

# India-European Union boost strategic partnership as free trade talks flounder

Progress was made in bilateral cooperation in other fields – from foreign policy to counterterrorism and outer space

The 13th India-EU Summit concluded in Brussels without a consensus on a bilateral free trade deal known as the BTIA (Broadbased Trade and Investment Agreement) even as progress was made in bilateral cooperation in other fields – from foreign policy to outer space.

The talks, which ended late Wednesday, were a culmination of efforts to kick-start a relationship that has been flagging for at least four years. The very fact that they occurred made them significant.

While both the parties failed to set a date for the next round of trade talks, Tomasz Kozłowski, EU Ambassador to India, told *The Hindu* that the discussions on trade involved an expression of ambitions and degrees of flexibility from both sides. “[The] EU and India will continue discussions on a possible FTA at a high-level,” Mr. Kozłowski said.

India has been pushing for opening European markets for its services sector and the movement of people to deliver those services while the EU has been keen on reducing or abolishing tariffs in several sectors, including in the automobile and wine and spirits sectors. The Brussels meetings evidently did not see the closing of gaps between the two sides.

“Overall, the most important thing is that the Summit put our strategic partnership back on track,” Mr. Kozłowski said in response to a question on the single most important achievement. “We really needed a strong political push and an

expression of strong political commitment from both sides to define the main directions of our relations and to decide what fields of cooperation are most interesting for both sides and the most promising.”

The fields of cooperation are many, and defined by the EU-India Agenda for Action-2020, which Prime Minister Narendra Modi and the presidents of the European Council and European Commission endorsed. The sectors of partnership range from foreign policy, counter terrorism and disarmament to transport and space. While at least six agenda documents and declarations were issued by the EU on their website, the extent to which they will be acted upon and not share the current fate of the BTIA, remains to be seen.

There was some promise of action that would be taken in areas such as water, climate and energy, with the adoption of joint declarations on the India-EU Water Partnership and a Clean Energy and Climate Partnership.

Government-to-government and business-to-business level meetings to exchange best practices in these areas, including deadlines for setting the work programmes in some instances, have been agreed. The cost of these programs will be borne by the parties that incur them. India is no longer eligible for development assistance from the EU. However, India will still have access to concessional loans from the European Investment Bank (EIB). India and the EIB signed the first tranche of a Euro 450-million-loan at the Summit towards the construction of a metro rail line planned in Lucknow.

The joint declarations and Agenda for Action suggest that the EU has specifically courted Mr. Modi on several of his pet projects including the ‘Clean India’ initiative and the ‘Ganga Rejuvenation Initiative,’ where the EU will help in developing a solution to clean up the river as well as developing legal and governance frameworks for managing the basin.

The two sides agreed to cooperate in countering violent extremism, disrupt recruitment of terrorists and prevent the free passage of foreign fighters in a joint declaration on counter terrorism, which also called for the early adoption of the Comprehensive Convention on International Terrorism in the UN. They have also agreed to explore the possibility of India and EUROPOL, the EU's law enforcement agency, to share intelligence.

The Common Agenda on Migration and Mobility (CAMM), which was also adopted, is designed to control and organize migration – a pressing concern for the EU. Significantly for the EU, the Agenda for Action includes items on facilitating the return of irregular migrants and the possibility of exploring a 'Readmission Agreement' – returning visa over-stayers to their home countries.

The Agenda also includes the prevention of human trafficking and promoting international protection as priority areas. Points of special interest to India on the agenda are likely to be easier visa procedures for skilled workers, IT professionals, and business travellers. For now, the CAMM is a political declaration and not a legal agreement.

Regarding 'sensitive issues' that were to be discussed at the summit, both parties have officially expressed their confidence in the legal processes of the Permanent Court of Arbitration, where the case of the Italian marines, Massimiliano Latorre and Salvatore Girone, is currently being heard. The EU also expressed a swift solution, "through due process of law" in the case of MV Seaman Guard Ohio, where 14 Estonians and six Britons were arrested in 2013 and sentenced in India.

### **India, EU and human rights**

One of the ostensible reasons for stalled talks between the European Union (EU) and India had been the EU's concern over

human right violations in India. Several Members of the European Parliament (MEP) have, in the past, expressed concerns in this regard, Geoffrey van Orden, Tory MEP from the East of England told *The Hindu*.

A recent letter from Human Rights Watch, an international NGO, to the EU leadership brings up issues of NGO harassment and the overlooking of rights of marginal groups in development projects in India in the context of the India EU Summit. A joint statement from India and the EU yesterday reiterates the importance that both countries officially accord human rights and the rights of women. In response to a question on where the EU stood on human rights in India and holding talks, Mr. Kozłowski said: "Human rights are very high on the EU agenda and we have such interaction with India as well. We are not going to teach anybody. We are going to discuss issues, consult each other."

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# The legend of parachuting cats (IE ,GS 2 ,Development issues)

Sustainable development, however defined, is about future cost and benefit, neither of which is known with certainty.

At a recent conference, despite its authenticity being of doubtful vintage, I again heard the story of parachuting cats. There are several versions of the apocryphal anecdote. Here is one. In the early 1950s, malaria broke out among the Dayak people in North Borneo. To counter malaria, the WHO had DDT sprayed throughout the region. (DDT was indeed sprayed in Sarawak in 1952-55, but it wasn't DDT alone. Benzene hexachloride and Dieldrin were also sprayed.) Since mosquitoes hadn't yet become immune to DDT, they died and malaria was controlled. But there was an unintended consequence. The houses were long, with thatched roofs. The caterpillar of a species of moth inhabited these thatches and ingested it. A wasp also laid its eggs in the thatches. The larvae preyed on the caterpillars. DDT killed the larvae and wasps, but the caterpillars survived because of immunity. Caterpillars proliferated and ate up the thatched roofs. Roofs caved in and had to be replaced with concrete roofs. (Wasps dying and caterpillars surviving is plausible, but there's no evidence of this having happened. Nor is there any concrete evidence of concrete roofs ever having been constructed.) Lizards fed on dead larvae/ wasps and DDT passed into the food chain. Cats ate dead lizards and started to die.

Cat populations declined and rat populations increased, leading to plague and typhus. (There were some isolated reports of dying cats and increasing rat populations. But this had nothing to do with the food chain, or eating dead lizards. DDT and other insecticides had been sprayed inside buildings

and left residues on the walls. Cats rubbed their bodies along the walls and licked their fur. That's how cats died, probably from the more toxic and lethal Dieldrin, rather than DDT. Nor was there any actual outbreak of plague or typhus.) To get back to the story, 14,000 cats had to be parachuted in by the RAF. (The only evidence is from a village named Bario in Borneo, where an RAF transport plane did parachute in 20 cats.) Whatever be the truth, the legend has perpetuated and has become a perennial argument against DDT.

This column isn't about DDT, which raises anti-DDT hackles among people who cite Rachel Carson's 1962 *Silent Spring*, without necessarily having read it. Nor is it about the ban on DDT for agricultural use, as opposed to anti-malarial use, where again there are debates about the efficacy of DDT, as against other interventions like impregnated mosquito nets. DDT has been around since 1874. But Paul Hermann Müller discovered its insecticide properties in 1939, for which he received the physiology/ medicine Nobel in 1948.

Therefore, in 1948, and right up to the 1970s and even the 1980s, it was believed to be useful, ex-ante. The ex-post adverse effects of DDT, real or hypothesised, on birds, marine animals and perhaps even humans, were discovered later. For better or for worse, we take decisions in the present, without knowing what future science will reveal about adverse effects of present technology. Such information can establish today's concerns to be false, or prove today's decisions to be wrong. The future can have both positive and negative stories to tell. As an instance of the former, consider London's horse manure crisis of 1894. At the time, London had 11,000 hansom cabs and with horse-drawn buses added to the tally, there were 50,000 horses. These produced copious quantities of dung and urine, not to speak of removal problems associated with horse corpses. (New York had 1,00,000 horses.) The problem of major cities being submerged in dung was widely debated and there was even an international conference on this in 1898. The

invention of the automobile rendered this concern superfluous.

I am not dismissing environmental concerns. Far from it. But I am indeed drawing a distinction between ex-ante decisions, often designed to enhance human welfare, and ex-post discovery of consequences. On balance, as a species, are we better or worse off as a result of having discovered modern techniques of refining sugar? There's a related point. Economists use the expression "Pareto superior/ inferior". A situation is Pareto superior to another if it is better than the other in every respect. In actual public policy choices, rare is the situation of outright Pareto superiority/ inferiority. A situation is better in some respects, worse in others, and there is a tradeoff between costs and benefits. Had there been static tradeoffs between costs and benefits, life would have been simpler. But sustainable development, whatever its definition, is about future costs/ benefits, neither of which is known with certainty. It has been no different since the Brundtland Commission Report of 1987. To use clichéd imagery, who knows what will occur when a butterfly flaps its wings? Scientific and technological developments amount to far more than the flapping of butterfly wings.

Few people remember the origin of this butterfly wing metaphor. It is from a 1952 Ray Bradbury story, "A Sound of Thunder". Significantly, this science fiction story was about time travel. Since we don't have time travel and are unlikely to do so, the future is uncertain. Hence, there are legitimate concerns about the future and legends like parachuting cats proliferate. Is the future likely to be better than we take it to be? As a species, are we hardwired to be risk-averse and assume the worst? Is there a bit of Vitalstatistix (the sky bit) in all of us?

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# Disrupting the disruptors (e-commerce, GS 3, FDI)

The decision to allow 100 per cent FDI in e-commerce entities running online marketplaces is a belated yet welcome step by the government. It clears the air a great deal on the norms governing a rapidly expanding part of the economy, and makes *de jure* what has hitherto been *de facto*. Billions of dollars have already been committed as investment in the sector, and online shopping is now an established retail habit. The growth potential of the segment has drawn in venture capital and private equity investors in droves, and e-commerce players had exploited the policy ambiguities and loopholes to obtain attractive valuations for their enterprises. The latest guidelines make it clear that as long as a business entity acts purely as a marketplace, facilitating online transactions between a seller and a buyer, 100 per cent overseas ownership is allowed in the venture. Safeguards have also been specified from the marketplace operator's perspective, so that the responsibility for both delivery and quality of the product and related warranties will lie with the seller. E-commerce firms can provide support services to sellers, including warehousing, logistics, call centres and payment collection. The rub for them lies in some of the other conditions pertaining to what the foreign-owned e-commerce marketplaces cannot do hereafter.

The imposition of a 25 per cent cap on the value that sales from a single seller and group companies can contribute to overall turnover at the marketplace means some of the largest e-commerce players will have to redraw their business strategies. The unequivocal assertion that any ownership of inventory by the entity running the marketplace will render its business into the inventory-based model, where FDI is barred, also makes it clear that these foreign-owned e-commerce enterprises can no longer sell wares sporting their own brand names online. And the most worrisome norm is the vaguely worded one prohibiting ventures from "directly or indirectly" influencing the sale price of goods. This is construed by most observers as a deterrent for discounts. If the idea is to level the playing field, would e-sellers be allowed to slash prices only if their offline counterparts are offering discounts? Would pricing decisions be dictated by a government nod instead of market forces? Brick-and-mortar retailers, some of whom had moved court seeking an end to the deep-pockets-backed discounts offered by e-tailers that they claimed were ruining their businesses, might be pleased. But for the consumer, strict enforcement of the guidelines could make it difficult to access value-for-money deals. E-commerce, including m-commerce spurred by India's smartphone surge, have been a significant disruptor in the way domestic consumers shop. If consumers lose interest, the Centre's guidelines could well disrupt this disruption and end up staunching the very flow of foreign capital it aims to attract.



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# What they talk about when they talk (diplomacy ,India-Pak ,IR,GS 2 )

*New Delhi and the Prime Minister could benefit from a more structured approach to talks with Pakistan, so that dialogue is about issues that India wants to address*

What finally matters is not the truth of Kulbhushan Yadav or the authenticity of his confessional video; it is the timing of its release, which has dealt a body blow to the bonhomie generated by Prime Minister Narendra Modi's Christmas visit to Lahore.

By New Year's day, the operation to attack Pathankot airbase had begun; within two weeks of that, the Foreign Secretary-level composite dialogue was put off; and events that followed haven't done much to stem the inexorable slide to a stop. The one possible game changer, the proposed meeting between the Prime Ministers of India and Pakistan in Washington this week, was felled by Sunday's Easter bombing in Lahore, which forced Prime Minister Nawaz Sharif to cancel his trip.

## **Better security relationship**

While the diplomatic process floundered over the past few months, the security relationship between India and Pakistan seemed to fare better. After National Security Advisers (NSA) Ajit Doval and retired Lieutenant General Naseer Khan Janjua met in Bangkok in December 2015, where they famously broke the ice over a pack of cigarettes, they have been in regular touch over the telephone. The results have been unprecedented. Even as security forces finished battling Jaish-e-Mohammed terrorists in Pathankot, the NSAs spoke. Mr. Doval asked for prompt action against the JeM, and Mr. Janjua reportedly swore to crush the group. While the Pakistan government has taken action against the JeM before, seldom has it offered to act so quickly, reporting that JeM offices were raided and some unidentified leaders taken into custody soon after.

Next came the news that the Pakistan government was filing an FIR in the case, based on Mr. Doval's information, and sending a Joint Investigation Team (JIT) to India to gather evidence in order to prosecute the culprits. While it never confirmed this directly to the Ministry of External Affairs, news that Masood Azhar was in 'protective custody' was positive. And then came the even more startling news that Mr. Janjua had passed on information about 10 suspected terrorists entering India to carry out attacks on Mahashivaratri, as a result of which some officials even claimed three of them were killed. This now denoted a whole different order of cooperation between the NSAs. That camaraderie finally

bore fruit when, after some political jostling and a few differences within the Indian Cabinet, the five-member JIT/Special Investigation Team from Pakistan landed in India to carry out its investigations in Pathankot and Amritsar on March 27.

On the Indian side, the government has been criticised for extending its hand too far to ensure the visit happens. First, there was criticism that it didn't call off the Foreign Secretary talks altogether. Next was that despite its statements that there will be zero tolerance on terror, it made no comment after the Pampore attack by suspected Lashkar-e-Taiba militants. Third, serving military officers from the ISI and military intelligence were allowed access to the Pathankot airbase, a completely unique precedent worldwide. Eventually, these can all be chalked up to good communication both at the prime ministerial and NSA levels. Even the date of arrival for the SIT, rushed through despite the fact that they had not sent the requisite letter rogatory, seemed timed before the Prime Ministers' travel to the U.S.

It is then extremely puzzling that the Pakistani establishment should choose exactly the same time to release details of the arrest and confession by the former naval officer accused of spying and funding Baloch groups, who claims to report to Mr. Doval and the Research and Analysis Wing chief.

While Mr. Yadav's confessional statement isn't quite convincing, the circumstances around his appearance in Pakistan certainly need investigation by India. What is clear is that the storm couldn't have come at a worse time for India-Pakistan relations, hinged as they are on the security relationship alone. The question that arises is, if the NSAs had indeed built a strong relationship, with a commitment not to go public before they had spoken to each other, why did this not apply to the spy case? What makes it more worrying is that Pakistan has chosen to play up the arrest domestically, with a minister and Inter Services Public Relations chief at the press conference, and also internationally, with the Army chief attempting to bring up the issue with Iranian President Hassan Rouhani. The Pakistani allegation that Mr. Yadav was arrested in Chaman along the Afghan border and that he was working on a plot to target Chinese hotels in Gwadar adds to the international implications of those accusations.

### **Taking talks forward**

It is in order for the government to consider its next steps very carefully, with firm grounding rather than the flair and fireworks of Prime Minister Modi's Lahore stopover. It may also be necessary to rethink the primacy of NSA-to-NSA engagement after the spy case, and giving back the reins of the dialogue to diplomats. Prime Minister Modi and his government could benefit from a more structured approach to dialogue, which doesn't have to depend on domestic debate each time, and resolve to meet, say, once a month to take talks on terror forward. In any case, with the Prime Minister still expected to travel to Islamabad in November for the SAARC summit, several official meetings where an Indian-Pakistan concord is necessary are unavoidable over the next few months.

To its credit, the government has made it clear that it intends to keep the lines of engagement open, even if it is only to avoid the constant international focus on India-Pakistan that India wishes to avoid. "We have found that when we stop talking to Pakistan, others we talk to talk to us about talking to Pakistan," a senior government official admitted to journalists recently. It is

time then to wrest back control of the India-Pakistan engagement, and make the dialogue about issues that India most wants to talk about.

Source: xaam.in

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## On the margins in a city of dreams ( Hindu , GS 2 )

*Behind the haze of the Deonar fire in Mumbai is the story of how agrarian distress and 'development' programmes have forced people into an unliveable habitat*

A week after a fire broke out in the Deonar dumping ground in Mumbai, fires in smaller pockets continue to blaze. But toxic smoke is only an addition to a long list of problems in Deonar. The oldest and largest dumping ground of India receives over 5,500 metric tonnes of waste, 600 metric tonnes of silt, and 25 tonnes of biomedical waste daily. Between March and June every year, the daily amount of silt rises to more than 9,000 metric tonnes because of drain cleaning before the monsoon season. As of December 2014, the waste had reached a height of around 164 ft, equivalent to the height of an 18-storey tower.

The high mounds of trash in which children and stray dogs loiter around, and around which the air smells of burnt plastic and putrefying garbage makes Deonar most certainly unfit for human habitation.

### **From slums to dumping grounds**

Since the early 1970s, this peripheral ward has evolved into a space for dumping garbage, waste from polluting industries, from abattoirs, and so on. It is not only unwanted things but "unwanted" people too who were and are dumped in this place. Poor people living in inner city slums, and migrants displaced from other parts of the country were all forced by circumstances to settle here.

In 1972-73, poorer residents from inner city areas were relocated to Shivaji Nagar, Baiganwadi, and Lotus Colony. More people (largely Dalits and Muslims) relocated around the dumping ground, following acute droughts in rural Maharashtra and other parts of the country. In 1976, people were internally displaced within the ward, when residents of Janata colony within and around the Bhabha Atomic Research Centre were shifted to Cheetah Camp. The Prime Minister's special grant for urban renewal from 1986 to 1993 resulted in massive eviction of poor people from inner city areas to Deonar. This trend of relocating a large number of slum households from all over the city for "development" continued from 2003 to 2006, with World Bank-funded infrastructure projects.

Now, M-East ward, with over 80 per cent of its people living in slums, has emerged as an expanded poverty space. Along with the lack of decent housing, there is lack of potable water, adequate drainage, electricity, and welfare

services such as public health facilities and government secondary schools. Housing is not the only prism of legality and realising fundamental rights. When people are dislocated, or when they migrate to the city because of distress conditions back home, they are uprooted from their social, economic, and environmental contexts. They may put up/rent a hut in the ward, but lose access to workplaces, schooling, water and sanitation, and social capital. The cost of being displaced from established slum areas and villages and being relocated close to the dumping ground is devastating particularly for children, women, the elderly, and persons with disability or illness.

People's rights to minimum standards of living here are challenged on a daily basis. M-Ward's Human Development Index is the lowest in the city, at a meagre 0.2. The unemployment rate is 52 per cent. Of those 'employed', the income of 71 per cent of the ragpickers is uncertain. The average monthly income of a family is Rs. 8,000. Talking about the sudden shift from village life to life in a garbage dump, Aamna Bi, 16, who has come from Kolhapur to Nirankari Nagar after marriage, says: "It feels strange to live with garbage all around you. The water is not clean, and the place stinks all the time. But what is good is that this very dump is also a good source to fill our stomachs. If you work hard to collect sufficient recyclable garbage, you will have food at the end of the day. The dump sees to it." But with the Municipal Corporation deciding to cancel licenses of ragpickers, the economic condition of Amina Bi and several thousand families is bound to get desperate.

There are at least 17 settlements on the edge of the dumping ground. The people here are constantly afraid of the threat of eviction, particularly during peak monsoon season. Their lives take on a repetitive pattern of construction and breakdown – first families reclaim the land from the marsh, lay the ground, build the walls, and raise the tin roof. Then a bulldozer accompanied by the police mows these houses down. After a few days, the families start rebuilding their lives all over again.

Says Salima of Nirankari Nagar: "Working filled with insects, with just our heads above it, my husband and I slowly pushed it back, made the ground solid, and built a home on it. And we paid registered rents to the Brihanmumbai Municipal Corporation. Suddenly ward officials came with bulldozers and the police and demolished it. They said this is not my father's land." Straddling the Shankar Nagar housing colony and the vast dumping ground, the residents of Nirankari Nagar live on the edges of both. Even though they are registered renters to the BMC, the expanding garbage dump has now spilled over into their homes.

With open defecation, acute air and water pollution, and decaying garbage, M-East Ward has the lowest life expectancy rate of less than 50 years, and the highest infant mortality rate with around 20 per cent of all deaths in 2015 accounted for by infants. Every second child is underweight. Over 90 per cent of pregnant women in 2014-15 were anaemic, and there is a high instance of maternal mortality. There is a high threat of contracting diseases such as tuberculosis. Healthcare is grossly inadequate; the 'health service' providers are mostly quacks. Education is poor, and seven out of ten households have no access to piped water connection.

To add to the challenges, factors such as caste, religion, region of origin, and occupation also affect the experience of poverty. The parameters of human development in parts of this ward are, in fact, comparable to some of the poorest regions in the world, and overall ward development is still much lower than the rest of the city.

### **Rural prosperity**

But M-East ward is not an isolated phenomenon of our human condition. At its

roots is the systemic agrarian distress in India's villages. This has to be addressed through accountable and efficient welfare and development programmes. It is here that the late President Abdul Kalam's vision of creating secured villages (through the Provision of Urban Amenities to Rural Areas framework), and comprehensively articulated by Prime Minister Narendra Modi as the Sansad Aadarsh Gram Yojana, becomes important. This programme has the potential to retain people in the villages and ensure that they live with dignity. Such rural prosperity can contribute substantially to creating sustainable cities and better economic development.

Forty years ago, when Mumbai embarked on several redevelopment programmes, spatial transformations, 'beautification' and 'cleansing' drives to become the economic capital of India, it seemed to close its eyes to communities which are at the very bottom of its class, caste and gender pyramid. In M-East ward, over half a million people living in the most difficult conditions contribute immensely to keep the city moving. They maintain our antiquated colonial sewage disposal system, clean the streets, take away and sort garbage, work as security staff, as maids in well-off households, as constables, and provide other basic services. Their abject standard of living has no place in a 'global city'. Surely, Mumbai's rich and powerful are capable of showing some compassion to address the existential problems of a few millions of fellow citizens who were dumped, along with the city's garbage, in M-East Ward and other peripheries of the city.

*S. Parasuraman is Director, Tata Institute of Social Sciences, Mumbai.*

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