnection Regulations, 2018 ............................. 108
In-Flight Connectivity (IFC) ........................................................................... 108

Ethics, Values & Integrity

Military Ethics : Armed Drones ....................................................................... 109
Autonomous Weapons ...................................................................................... 111

Culture

World Telugu Conference (WTC) .................................................................. 113
‘BE U’: Bengaluru Logo .................................................................................. 114
Visakha Utsav .................................................................................................. 114
Lambadas ......................................................................................................... 114
Ganga Sagar Mela ............................................................................................ 115
Pinta’o Hat ........................................................................................................ 115
Ancient Monuments Bill, 2017 ....................................................................... 116
Tourism Promotion and Pilgrimage Circuit ..................................................... 116
Makar Sankranti ............................................................................................... 117

Miscellaneous

Ranji Trophy .................................................................................................... 118
Viswanathan Anand ......................................................................................... 119
Rohit Sharma .................................................................................................. 119
B. S. Sahrawat ................................................................................................. 119
George Weah .................................................................................................. 120
Francois Gabart ............................................................................................... 120
Vijay Keshav Gokhale ..................................................................................... 120
Baldev Raj ....................................................................................................... 120
Mahasweta Devi ............................................................................................. 120
Har Gobind Khorana ....................................................................................... 121
K.V. Puttappa .................................................................................................. 121
Ghalib .............................................................................................................. 122
Heartiest Congratulations to all Successful Candidates of ESE 2017

Top 20 selected candidates from MADE EASY

CE
10 in Top 10
20 in Top 20
229 Selections Out of 258 Vacancies

ME
10 in Top 10
20 in Top 20
125 Selections Out of 135 Vacancies

EE
10 in Top 10
19 in Top 20
56 Selections Out of 59 Vacancies

E&T
10 in Top 10
19 in Top 20
45 Selections Out of 48 Vacancies
The comprehensive programme is sailing through 12 dedicated sessions

- **Session 1**: DAF Analysis
- **Session 2**: Discussion on Personal Profile & DAF
- **Session 3**: Discussion on Current Issues
- **Session 4**: Discussion on Current Issues
- **Session 5**: Discussion on Current Issues
- **Session 6**: Discussion on Home State
- **Session 7**: Discussion on Home State
- **Session 8**: Exclusive session for Engineers
- **Session 9**: Exclusive session for Engineers
- **Session 10**: Discussion on Home State
- **Session 11**: Discussion on Home State
- **Session 12**: Budget and Economic Survey

**Mock Interviews**: 3 Mock Interviews simulating similar interview environment of UPSC by a panel of 5 experts

---

**Registration Open**

**Old Rajinder Nagar Centre**: Ground Floor, 6, Old Rajinder Nagar (Near Salwan School Gate No. 2) New Delhi - 110060; Ph: 011-49858612, 8800338066

**Saket Centre (Classes)**: 316/274, Westend Marg (Near ITDC), Saidulajab, Near Saket Metro Station, New Delhi-110030; Ph: 011-45124642, 8800776445

**Admission & Enquiry**: 44-A/1, Kalu Sarai, Near Hauz Khas Metro Station, New Delhi-110016; Ph: 011-45124642, 8800776445

✉️ info@nextias.com 🌐 www.nextias.com
## List of books published by MADE EASY Publications

<table>
<thead>
<tr>
<th>Sl.</th>
<th>Title</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Current Affairs MADE EASY - Annual Issue 2017</td>
<td>150</td>
</tr>
<tr>
<td>2</td>
<td>ESE 2018 Prelims : GS and Engineering Aptitude Theory : Volume-I</td>
<td>700</td>
</tr>
<tr>
<td>3</td>
<td>ESE 2018 Prelims : GS and Engineering Aptitude Theory : Volume-II</td>
<td>700</td>
</tr>
<tr>
<td>4</td>
<td>GS and Engineering Aptitude Practice Book - 3000+ Solved Questions</td>
<td>750</td>
</tr>
<tr>
<td>5</td>
<td>ESE 2018 Prelims : Civil Engineering Objective Paper - Volume I</td>
<td>775</td>
</tr>
<tr>
<td>6</td>
<td>ESE 2018 Prelims : Civil Engineering Objective Paper - Volume II</td>
<td>775</td>
</tr>
<tr>
<td>7</td>
<td>ESE 2018 Prelims : Mechanical Engineering Objective Paper - Volume I</td>
<td>725</td>
</tr>
<tr>
<td>8</td>
<td>ESE 2018 Prelims : Mechanical Engineering Objective Paper - Volume II</td>
<td>725</td>
</tr>
<tr>
<td>9</td>
<td>ESE 2018 Prelims : Electrical Engineering Objective Paper - Volume I</td>
<td>625</td>
</tr>
<tr>
<td>10</td>
<td>ESE 2018 Prelims : Electrical Engineering Objective Paper - Volume II</td>
<td>625</td>
</tr>
<tr>
<td>11</td>
<td>ESE 2018 Prelims : E &amp; T Engineering Objective Paper - Volume I</td>
<td>675</td>
</tr>
<tr>
<td>12</td>
<td>ESE 2018 Prelims : E &amp; T Engineering Objective Paper - Volume II</td>
<td>675</td>
</tr>
<tr>
<td>13</td>
<td>ESE 2018 : Mains Examination : Civil Engineering Conventional Paper - I</td>
<td>775</td>
</tr>
<tr>
<td>14</td>
<td>ESE 2018 : Mains Examination : Civil Engineering Conventional Paper - II</td>
<td>775</td>
</tr>
<tr>
<td>15</td>
<td>ESE 2018 : Mains Examination : Mechanical Engineering Conventional Paper - I</td>
<td>600</td>
</tr>
<tr>
<td>16</td>
<td>ESE 2018 : Mains Examination : Mechanical Engineering Conventional Paper - II</td>
<td>600</td>
</tr>
<tr>
<td>17</td>
<td>ESE 2018 : Mains Examination : Electrical Engineering Conventional Paper - I</td>
<td>700</td>
</tr>
<tr>
<td>18</td>
<td>ESE 2018 : Mains Examination : Electrical Engineering Conventional Paper - II</td>
<td>700</td>
</tr>
<tr>
<td>19</td>
<td>ESE 2018 : Mains Examination : E &amp; T Engineering Conventional Paper - I</td>
<td>700</td>
</tr>
<tr>
<td>20</td>
<td>ESE 2018 : Mains Examination : E &amp; T Engineering Conventional Paper - II</td>
<td>700</td>
</tr>
<tr>
<td>21</td>
<td>GATE 2018 : Civil Engineering - Solved Papers</td>
<td>700</td>
</tr>
<tr>
<td>22</td>
<td>GATE 2018 : Mechanical Engineering - Solved Papers</td>
<td>800</td>
</tr>
<tr>
<td>23</td>
<td>GATE 2018 : Electrical Engineering - Solved Papers</td>
<td>800</td>
</tr>
<tr>
<td>24</td>
<td>GATE 2018 : Electronics Engineering - Solved Papers</td>
<td>800</td>
</tr>
<tr>
<td>25</td>
<td>GATE 2018 : Computer Science and IT Engineering - Solved Papers</td>
<td>800</td>
</tr>
<tr>
<td>26</td>
<td>GATE 2018 : Instrumentation Engineering - Solved Papers</td>
<td>600</td>
</tr>
<tr>
<td>27</td>
<td>Engineering Mathematics for GATE and ESE Prelims</td>
<td>600</td>
</tr>
<tr>
<td>28</td>
<td>General English for for GATE and ESE Prelims</td>
<td>450</td>
</tr>
<tr>
<td>29</td>
<td>Reasoning &amp; Aptitude for for GATE and ESE Prelims</td>
<td>500</td>
</tr>
<tr>
<td>30</td>
<td>A Handbook for Civil Engineering</td>
<td>350</td>
</tr>
<tr>
<td>31</td>
<td>A Handbook for Mechanical Engineering</td>
<td>350</td>
</tr>
<tr>
<td>32</td>
<td>A Handbook for Electrical Engineering</td>
<td>350</td>
</tr>
<tr>
<td>33</td>
<td>A Handbook for Electronics Engineering</td>
<td>350</td>
</tr>
<tr>
<td>34</td>
<td>A Handbook for Computer Science and IT Engineering</td>
<td>300</td>
</tr>
<tr>
<td>35</td>
<td>A Handbook on Instrumentation Engineering</td>
<td>350</td>
</tr>
<tr>
<td>36</td>
<td>A Handbook of Engineering Mathematics</td>
<td>300</td>
</tr>
</tbody>
</table>

To purchase online, visit: www.madeasypublications.org

MADE EASY books are also available at leading e-commerce portals like: Amazon, Flipkart, Paytm

Corporate Office: 44-A/4, Kalu Sarai, New Delhi-110016 • Ph: 011-45124660, 8860378007
**ELECTORAL BONDS**

In January 2018, Government of India notified the Scheme of Electoral Bonds. This raised the debate that whether they can clean the opaque system of political funding.

**Timeline:**
- The scheme was first announced during the 2017 Budget.
- In January 2018, Government of India today notified the Scheme of Electoral Bonds.

**Salient Features:**
- **What is it?**
  - Electoral Bond would be a bearer instrument like a Promissory Note.
  - In effect, it will be similar to a bank note that is payable to the bearer on demand and free of interest i.e. Tax free.
- **Value:** Electoral Bond (s) would be issued/purchased for any value, in multiples of Rs. 1,000, Rs. 10,000, Rs. 1,00,000, Rs. 10,00,000 and Rs. 1,00,00,000 from the Specified Branches of the State Bank of India (SBI).
- **Conditions for donors:**
  - A citizen of India or a body incorporated in India will be eligible to purchase the bond.
  - The purchaser would be allowed to buy it only on fulfilment of KYC norms and by making payment from a bank account.
  - **Anonymity:** The electoral bonds will not bear the name of the donor so as to not expose the donor details to the public.
  - **No interest:** Unlike corporate or government bonds, buyers of electoral bonds will not receive any kind of interest on the instrument.
- **Purpose:** Electoral Bonds would have a life of only 15 days during which it can be used for making donation only to the political parties:
  - registered under section 29A of the Representation of the People Act, 1951.
  - which secured not less than one per cent of the votes polled in the last general election to the House of the People or a Legislative Assembly.
- **Available only at specific times of the year:**
  - These shall be available for purchase for a period of 10 days each in the months of January, April, July and October, as may be specified by the Central Government.
  - An additional period of 30 days shall be specified by the Central Government in the year of the General election to the House of People.

**Significance:**
- According to union finance minister, Arun Jaitley it will clean the system of political funding in the country by tracking the exact amount of funding received by major political parties.
- Democracies over the world are taking innovative steps including debt financing, matching grants, and infrastructure funds to fight the rising tides of illegal and 'interested' money.
- Coming on the heels of demonetisation, the NDA’s electoral bonds scheme appears to be a bold and innovative policy instrument to fight black money.
- It is also a significant move towards a cashless economy.

**Expenditure by political parties: Trend**

Association for Democratic Reforms (ADR) published a report in March 2015 about expenditure by political parties. Some of its key findings are:
- **400% rise in a decade:** Over the last 10 years, the declared expenditure by political parties for the Lok Sabha elections grew over 400%.
- **Publicity expenditure:** Spending on publicity is driving most of the increased expenditure. It now accounts for over a third of parties expenses, far exceeding travel, or spending on candidates.

<table>
<thead>
<tr>
<th>Party Name</th>
<th>Total Expenditure in Lok Sabha election 2009 (Rs in crore)</th>
<th>Total Expenditure in Lok Sabha election 2014 (Rs in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahujan Samaj Party</td>
<td>21.23</td>
<td>30.05</td>
</tr>
<tr>
<td>Bhartiya Janta Party</td>
<td>280.67</td>
<td>714.28</td>
</tr>
<tr>
<td>Communist Party of India</td>
<td>5.70</td>
<td>11.73</td>
</tr>
<tr>
<td>Communist Party of India (Marxist)</td>
<td>10.26</td>
<td>18.69</td>
</tr>
<tr>
<td>Indian National Congress</td>
<td>380.04</td>
<td>516.02</td>
</tr>
<tr>
<td>Nationalist Congress Party</td>
<td>26.16</td>
<td>51.34</td>
</tr>
</tbody>
</table>
Transparency:

- By leaving the names of donors undisclosed, it only promotes the culture of opacity that pervades India’s current political finance regime which may lead to misuse of funds.
- In May 2016, the Election Commission told the Parliamentary Standing Committee on Law and Personnel that electoral bonds were a “retrograde” step as transparency would be compromised because, an amendment to Section 29 C of the Representation of the People Act exempted the parties from mandatory reporting of details of donations through the bonds.
- Even while the scheme ensures digital traces of donors, the electoral bonds hardly empowers anyone (citizens, public spirited organisations, election watchdogs) to verify donor records, recipient parties and establish any possible complicity.

Clarification by Union Finance Minister on transparency:

- In response to transparency concerns Union Finance Minister Arun Jaitley responded that these purchases would reflect on the balance sheet of donors.
- But are there any provisions in the law to ensure that ensure that the public understands who is the giver and recipient of corporate donations? There is seemingly little clarity on this subject.
- Arun Jaitley further argued that disclosing names would compel companies to take the anonymous cash route.
- There is some truth to this assertion.
- But in a time when individual citizens are expected to link their bank accounts and phone numbers to Aadhaar, which allows the State to monitor their daily lives, why can’t the same be expected of companies donating to political parties?

Against Equality:

- Given GoI’s regulatory and administrative control over economy and governance, and the designated bank being under GoI’s control, the scheme could help fill the coffers of the incumbent government and thereby of the ruling party.
- In other words, this would greatly harm the equality principle in political finance.

Three complimentary developments:

- Electoral bonds must be seen in conjunction with:
  1. Lifting of the maximum limit of 7.5% on the proportion of the profits a company can donate to a political party, thus opening up the possibility of shell companies being set up specifically to fund parties.
  2. Amendment of the Foreign Contribution (Regulation) Act (FCRA) opening the floodgates of foreign funding to political parties, especially those which have a foreign support base.
  3. The refusal of political parties to come under the RTI Act in order to conceal their sources of funding.
- These three things will end up strengthening the business-politics nexus.

RTI and Political Parties

- In 2013, the full bench of Central Information Commission (CIC) announced that six national political parties were indeed ‘public authorities’ under the RTI Act.
- But political parties including the incumbent government of India refuse to accept RTI applications thereby blatantly defying the unanimous decision of a CIC.
- Government of India has even filed an affidavit submitted to the Supreme Court that political parties should not be under the purview of the RTI Act. The petition is still pending in the Supreme Court.
- The stand of the government in the Supreme Court is further evidence of what the government is not willing to do.

Hurdles in implementation:

- Finally, according to sceptics, the electoral bonds scheme may not work at all. Most private donors prefer anonymity for fear of reprisals from political parties.
- So they would continue with cash donations under the INR 2,000 slab (Section 29C of the Representation of the People Act) and via electoral trusts where anonymity is better maintained.

Way Ahead:

Chief Election Commissioner A.K. Joti stated that the electoral bonds were a step in the right direction, but they would not solve all issues of transparency in political funding. Thus take the following steps also:

- **Setup National Electoral Fund**: Set up a National Electoral Fund to which all donors can openly contribute without expressing any preference for any political party. The funds could then be allocated to all registered political parties in proportion to the votes obtained. This will also address the donors’ concern for secrecy.
- **Complete Ban on private donations**: After ensuring public funding of political parties, private donations to political parties must be totally banned.
- **Conduct Regular Audit**: And since public funds will be involved, there must be an annual audit by the Comptroller and auditor General of India or an auditor approved by it.
- **RTI way**: A logical and simple way of introducing “financial transparency in the working of the political parties”, is to bring them under the Right to Information (RTI) Act, 2005.
- This has been recommended by the Law Commission.