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# SEBI chief had stake in funds tied to Adani report: Hindenburg Research

**Vikas Dhoot**  
NEW DELHI

Almost 18 months after Hindenburg Research flagged allegations of malfeasance and stock price manipulation at the Adani group of companies, the U.S.-based short seller on Saturday alleged that the Chairperson of India's stock market regulator, in charge of probing these issues, herself had a stake in obscure offshore entities used in what it alleged was 'the Adani money siphoning scandal'.

Citing documents from a whistleblower, Hindenburg Research alleged that Securities and Exchange Board of India (SEBI) Chairperson Madhabi Puri



SEBI had issued a show-cause notice on Hindenburg.

Buch and her husband, Dhaval Buch, held stakes in offshore Bermuda and Mauritius funds through complex structures.

Weeks ahead of her appointment as a wholetime SEBI member in 2017, Mr. Buch had written to a Mauritius fund administrator to make him the "sole

person authorised to operate the accounts", it alleged.

### Account statement

It also cited an account statement dated February 26, 2018, addressed to what it alleged was Ms. Buch's private e-mail account.

It pegged the value of their stake in a fund called "GDOF Cell 90 (IPEplus Fund 1)" under the aegis of Global Dynamic Opportunities Fund Ltd (GDOF), operated by IIFL Global, at over \$8,72,000.

Ms. Buch, the report alleged, had written to India Infoline from the alleged private e-mail account a day earlier, stating that Mr. Buch would like to redeem

100% of the units they held in GDOF. GDOF Cell 90, Hindenburg alleged, was the "exact same Mauritius-registered 'cell' of the fund found several layers deep in a convoluted structure, reportedly used by Vinod Adani", the brother of Gautam Adani named in its report into the Adani group.

Drawing a connection to the Supreme Court's finding that SEBI had "drawn a blank" in its investigations into who funded Adani's offshore shareholders, Hindenburg, which had recently got a show-cause notice from SEBI, remarked: "We find it unsurprising that SEBI was reluctant to follow a trail that may have led to its own chairperson."

## SEBI chief had stake in funds tied to Adani report: Hindenburg Research (11 August)

- About 18 months after Hindenburg Research raised concerns about misconduct and stock price manipulation at the Adani group, they made new allegations.
- The U.S.-based short seller accused the Chairperson of India's stock market regulator, SEBI, of being involved in the Adani money siphoning scandal.
- Hindenburg Research claimed that SEBI Chairperson Madhabi Puri Buch and her husband, Dhaval Buch, had stakes in offshore entities in Bermuda and Mauritius.
- They cited documents from a whistleblower, suggesting that Mr. Buch had arranged to be the sole person authorized to manage accounts in a Mauritius fund weeks before Madhabi Puri Buch's appointment as a SEBI member in 2017.

### Account statement

- Hindenburg Research cited an account statement from February 26, 2018, which they alleged was sent to SEBI Chairperson Madhabi Puri Buch's private email account.
- The statement showed that their stake in a fund called "GDOF Cell 90 (IPEplus Fund 1)" was valued at over \$872,000.
- They alleged that Buch had sent a request from this email account to redeem all units in the GDOF fund.
- Hindenburg claimed that GDOF Cell 90 was part of a complex structure used by Vinod Adani, the brother of Gautam Adani.
- The report connected these allegations to the Supreme Court's finding that SEBI had failed to investigate the funding of Adani's offshore shareholders.
- Hindenburg noted that it was not surprising SEBI might avoid investigating these links, given that it could lead to its own chairperson.

## Neelakurinji that blooms once in 12 years included in Red List of threatened species

### GS Paper III: Environment

**Mini Muringatheri**  
THRISSUR

Neelakurinji (*Strobilanthes kunthiana*), the purplish flowering shrub which blooms once in 12 years, has been included on the IUCN (International Union for Conservation of Nature) official Red List of threatened species. This is the first ever Global Red List assessment for this flagship species of the montane grasslands of southwest India.

The latest global assessment confirms its threatened status in the Vulnerable (Criteria A2c) category of the IUCN. The mass blooming of the flower is a huge tourist attraction. The blooming was reported recently, though not in a vast spread, at Peerumade in Idukki.

The assessment was done by Amitha Bachan K.H. and Devika M. Anilkumar of the Centre for Ecology Taxonomy Conservation and Climate Change (CEtC) of the Western



**Purple beauty:** Neelakurinji (*Strobilanthes kunthiana*) blooms in Idukki. SPECIAL ARRANGEMENT

Ghats Hornbill Foundation at the Research Department of Botany, MES Asmabi College, Kodungalloor, and reviewed by Aparna Watwe of the Western Ghats Plant Specialist Group.

"The species was considered threatened but was not evaluated against IUCN global standards until this assessment. Its distribution across the montane sky island landscapes in the Western Ghats, its nature of blooming once in 12 years, and lack of ecological studies were the major hindrances to a compre-

hensive assessment," said Dr. Bachan.

The scientists, who have been studying the ecology and conservation of some threatened species of the Western Ghats, were part of the Global Red List assessment team.

*Strobilanthes kunthiana* is an endemic shrub of three metres height, seen only in the high-altitude shola grassland ecosystems of five mountain landscapes of southwest India at an elevation of 1,340-2,600 m.

Known for their massive blooming, they impart pur-

plish blue colours to the mountain grasslands and are popularly known as Neelakurinji (Blue *Strobilanthes*) blooms. They are semelparous with showy synchronous blooming and fruiting at every 12 years at the end of the life cycle, which has been reported since 1832.

### Main threats

Neelakurinji is threatened mainly due to its fragile habitat in the montane high altitude grasslands that has been under pressure of conversion for tea and softwood plantations, and urbanisation, say the scientists.

"Almost 40% of the habitat has been lost, the remaining is under pressure from invasion of exotic species such as eucalyptus and black wattle. Infrastructure development, afforestation programmes and climate change pose a threat to the Neelakurinji. Hence, the species has been assessed as Vulnerable A2c."

## Neelakurinji that blooms once in 12 years included in Red List of threatened species (11 August)

- The Neelakurinji shrub, which blooms once every 12 years, is now included on the IUCN Red List of threatened species.
- This is the first global assessment for this species, confirming its status as "Vulnerable" under the IUCN criteria.
- The flower's mass blooming is a significant tourist attraction, with recent blooms reported in Peerumade, Idukki.
- The assessment was done by researchers from the Western Ghats Hornbill Foundation and reviewed by an expert from the Western Ghats Plant Specialist Group.
- The species was considered threatened before, but it hadn't been evaluated against global standards until now.
- Challenges in its assessment included its limited distribution, rare blooming cycle, and a lack of ecological studies.
- Scientists studying the ecology and conservation of Western Ghats species were involved in the Global Red List assessment for Neelakurinji.
- *Strobilanthes kunthiana*, also known as Neelakurinji, is an endemic shrub that grows up to 3 meters tall and is found only in high-altitude shola grasslands in five mountain landscapes of southwest India at elevations between 1,340–2,600 meters.
- Neelakurinji is famous for its massive blooming, which occurs every 12 years, giving the mountain grasslands a purplish-blue color. This has been documented since 1832.
- The shrub is semelparous, meaning it blooms and fruits only once at the end of its life cycle.
- Neelakurinji is mainly threatened by habitat loss due to the conversion of montane grasslands for tea and softwood plantations, as well as urbanization.
- Approximately 40% of its habitat has already been lost, and the remaining areas are under threat from invasive species like eucalyptus and black wattle, infrastructure development, afforestation programs, and climate change.
- Due to these threats, the species has been assessed as Vulnerable (A2c) on the IUCN Red List.

Patriotic IAS

# Veteran IAS officer T.V. Somanathan appointed next Cabinet Secretary

GS Paper II:  
Bureaucracy



T. V. Somanathan

The Union government on Saturday announced IAS officer T.V. Somanathan as the Cabinet Secretary-designate by appointing him Officer on Special Duty (OSD) in the Cabinet Secretariat. He will take over India's top bureaucratic position from August 30 when incumbent Rajiv Gauba's extended tenure ends.

A 1987-batch IAS officer of the Tamil Nadu cadre and Finance Secretary in his previous posting, the veteran bureaucrat has been moved from the Finance Ministry to the Cabinet Secretariat for two years.

This old-style bureaucrat, who prefers to be low profile, holds a Ph.D. in economics and has vast experience of working in key positions in the State and at the Centre. He was seen as the natural choice as the Cabinet Secretary, a top bureaucratic position serving as the nerve centre of Central administration.

"There was nobody better than him to occupy the top post at the Centre," said a Secretary-level officer who described the appointment as an "inspired choice".

Mr. Somanathan

worked at the State level in Tamil Nadu in the Chief Minister's Office (CMO) as well as at Joint Secretary and Additional Secretary levels in the Prime Minister's Office (PMO) and in the Ministry of Corporate Affairs and Finance. His stints included those as Commissioner of Commercial Taxes and chief of the Chennai Metro Rail project, where he had achieved financial closure of the ambitious project.

Within a decade of his career in civil service, he joined the World Bank in Washington through the Young Professionals Program as Financial Economist in the East Asia & Pacific Regional Vice Presidency in 1996. In 2000, he had become one of the Bank's youngest Sector Managers when he was appointed to the Budget Policy Group.

Again in 2011, the World Bank sought his services,

and he was deputed to serve as Director from 2011 to 2015.

Very few IAS officers have such an illustrious curriculum vitae as Dr. Somanathan's because besides scoring the second rank in the 1987 batch, he is a qualified chartered accountant, cost accountant, and company secretary who has helped prepared Budgets in the State and at the Centre.

### Prolific writer

Mr. Somanathan is also a prolific writer as he has published dozens of papers and articles on economics in journals and newspapers on finance and public policy, and is the author of two books and chapters in several others.

"This is an excellent and inspired appointment. T.V. Somanathan is a terrific officer and brilliant scholar and thinker in his own right. His published works on the State and the civil services is a testament to that," said Milan Vaishnav, Director of the South Asia Program at the leading think-tank Carnegie Endowment for International Peace, who writes on India's civil services.

At the Centre, he helped steer the economy at a critical juncture during and af-

ter COVID-19 when the Union government's revenues were hit by the pandemic. He was appointed Expenditure Secretary in December 2019 and some of the measures he initiated included enforcing expenditure curbs on various Ministries and departments across the Union government during the pandemic.

Moreover, he also played a leading role in implementing flagship schemes such as 'PM Garib Kalyan Anna Yojana' and 'Aatmanirbhar Bharat', which were announced during the pandemic.

Given his formidable background in economics and his expertise in public finances and public policy, in Mumbai, he was seen as the frontrunner to succeed Shaktikanta Das as RBI Governor later this year, while in Delhi, he was expected to be the Cabinet Secretary.

"I will say his appointment is an excellent choice because he is a very straightforward and professional kind of bureaucrat who will never get into any groupism or politicking and would meticulously focus on his job and deliver it," a serving Secretary at the Centre told *The Hindu*.

## Veteran IAS officer T.V. Somanathan appointed next Cabinet Secretary (11 August)

- The Union government announced IAS officer T.V. Somanathan as the Cabinet Secretary-designate by appointing him as Officer on Special Duty (OSD) in the Cabinet Secretariat.
- He will take over as Cabinet Secretary on August 30, after the current Cabinet Secretary, Rajiv Gauba, completes his extended tenure.
- T.V. Somanathan is a 1987-batch IAS officer of the Tamil Nadu cadre and previously served as Finance Secretary.
- He has been moved from the Finance Ministry to the Cabinet Secretariat for two years.
- Somanathan is known as a low-profile, old-style bureaucrat with a Ph.D. in economics and extensive experience in key positions both at the State and Central levels.
- He was considered the natural choice for the Cabinet Secretary position, which is a top bureaucratic role in the Central administration.
- Somanathan has worked in the Tamil Nadu Chief Minister's Office (CMO), the Prime Minister's Office (PMO), the Ministry of Corporate Affairs, and the Ministry of Finance.
- His roles included being the Commissioner of Commercial Taxes and leading the Chennai Metro Rail project, where he achieved financial closure for the project.
- Dr. Somanathan began his career in civil service and joined the World Bank in Washington in 1996 through the Young Professionals Program as a Financial Economist.
- By 2000, he had become one of the World Bank's youngest Sector Managers, working with the Budget Policy Group.
- He returned to the World Bank as a Director from 2011 to 2015.

- Dr. Somanathan ranked second in the 1987 IAS batch and is also a qualified chartered accountant, cost accountant, and company secretary.
- He has experience in preparing Budgets at both the State and Central levels.
- He is a prolific writer, having published many papers and articles on economics, and is the author of two books and contributors to other works.
- Milan Vaishnav, Director of the South Asia Program at the Carnegie Endowment for International Peace, praised Dr. Somanathan as a brilliant officer and scholar with notable contributions to civil services and public policy.
- Dr. Somanathan played a crucial role in steering the economy during and after the COVID-19 pandemic, especially when the Union government’s revenues were severely impacted.
- He was appointed as the Expenditure Secretary in December 2019 and implemented expenditure controls on various Ministries and departments during the pandemic.
- He was instrumental in executing key government schemes like ‘PM Garib Kalyan Anna Yojana’ and ‘Aatmanirbhar Bharat,’ both of which were launched during the pandemic.
- Due to his strong background in economics and expertise in public finance and policy, he was considered a frontrunner to succeed Shaktikanta Das as RBI Governor and was also seen as a potential Cabinet Secretary in Delhi.
- A serving Secretary described Dr. Somanathan as a straightforward and professional bureaucrat who focuses on his job and avoids groupism or politicking.

# Poor insurance, diagnostic access in rural areas: study

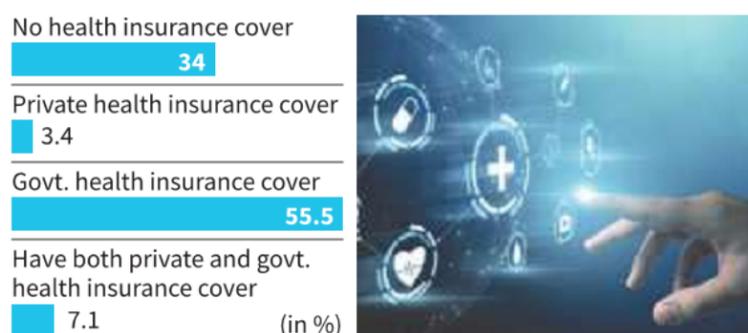
**Bindu Shajan Perappadan**  
NEW DELHI

Only 50% the rural households have government health insurance, 34% lack any health insurance and 61% have no life insurance, revealed the State of Healthcare in Rural India, 2024 report released recently. This is coupled with limited access to diagnostic facilities and affordable medicines, further posing challenges, the survey undertaken by the non-government organisation Transform Rural India’s Development Intelligence Unit.

The survey covered 5,389 rural households with an average size of 5.7 members and spanned 21 States including Andhra Pradesh, Bihar, Maharashtra, Mizoram, Punjab, Tamil Nadu, and Uttar Pradesh. Only 12.2% of these households have access to subsidised medicines from the Pradhan Mantri Jan

## Inadequate protection

The survey found that a little over one in three of the 5,389 respondents in rural areas across 21 States did not have health insurance cover, for themselves or for those in their household



Source: State of Healthcare in Rural India, Transform Rural India

Aushadhi Kendras, while 21% lack a medical store in commutable distance, it says.

Only 39% of the respondents confirmed that there was a diagnostic facility within a commutable distance from their village to do blood tests or medical imaging. However, 90% of the respondents do not get a routine health check-up done unless a doctor suggests them to do so. Acces-

sibility to affordable medicine at government medical stores is a challenge for the rural population.

A total of 61% respondents had access within commutable distance from their village to a private medical store, whereas only 26% had access to a government medical store on the premises of a health facility that provides free medicines.

# Glacial lakes multiply in Himachal and Tibet, poses threat to lives and infra downstream

## GS Paper III: Environment

CHANDIGARH

With glacier sizes rapidly reducing from the impact of changed weather patterns in recent years, there has been a gradual rise of moraine-dammed lakes in Himachal Pradesh and the Trans Himalayan Region of Tibet, posing a potential threat to human life and infrastructure further downstream.

The number of glacial lakes in the Satluj river catchment area has almost doubled from 562 in 2019 to 1,048 in 2023, according to satellite data analysed in a recent study by the Centre on Climate Change of Himachal Pradesh Council for Science Technology-Environment (HIMCOSTE). The catchment area of the Satluj basin was studied from upstream of Jhakri to the Mansarover Lake in Tibet, in the Trans Himalayan Region from



Study shows glacial lakes in the Satluj catchment area has almost doubled from 562 in 2019 to 1,048 in 2023. SUSHIL KUMAR VERMA

where the river originates.

### Smaller lakes sprout

Of the 1,048 lakes mapped in 2023, 900 are small, each spanning an area of less than five hectares, while 89 lakes have an area between 5 hectares and ten hectares, and 59 lakes are bigger than 10 hectares each.

“Over the years, the number of glacial lakes has been gradually increasing.

In fact, as the frequency of small lakes with an area of less than five hectares has been rising, it indicates that the climate warming effects are more significant in the higher Himalayan region. The swift melting of glaciers and less snowfall during the winter could be reasons behind the rise in lakes,” said S.S. Randhawa, a co-author of the study, and the principal scientific officer at HIMCOSTE.

He said it could be inferred from the basin-wise analysis that the number of lakes is much higher in the Tibetan Himalayan Region or the Upper Satluj basin, in comparison to the Spiti and Lower Satluj basins, indicating that the Upper Satluj basin is more susceptible to glacial lake formations. “As the formation of small lakes is relatively higher in the upper region, it indicates greater climate change impact in the higher region in comparison to the lower regions. The average temperature in the high altitudes areas is rising faster than the lower areas,” Mr. Randhawa said.

### Downstream danger

The study, which analysed multi-spectral satellite images, suggests that the rise in glacial lakes in Himachal Pradesh’s river basins can be disastrous downstream if the lakes burst their

bounds for any reason.

“Climate change has influenced the health of glaciers in the entire Himalayan region. As a result, the cryospheric cover over the Himalayan terrain is reducing. One of the ramifications of this is the development of high-altitude glacial lakes,” said Sunil Dhar, Dean of the Department of Environmental Sciences at the Central University of Jammu. “The number of such lakes has increased over the years and these lakes have become unstable due to the increase in the volume of water or due to the calving effect of adjoining glaciers, [creating] avalanche either of snow or rocks. These lakes have a potential of bursting out, and depending on the volume of water, velocity and the outburst spread, it can pose a threat to habitations and infrastructure downstream,” he added.

## Glacial lakes multiply in Himachal and Tibet, poses threat to lives and infra downstream (11 August)

- Glacier sizes in Himachal Pradesh and the Trans Himalayan Region of Tibet are shrinking due to changing weather patterns, leading to a rise in moraine-dammed lakes.
- The number of glacial lakes in the Satluj river catchment area has almost doubled from 562 in 2019 to 1,048 in 2023, as shown by satellite data from a study by the Centre on Climate Change at HIMCOSTE.
- The study covered the Satluj basin from upstream of Jhakri to Mansarover Lake in Tibet, where the river originates.
- Of the 1,048 lakes mapped in 2023, 900 are small, each covering an area of less than five hectares, while 89 lakes are between 5 to 10 hectares, and 59 lakes are over 10 hectares in size.
- The increase in smaller lakes indicates more significant climate warming effects in the higher Himalayan region, likely due to rapid glacier melting and reduced snowfall in winter.
- The number of lakes is higher in the Upper Satluj basin (Tibetan Himalayan Region) compared to the Spiti and Lower Satluj basins, suggesting that the Upper Satluj basin is more vulnerable to glacial lake formations.
- The faster rise in average temperature at higher altitudes contributes to this increased formation of lakes in the upper region, indicating a stronger climate change impact there.

### Downstream danger

- A study using multi-spectral satellite images suggests that the increase in glacial lakes in Himachal Pradesh’s river basins could be disastrous if these lakes burst.
- Climate change has affected the health of glaciers across the Himalayan region, leading to a reduction in the cryospheric cover (frozen water) over the Himalayan terrain.
- One consequence of this is the formation of high-altitude glacial lakes.
- The number of these lakes has grown over the years, and they have become unstable due to the increase in water volume or the calving (breaking off) of nearby glaciers.
- These unstable lakes could potentially burst, and depending on the water volume, speed, and spread of the outburst, they could threaten downstream habitations and infrastructure.

### Glacial lakes multiply

- The phrase "Glacial lakes multiply" refers to the increasing number of lakes formed by melting glaciers.
- As global temperatures rise, glaciers around the world are retreating and melting at an accelerated pace.
- This melting leads to the formation of new lakes and the expansion of existing ones.

#### 1. Glacial Melt and Lake Formation:

- As glaciers melt, the meltwater accumulates in depressions or valleys left behind by the glacier. Over time, these depressions fill up to form glacial lakes. This process is observed in many glaciated regions, including the Himalayas, the Andes, and the Arctic.
2. The National Snow and Ice Data Center (NSIDC) explains that "glacial lakes form when meltwater from glaciers accumulates in depressions or valleys. These lakes can be temporary or long-lasting depending on the rate of glacier melt and local topography"

## Natwar Singh, former External Affairs Minister, dead

**Kallol Bhattacharjee**  
NEW DELHI

Former External Affairs Minister K. Natwar Singh passed away on Saturday at the age of 95. He was hospitalised for nearly two weeks in a clinic in Gurugram, outside New Delhi.

Mr. Singh served as the External Affairs Minister in 2004-05 in the Cabinet of former Prime Minister Dr. Manmohan Singh in the UPA regime.

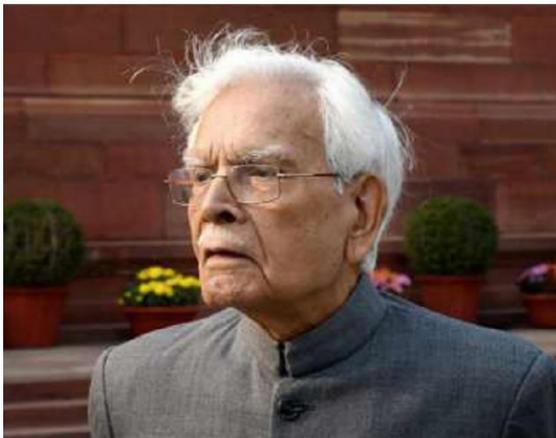
A prolific writer and chronicler, Singh started his career as an Indian Foreign Service officer in 1953 at the age of 22. He took early retirement in 1984 when he contested from Bharatpur in Rajasthan and became a Lok Sabha member. He served as the Minister of State for Steel in the Rajiv Gandhi government and subsequently became the Minister of State for External Affairs in 1986.

Apart from leading In-

dia's multilateral campaigns at that time, he participated in the Indian plans for bringing an "Afghan-led and Afghan-owned" government at the end of the Soviet occupation of Afghanistan. He visited Rome and tried to open a dialogue with Afghan King Zahir Shah in the spring of 1988.

After joining the IFS on April 14, 1953 he was posted at South Block and the districts where he served for the next four years. At that young age, he served as a liaison officer for multiple delegations from China, Egypt and Indonesia that gave him an impression of the working of then President of Egypt Gamal Abdel Nasser, and Dr. Mohammad Hatta of Indonesia.

He subsequently served in multiple Indian missions including in London, where he worked under Indian High Commissioner



Natwar Singh, who started his career in the IFS at the age of 22, was a prolific writer and chronicler. SANDEEP SAXENA

Vijay Lakshmi Pandit and was attached to the Prime Minister's Office (PMO) under Indira Gandhi in 1966. He served in Mrs. Gandhi's PMO till 1971 and served in Poland (1971-73) as the Indian Ambassador, and the United Kingdom where he was the Deputy High Commissioner when the Emergency was imposed in 1975.

He was India's High Commissioner to Pakistan between 1982 and 1984 when Mrs. Gandhi was in her last stint and is known to have interacted with the ruler of Pakistan General Zia ul Haq during that time on multiple occasions conveying India's discomfort about Pakistan's policy on the insurgency in Punjab.

He was bestowed the second highest civilian award Padma Vibhushan after he served as the head of the preparatory committee of the Non-Alignment Summit in New Delhi in 1983.

Singh had a spell of political exile after his former senior colleague P. V. Narasimha Rao became the Prime Minister after the 1991 general election. He had serious differences with Rao and ultimately became one of the founders of the All India Indira Congress.

He returned to power in 2004 when Dr. Manmohan Singh became the Prime Minister of the UPA-1 government but had to resign after the oil-for-food scandal broke out which indicated that people close to him, including his son, had benefited out of the payments. Singh resigned in March 2006 against the backdrop of that controversy, though he always

maintained that he had not gained personally from the payments.

As an author, he wrote a number of books including one on the Jat ruler of Bharatpur, Suraj Mal. He was a friend of Mulk Raj Anand, E.M. Forster and many other 20<sup>th</sup> century literary giants. He wrote several volumes after leaving office as the External Affairs Minister that recollected his diplomatic journeys from India to Zambia, Ethiopia, China, U.K., U.S.A. and Pakistan.

Singh is survived by his son Jagat Singh and wife Heminder Kumari Singh. Former Punjab Chief Minister Captain Amarinder Singh is his brother-in-law.

His autobiography *One Life is Not Enough* was published in 2014. The book was launched in a packed event that was attended by several stalwarts including former Prime Minister Dr. Manmohan Singh.

Patriotic

# Will Saudi's new law aid migrant workers?

Does the upcoming migrant domestic workers law address the gaps in protection benefits? What are some of the features? What is the Kafala system and how does it marginalise workers further? How many Indians work in Saudi Arabia? What are some of the problems they face?

Vani Saraswathi

## The story so far:

**T**he Kingdom of Saudi Arabia, one of the world's largest recipients of migrant domestic workers (MDWs), will roll out a new domestic workers law in September. The six GCC states (Saudi Arabia, the UAE, Qatar, Kuwait, Oman, and Bahrain) employ close to 5.5 million migrant domestic workers, and all of them exclude MDWs from labour laws, with only four having passed specific domestic worker laws.

## How many migrants work in Saudi Arabia?

In Saudi, as of the first quarter of 2024, there were 39,13,925 migrant domestic workers with 27,32,344 males and 11,81,581 females, making up 25% of the total workforce. The exclusion of these workers from the labour law leaves huge gaps in protection, as monitoring mechanisms such as labour inspections, complaints mechanisms, and the Wages Protection System do not apply to the sector. These vulnerabilities are further exacerbated by the systemic marginalisation of migrant workers under the Kafala system. The employer-tied visa system leaves lower-income migrant workers at the absolute mercy of their sponsors. In effect, the state has outsourced the immigration regime to individuals, the majority of whom are citizens.

The current and upcoming MDW laws do not address these protection gaps sufficiently. It is common knowledge that female MDWs face extreme abuse at the hands of their employers within households and by officials when they seek remedy. Saudi Arabia's regulations have failed to address these issues, and the broader justice mechanism that fails migrant workers in general is especially indifferent to the plight of MDWs.

Saudi still does not have a minimum wage, and mandatory referral wages apply only when



**Failed safeguards:** Saudi Arabia has a poor record of implementing laws that protect the rights of migrant workers. GETTY IMAGES

The state makes it easy to recruit and employ migrant workers, resulting in extreme exploitation with impunity

prescribed in bilateral agreements by origin countries. This means MDWs are not only paid poorly but there are no clear calculations for overtime, though almost all of them are overworked.

## Who are migrant domestic workers?

They are employed by individuals to render services in their household. The combination of exclusion from labour laws and the stranglehold of the Kafala system results in employers having absolute control over domestic workers. Saudi has 14 categories of domestic work. Some categories are recent additions, and concerning, go beyond household work to roles requiring specialist skills.

As per the official data, there are over 20 lakh workers who fall under the category 'servants and house cleaners' – referring to domestic workers, nearly 60% of whom are female. The second most recruited category is drivers, at 18,17,120, almost all of whom are male. Saudi is the only GCC state where male domestic workers constitute the majority in the sector, at nearly 70%.

## How does the Kafala system work?

GCC citizens are wealthy and can afford 'engines of liberation' – mechanised consumer goods that were meant to reduce the domestic labour of women. This has not played out as desired in most patriarchal cultures, even if women are active in the labour economy and the dependence on women's labour at home is still high. Large joint families living together demand a host of unpaid services that women in the household were once responsible for. With growing affluence and the assumption that domestic work is menial, these tasks are now delegated to paid MDWs, but the value placed on their work – and by extension them – remains low. Many of the mechanisms and institutions set up by Saudi to govern the sector tend to have an employer bias, including its Musaned system, the domestic worker recruitment platform, through which all aspects of the recruitment and employment of MDWs are regulated.

Consequently, the intersection of the Kafala system and labour law exclusion results in a type of bonded labour. The state makes it easy to recruit and employ migrant workers, resulting in extreme exploitation with impunity. The cost of recruitment excluding wages is steep – between U.S.\$2,000 and U.S.\$5,000 per worker – and employers feel they have 'bought' the worker, instead of seeing it as payment for services.

## Is the new MDW law better?

Some notable features of the new law are a

maximum of 10 working hours a day and entitlement to a weekly off day; prohibition of confiscation of identity documents; emphasis on workers' right to communication; workers have a right to terminate the contract without losing entitlements under certain conditions; compensation for unjust termination; one month paid leave yearly and employer must pay for the annual ticket home.

Saudi also introduced insurance on all new MDW contracts to protect workers and employers, the cost of which is built into the recruitment fees. More recently and quite significantly, the kingdom included all new MDWs in its WPS from July, and will gradually cover all existing MDWs by the end of 2025.

## What are the persisting concerns?

Saudi has a poor record of implementation, especially when it comes to protecting the rights of migrant workers. Wage theft and labour exploitation are rampant, but employers are rarely held to account. When it comes to MDWs, especially women, they cannot leave the employer's household without permission and there's a risk of being reported as absconding (*huroob*).

Though the absconding regime has been reformed, making it more difficult to file false charges, and giving workers more time to challenge false accusations, the law still can be weaponised by abusive employers. The lack of labour inspections, limited access to communication, and language barriers make it difficult both for the state to assess the impact of reforms and for workers to report violations.

## What is the status of Indian MDWs?

At 26.5 lakh, Indians constitute the single largest migrant population in the kingdom. Though Saudi does not furnish nationality-wise disaggregated data, by several estimations, the domestic work sector comprises a large percentage of Indians working as drivers, and also in other categories.

Recruitment of Indian MDWs must be through the eMigrate system. India's minimum referral wage for the sector is SAR1,500 (₹33,400). Special provisions for female MDWs – minimum age must be 30 – include a financial bank guarantee of U.S.\$2,500 in favour of the Embassy in Riyadh. The contract must be attested at one of the missions in Saudi.

However, according to many workers in distress, consular support is limited at best to repatriation and there is no effort to help with access to justice or ensure workers receive all their entitlements before deportation. Given the size of the kingdom and the diaspora, the Embassy in Riyadh and the consulate office in Jeddah are not equipped enough to deal with these needs.

(Vani Saraswathi is the director of projects and editor-at-large of Migrant-Rights.Org, a GCC-based research and advocacy organisation)

## Will Saudi's new law aid migrant workers? (11 August)

Does the upcoming migrant domestic workers law address the gaps in protection benefits? What are some of the features? What is the Kafala system and how does it marginalise workers further? How many Indians work in Saudi Arabia? What are some of the problems they face?

- Saudi Arabia is one of the largest employers of migrant domestic workers (MDWs) in the world.
- In September 2024, Saudi Arabia will introduce a new law for domestic workers.
- The six Gulf Cooperation Council (GCC) states (Saudi Arabia, UAE, Qatar, Kuwait, Oman, and Bahrain) collectively employ around 5.5 million migrant domestic workers.
- These countries exclude MDWs from general labor laws, with only four of them having specific laws for domestic workers.
- As of the first quarter of 2024, Saudi Arabia had 3,913,925 migrant domestic workers, comprising 2,732,344 males and 1,181,581 females.
- MDWs make up 25% of Saudi Arabia's total workforce.
- The exclusion of MDWs from labor laws means they lack protection, such as labor inspections, complaint mechanisms, and the Wages Protection System.

- The Kafala system ties workers' visas to their employers, leaving them vulnerable to exploitation and abuse.
- The current and upcoming MDW laws in Saudi Arabia do not adequately address these protection gaps.
- Female MDWs often face severe abuse from employers and officials, with little access to justice.
- Saudi Arabia's regulations have not effectively addressed these issues, and the broader justice system is indifferent to the plight of MDWs.
- Saudi Arabia does not have a minimum wage, and mandatory referral wages are only set when agreed upon in bilateral agreements with workers' home countries.
- Migrant domestic workers (MDWs) are often paid poorly, with no clear guidelines for overtime pay, despite being frequently overworked.
- MDWs are employed by individuals to perform services in their households.
- The combination of exclusion from labor laws and the control imposed by the Kafala system gives employers complete control over domestic workers.
- Saudi Arabia has 14 categories of domestic work, some of which require specialized skills beyond typical household tasks.
- According to official data, there are over 2 million workers categorized as "servants and house cleaners," with nearly 60% being female.
- The second-largest category is drivers, with 1,817,120 workers, almost all of whom are male.
- Saudi Arabia is unique among GCC states in that male domestic workers make up nearly 70% of the sector.

### How does the Kafala system work?

- GCC citizens are wealthy and can afford machines designed to reduce domestic labor, but in patriarchal cultures, this hasn't reduced the reliance on women's labor at home.
- Even though women are active in the workforce, large families living together still require many unpaid services, which were once performed by women.
- With increased wealth, these tasks are now delegated to paid migrant domestic workers (MDWs), but their work is undervalued.
- Saudi Arabia has systems, like the Musaned recruitment platform, that are biased in favor of employers, leading to extreme exploitation of MDWs.
- The combination of the Kafala system and the exclusion of MDWs from labor laws creates a form of bonded labor, where employers often feel they have "bought" the worker.
- Recruitment costs for MDWs, excluding wages, range between \$2,000 and \$5,000, reinforcing the idea that the worker is "owned" by the employer.

#### New MDW Law:

- The new law introduces a maximum of 10 working hours per day and guarantees a weekly day off.
- Employers are prohibited from confiscating workers' identity documents.
- The law emphasizes workers' right to communication and allows them to terminate contracts without losing entitlements under certain conditions.
- Workers are entitled to compensation for unjust termination, one month of paid leave annually, and the employer must cover the cost of the annual ticket home.
- Saudi Arabia has introduced insurance for all new MDW contracts, with the cost included in recruitment fees.
- Starting July 2024, all new MDWs are included in the Wages Protection System (WPS), with plans to cover all existing MDWs by the end of 2025.

### What are the persisting concerns?

- Saudi Arabia has a poor record of enforcing laws that protect migrant workers' rights, with issues like wage theft and labor exploitation being common.
- Employers are rarely held accountable, and female migrant domestic workers (MDWs) face additional challenges, such as not being able to leave their employer's household without permission.
- If MDWs leave without permission, they risk being reported as "absconding" (huroob), which can lead to severe consequences.
- Although the absconding system has been reformed to make it harder to file false charges, it can still be misused by abusive employers.
- The lack of labor inspections, limited access to communication, and language barriers make it hard for the state to monitor the impact of reforms and for workers to report violations.

#### Status of Indian MDWs:

- There are 2.65 million Indians in Saudi Arabia, making them the largest migrant population in the country.
- Although Saudi Arabia does not provide data by nationality, many Indian MDWs work as drivers and in other domestic roles.
- Indian MDWs must be recruited through the eMigrate system, with a minimum referral wage set at SAR 1,500 (₹33,400).

- Special rules for female Indian MDWs include a minimum age of 30 and a financial bank guarantee of \$2,500 in favor of the Indian Embassy in Riyadh.
- The work contract must be attested at an Indian mission in Saudi Arabia.
- Despite these regulations, many distressed workers report that consular support is often limited to repatriation, with little effort to help them access justice or secure their entitlements before deportation.
- The Indian Embassy in Riyadh and the consulate in Jeddah are not adequately equipped to handle the needs of the large Indian diaspora in Saudi Arabia.

**Gulf Cooperation Council (GCC)**

- The Gulf Cooperation Council (GCC) is a regional organization that comprises six member states: the United Arab Emirates, Saudi Arabia, Qatar, Oman, Bahrain, and Kuwait.
- The GCC was established in 1981 with the primary aim of fostering economic, political, and military cooperation among its member countries.

**Purpose**

- The GCC was formed to promote coordination, integration, and interconnection among member states in various fields including economy, security, and social policies.
- It also seeks to strengthen relations between these countries and to build strong ties with the broader international community.



# How will Sheikh Hasina's exit impact India?

What was the state of ties between Delhi and Dhaka during Prime Minister Hasina's reign? What were the main areas of cooperation between the two countries? How were things different in Begum Khaleda Zia's term? Has India reached out to the new dispensation?

**Suhasini Haidar**

**The story so far:**

**A** week after protests in Bangladesh boiled over, forcing former Prime Minister Sheikh Hasina to flee to India, there's little clarity about her future. While the Narendra Modi government has given her shelter, it has also moved to engage the regime that replaced the Awami League government, even as it counts the cost of Bangladesh's political changes on India's relations with the country.

**Is Ms. Hasina's ouster a setback for India?**

Ms. Hasina's removal from power in Bangladesh is **no doubt a dramatic setback for India**, as both countries have transformed ties on every front in the past decade and a half. The worry is that all the **progress made on the economic front, border security, defence, and strategic ties, trade and connectivity, and linking people-to-people could be undone.**

**What kind of transformation did her reign bring to relations between the two neighbours?**

From her return to office (2009), Ms. Hasina made her intentions to forge strong ties with Delhi clear. **She began a nationwide crackdown to shut down terror camps, a campaign against**

Several issues may complicate the Modi government's ties with the new regime in Bangladesh

**religious radicalisation, and extradited over 20 "most wanted" men accused of terrorism and crime to India.** In sharp contrast to her predecessor Bangladesh Nationalist Party (BNP) Prime Minister Khaleda Zia's government, Ms. Hasina also worked on **ending border tensions caused by illegal immigration into India, particularly the 2001 incident where brutal BDR-BSF clashes left 15 dead. Several border patrolling agreements and the signing of the historic 2015 land boundary agreement followed.**

In India, the Manmohan Singh government followed by the Modi government gave Bangladesh **trade concessions and low-interest Lines of Credit** to help Ms. Hasina take a country, once called the **"basket case" of the global economy, to a developing country, that outstripped its neighbours on human development indices.** India and Bangladesh worked on **enhancing trade through connectivity, border 'haats', and rail, road and river links.** This year Ms. Hasina and Mr. Modi even essayed new defence cooperation. Though Ms. Hasina's government grew more and more authoritarian in the past decade, **banning and arresting Opposition leaders, legislating tighter controls on the media, and filing hundreds of cases against any civil society group that criticised her,** New Delhi remained steadfast in supporting her. In turn, Ms. Hasina stood with India on every issue, from **boycotting SAARC (South Asian Association for Regional Cooperation) over terrorism from Pakistan, to the Citizenship Amendment Act that set off protests in Bangladesh.**

**Bangladesh has become a lynchpin to India's regional connectivity plans to Southeast Asia and the Indo-Pacific, and an important buyer of Indian energy off the subcontinental grid.** The worry is that many of the agreements signed, including the most recent **power agreement with the Adani group,** will now be reviewed.

**Can New Delhi forge similar ties with the new government?**

New Delhi has shown that it continues to engage the interim government and any future elected government in Dhaka. The Indian High

Commissioner in Dhaka, Pranay Verma, attended the swearing-in ceremony of the new interim government led by Muhammad Yunus.

However, several issues complicate the Modi government's ties with the new regime in Bangladesh. Firstly, **Ms. Hasina's presence in India is viewed with suspicion in Dhaka.** External Affairs Minister S. Jaishankar's statement in Parliament that **she has come to India just "for the moment"** indicates that **New Delhi would like to see her travel elsewhere until some of the anti-Hasina sentiments in Bangladesh die down.** Things will get trickier if the new government there demands her extradition.

Secondly, elections in Bangladesh could throw up the BNP as winners, and India's experience with Ms. Zia's last stint in power (2001-2006) was bitter. During that time, **Bangladesh became a haven for violent anti-India separatist groups, and China and Pakistan made inroads.** It remains to be seen if two decades on, another BNP government will be different. Thirdly, Mr. Modi's appeal for the safety of Hindus and other minorities, as well as the Ministry of Home Affairs setting up a five-member committee to "maintain communication channels with their counterpart authorities in Bangladesh to ensure the safety of Indian citizens and people belonging to minority communities in Bangladesh," are being seen as partisan in Dhaka. Hundreds have been killed in violence in the past few weeks; Mr. Modi's appeal and setting up of the committee will further complicate Delhi-Dhaka ties.

**Will Bangladesh's ties with other countries change?**

The immediate impact of the changes in Dhaka will be felt in ties with the U.S., which was consistently inimical to the Hasina government, and has even been accused of instigating her downfall. Last year, the U.S. State Department passed a special visa policy to "promote democracy" in Bangladesh, seeking to sanction officials who attempted to subvert elections. This was targeted at Ms. Hasina and the Awami League, and thus ties with the new dispensation will likely improve. Bangladesh's ties with Pakistan had also been tense during Ms. Hasina's tenure, and that could change. Ms. Hasina had close ties with China, joining the Belt and Road Initiative and meeting President Xi Jinping. Beijing will likely forge equally strong ties with the new government in Dhaka.



**Challenges ahead:** PM Narendra Modi and former Bangladesh PM Sheikh Hasina during a meeting, in New Delhi, on June 22, 2024. SUSHIL KUMAR VERMA

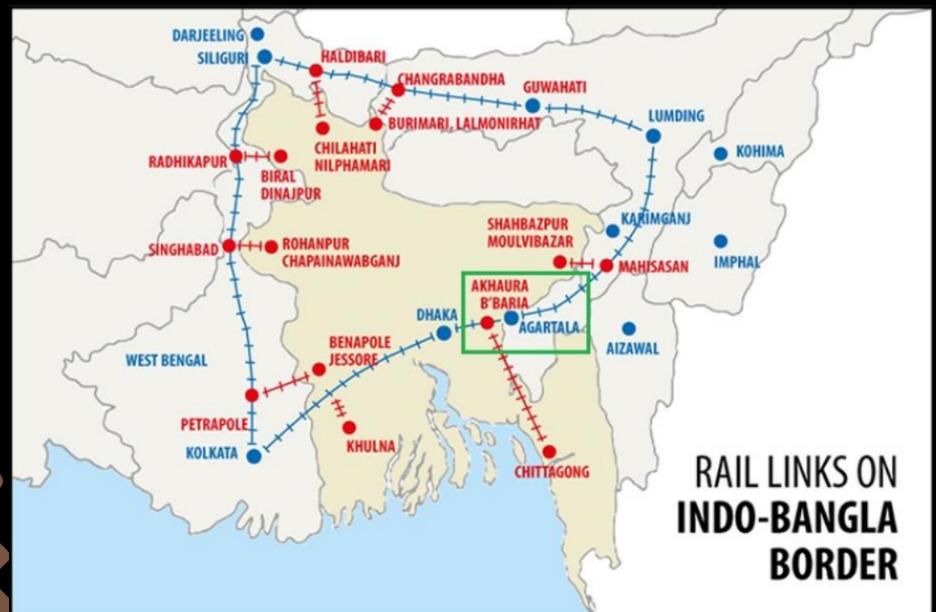
## How will Sheikh Hasina's exit impact India? (11 August)

**What was the state of ties between Delhi and Dhaka during Prime Minister Hasina’s reign? What were the main areas of cooperation between the two countries? How were things different in Begum Khaleda Zia’s term? Has India reached out to the new dispensation?**

- Former Bangladesh Prime Minister Sheikh Hasina fled to India after protests in Bangladesh escalated, leading to her ousting.
- India, under Prime Minister Narendra Modi, has provided her shelter but is also engaging with the new regime that replaced her government.
- Sheikh Hasina's removal is a significant setback for India, as both countries made considerable progress in their relationship over the past decade and a half.
- There are concerns that this progress in areas like the economy, border security, defense, trade, connectivity, and people-to-people ties could be reversed.

**Transformation During Sheikh Hasina’s Reign:**

- Since returning to office in 2009, Sheikh Hasina prioritized strong ties with India.
- She launched a nationwide crackdown to shut down terror camps, fought against religious radicalization, and extradited over 20 wanted criminals and terrorists to India.
- Unlike her predecessor, Khaleda Zia of the Bangladesh Nationalist Party (BNP), Hasina worked to reduce border tensions, particularly those caused by illegal immigration into India.
- Notable achievements during her tenure include several border patrolling agreements and the signing of the historic 2015 land boundary agreement with India.
- The Manmohan Singh and Modi governments in India provided Bangladesh with trade concessions and low-interest Lines of Credit to support Sheikh Hasina's efforts in transforming Bangladesh from a struggling economy to a developing country with strong human development indices.
- India and Bangladesh enhanced trade through improved connectivity, border markets (haats), and transportation links via rail, road, and rivers.
- This year, Sheikh Hasina and Modi even explored new defense cooperation.
- Despite Hasina’s government becoming more authoritarian, with actions like banning and arresting opposition leaders, tightening media controls, and targeting civil society groups, India continued to support her.
- In return, Hasina supported India on key issues, such as boycotting SAARC due to terrorism concerns from Pakistan and backing the Citizenship Amendment Act, which sparked protests in Bangladesh.
- Bangladesh has become crucial to India’s regional connectivity plans to Southeast Asia and the Indo-Pacific and is an important buyer of Indian energy.
- There are concerns that many agreements, including a recent power agreement with the Adani group, may now be reviewed under the new government.



**Ties with the New Government:**

- New Delhi is engaging with the new interim government in Bangladesh, led by Muhammad Yunus, and any future elected government.
- The Indian High Commissioner in Dhaka, Pranay Verma, attended the swearing-in ceremony of the new interim government.
- However, the situation is complicated by the fact that Sheikh Hasina’s presence in India is viewed with suspicion in Dhaka.
- External Affairs Minister S. Jaishankar mentioned in Parliament that Sheikh Hasina is in India "for the moment," indicating that India might prefer her to stay elsewhere until anti-Hasina sentiments in Bangladesh decrease.
- The situation could become complicated if the new Bangladeshi government demands her extradition.
- If elections in Bangladesh result in the Bangladesh Nationalist Party (BNP) winning, it could be concerning for India, as the last time the BNP was in power (2001-2006), Bangladesh became a haven for anti-India separatist groups, and China and Pakistan increased their influence there.
- It is unclear if a new BNP government would be different from the past.
- Prime Minister Modi’s appeal for the safety of Hindus and minorities in Bangladesh, along with the Indian Ministry of Home Affairs setting up a committee to ensure their safety, is seen as partisan in Dhaka and could complicate India-Bangladesh relations.
- The changes in Dhaka will likely affect Bangladesh's ties with other countries:

- The U.S. had a strained relationship with the Hasina government and was accused of contributing to her downfall. With the new government, U.S.-Bangladesh ties may improve.
- Bangladesh's ties with Pakistan were tense during Hasina's tenure, but that could change under the new government.
- Hasina had close ties with China, joining the Belt and Road Initiative and meeting President Xi Jinping. China will likely establish strong ties with the new government as well.

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MAINS ANSWER WRITING PRACTICE

GS Paper II: International relations

Question: Evaluate the progress made in India-Bangladesh relations during Sheikh Hasina's tenure. (250 Words/15 Marks)

- Briefly introduce the answer with Sheikh Hasina's tenure as Prime Minister of Bangladesh and its significance for India-Bangladesh relations.
- **Then** highlight major treaties and agreements signed during her tenure, such as the Land Boundary Agreement (2015) and cooperation on trade and connectivity.
- **Further** discuss improvements in economic ties, including trade growth, Indian investments in Bangladesh, and infrastructure projects like the Padma Bridge.
- **Then** mention collaborative efforts in addressing security concerns, including joint operations against terrorism and smuggling.
- **Finally** summarize the overall impact of Sheikh Hasina's leadership on strengthening India-Bangladesh relations and the recent political changes in Bangladesh as a challenges to the continuity of these achievements

ANSWER

During Sheikh Hasina's tenure as the Prime Minister of Bangladesh, the relationship between India and Bangladesh underwent significant transformation, marked by progress on various fronts. Her time in office, starting from 2009, was characterized by a proactive approach to deepening ties with India, which had a profound impact on the bilateral relationship.

**Strengthening Security and Border Management:**

- One of the most notable aspects of Hasina's tenure was her commitment to enhancing security cooperation with India. She initiated a nationwide crackdown on terror camps in Bangladesh, which had been a longstanding concern for India. This effort led to the dismantling of several such camps and a campaign against religious radicalization.
- Furthermore, Sheikh Hasina extradited over 20 individuals accused of terrorism and other serious crimes to India, a move that significantly bolstered mutual trust between the two nations.
- In addition to counterterrorism efforts, Hasina worked on resolving border tensions, particularly those stemming from illegal immigration.
- The historic 2015 Land Boundary Agreement, which resolved long-standing border disputes, was a major milestone in this regard.
- Her administration also facilitated several border patrolling agreements, further strengthening border security.

**Economic Cooperation and Connectivity:**

- Economically, Hasina's government played a crucial role in transforming Bangladesh from a "basket case" to a developing country with impressive human development indices.
- India supported this transformation through trade concessions and low-interest Lines of Credit, helping to foster economic growth in Bangladesh.
- The cooperation extended to enhancing trade through improved connectivity, including the establishment of border haats (local markets), and the development of rail, road, and river links between the two countries.
- Under her leadership, India and Bangladesh also explored new avenues of defense cooperation, reflecting a broadening of ties beyond traditional areas of collaboration.
- This multifaceted relationship was further solidified through joint efforts in the energy sector, with Bangladesh becoming a significant buyer of Indian energy, contributing to the regional connectivity plans of India in Southeast Asia and the Indo-Pacific.

**Challenges and Criticisms:**

- However, Hasina's tenure was not without challenges. Her government faced criticism for becoming increasingly authoritarian, with crackdowns on the opposition, tighter media controls, and legal actions against civil society groups that criticized her.
- Despite these concerns, India remained a steadfast ally, supporting her on various international platforms, including her stance on boycotting SAARC due to terrorism from Pakistan and the controversial Citizenship Amendment Act in India.

Thus, Sheikh Hasina's tenure saw a significant deepening of India-Bangladesh relations across multiple domains, including security, economic cooperation, and regional connectivity. Her efforts to align Bangladesh more closely with

India's strategic interests resulted in a relationship that was mutually beneficial. However, the recent political changes in Bangladesh pose challenges to the continuity of these achievements, making the future of India-Bangladesh relations uncertain.

## Why are India's 'Gaganyatris' going to the ISS? (11 August)

**What will they do on board the International Space Station? How will it help Gaganyaan mission?**

- On August 2, the Indian Space Research Organisation (ISRO) announced that two astronauts selected for India's first human spaceflight mission, 'Gaganyaan,' will train in the U.S. for a mission to the International Space Station (ISS).
- Wing Commander Shubhanshu Shukla will fly to the ISS, and Group Captain Prashanth Nair will be his backup. Both have already started their training in the U.S.
- On June 22, 2023, during a meeting between Prime Minister Narendra Modi and U.S. President Joe Biden, a joint statement was issued mentioning a collaborative mission to the ISS in 2024.
- The two Indian astronauts, referred to as "Gaganyatris" by ISRO, are participating in this mission.
- ISRO stated that during the mission, the Gaganyatris will conduct scientific research, demonstrate technology, and participate in space outreach activities on board the ISS. The experience will benefit the Gaganyaan mission and enhance cooperation between ISRO and NASA in human spaceflight.
- On February 27, Prime Minister Modi announced the names of four astronaut candidates for the Gaganyaan mission: Wing Commander Shubhanshu Shukla, Group Captain Prashanth Nair, Group Captain Ajit Krishnan, and Group Captain Angad Pratap.
- These astronauts have undergone training in India and Russia.
- According to the India-U.S. joint statement, NASA will provide advanced training to Shubhanshu Shukla and Prashanth Nair at the Johnson Space Center in Houston, Texas.
- ISRO's "National Mission Assignment Board" selected Shukla and Nair for the joint mission, but their flight to the ISS still needs approval from the Multilateral Crew Operations Panel.
- ISRO's Human Spaceflight Centre has signed an agreement with Axiom Space, Inc. for its upcoming Axiom-4 mission to the International Space Station (ISS).
- The Ax-4 mission is the fourth crewed mission to the ISS organized by Axiom Space, a private company based in Houston.
- The mission's cost for India will be in the hundreds of crores of rupees.
- Axiom Space plans to operate the world's first commercial space station and currently offers human spaceflight services.
- Either Wing Commander Shubhanshu Shukla or Group Captain Prashanth Nair will fly to the ISS with three others:
  - Peggy Whitson (U.S.) as mission commander
  - Sławosz Uznański (Poland) as mission specialist
  - Tibor Kapu (Hungary) as mission specialist.
- SpaceX will provide the launch vehicle, and the crew will be housed in SpaceX's Crew Dragon capsule.
- NASA has stated that the mission will last 14 days, and the mission is expected to fly no sooner than November. ISRO Chairman S. Somanath mentioned that the mission could happen sometime between mid to late next year.
- The main purpose of this joint mission is to give the Indian astronauts ('Gaganyatris') experience in organizing and conducting a spaceflight mission.
- If Shubhanshu Shukla flies to the ISS, he will be the mission pilot, giving him significant responsibilities during the mission.
- The two Gaganyatris will also conduct five different experiments on board the ISS, with some experiments originating in India and others being international collaborations.
- Regarding the Gaganyaan mission, ISRO has completed several key tests, including pad abort, high-altitude abort tests, and testing of the crew escape system.
- The LVM-3 launch vehicle for the Gaganyaan mission is nearly ready to carry humans, and the crew module is under development.
- ISRO is working on the capsule's Environmental Control and Life Support System and the Integrated Vehicle Health Management System.
- The next milestones for Gaganyaan include a series of uncrewed suborbital and orbital test flights, with the final one expected in mid-2025, though this date could change.

## The mainstream Democrat (11 August)

**If Kamala Harris is seen as a tough former prosecutor who speaks out strongly on core Democratic issues such as reproductive rights, her running mate has a reputation for flipping Republican districts in favour of Democrats by reaching out to independent and undecided voters**

- Tim Walz, the Governor of Minnesota, was unexpectedly chosen as Kamala Harris's running mate for the 2024 U.S. presidential election.
- Walz, known for his "folksy" demeanor, had criticized Donald Trump's policies as "weird."

- He complements Kamala Harris, offering gender and racial balance to the Democratic campaign.
- Harris is known for her strong stance on Democratic issues like reproductive rights, while Walz has a reputation for winning over Republican districts by appealing to independent and undecided voters.
- Although Josh Shapiro, the Governor of Pennsylvania, was considered a strong contender, Harris's choice of Walz highlights his personality and broad appeal over regional political strategy.

### Small-town childhood

- Tim Walz was born into a middle-class family in West Point, Nebraska. His father was a school teacher.
- He grew up in small towns and has said that his rural upbringing influenced his values.
- Walz graduated with a degree in social science education from Chadron State College and earned an MSc in educational leadership from Minnesota State University in 2001.
- Following in his father's footsteps, who was an Army veteran, Walz served in the Army National Guard after high school and served a total of 24 years, retiring as a command sergeant major in 2005.
- After completing his education, he spent a year teaching in China, as one of the first American educators authorized by the U.S. government to teach in Chinese high schools, and he still speaks Mandarin.

### Democratic representation

- Despite his rich experience in education, Tim Walz did not continue in the teaching profession.
- During the 2004 presidential election, while teaching, Walz took his class to a George W. Bush campaign event.
- His students were ejected from the rally for wearing clothing supporting Bush's opponent, John Kerry, which angered Walz and motivated him to enter politics.
- He began as a local campaign manager for John Kerry and later decided to run for Congress in Minnesota's 1st district in 2006.
- Despite the district being heavily rural and historically Republican, Walz won the election with 53% of the vote.
- He was re-elected to Congress every two years until 2018, when he decided to run for Governor of Minnesota.
- Walz won the gubernatorial election in 2018 and was re-elected in 2022, making him the current Governor of Minnesota.
- Tim Walz's career in the House of Representatives highlights his strong credentials as a progressive leader within the Democratic Party.
- His previous careers as a school teacher and army veteran earned him respect among peers and constituents.
- Walz's voting record aligns with mainstream Democratic values, such as raising the minimum wage, supporting stem cell research, giving Medicare more power to negotiate for affordable medicines, lowering university tuition costs, and backing reproductive rights.
- He has faced personal and political controversies, including a 1995 conviction for driving under the influence, after which he became a teetotaler.
- Politically, after being chosen as Kamala Harris's running mate, Walz was criticized by Republicans, with some labeling him as "pro-China" and calling him "Marxist Walz."
- Tim Walz values his experience teaching in China and has organized educational trips there with his wife, but he is critical of China's human rights violations.
- As a Congressman, he met with the Dalai Lama and Hong Kong activist Joshua Wong and served on the Executive Commission on China, focusing on human rights abuses.
- The Harris-Walz team is expected to present a strong Democratic policy agenda, but it's uncertain if they have the broad voter recognition to rival Trump.
- The outcome of the election will influence whether the U.S. sees continued political polarization or efforts toward unity.

# Wrestler emeritus

## Vinesh Phogat

The Asian Games gold medallist, who had beaten career-threatening injuries and stood up against alleged sexual harassment by former WFI chief, remains a symbol of resilience

**Y.B. Sarangi**

**W**hen we met an 18-year-old Vinesh Phogat in her rookie year at the National championships in Nandini Nagar, Gonda, Uttar Pradesh, her cherubic smile belied her steely resolve. Hailing from Balali village in Charkhi Dadri, Haryana, she had already built a reputation as a promising wrestler and showed it on the mat by claiming a National title.

By that time, the Phogat surname had become famous following Geeta's 2010 Commonwealth Games gold medal and both Geeta and her sister Babita's World championships bronze medals two years later. The general impression was that Vinesh was one of the Phogat sisters. Only a few knew that the youngster was a cousin of the famous Phogats and wanted to make a name for herself.

Vinesh, who turns 30 in August, has succeeded in achieving what she wanted. Her sound game, rock-like determination, smart thinking and a fearless approach ensured her rise. Within a few months, she took a bronze in the 51kg at the Asian championships to prove her mettle.

Since then, Vinesh has not looked back. She went on to become the first Indian woman wrestler to claim gold medals in both



the Commonwealth Games and Asian Games and two bronze medals in the World championships.

However, success at the Olympics has eluded her. In her Olympics debut in Rio 2016, she dislocated her knee in a 48kg quarter-final bout and had to be stretchered off from the mat. Her injury looked so bad that her return to competitive wrestling seemed doubtful but she made a miraculous recovery.

A flop show in the Tokyo Olympics, where she competed in the 53kg category, followed by her suspension by the Wrestling Federation of India (WFI) for 'indiscipline,' which was later revoked, spoiled her second appearance at the Games.

The dramatic loss of her medal after reaching the 50kg final in the Paris Olympics was shocking. She was disqualified (as per the United World Wrestling rules) after being overweight by only 100gm on the second day of the competition prior to her fi-

nal. It was a never-before occurrence for an Indian wrestler in the Olympics.

Vinesh, returning from a knee surgery, always wanted to compete in the 53kg category and was keen to challenge Antim Panghal, who had secured a quota place in the same weight. Since the Union Sports Ministry had de-recognised the WFI and the sport was being run by an ad-hoc body, there was confusion as to whether there would be a trial between the quota place winner and a challenger prior to the Olympics (such a decision was a prerogative of the federation). Because of this, Vinesh, a two-time Worlds medallist in 53kg, chose to compete in the 50kg selection trials, bagging a quota place.

Nevertheless, her decision to drop down to 50kg was always a gamble as it potentially weakened her due to the significant weight loss of nearly seven kg from her normal body weight.

Ultimately, her gamble

backfired. She sensationally stunned Japan's World and Olympic champion Yui Susaki on her way to the title clash before seeing the script change unexpectedly the next morning.

An emotionally broken Vinesh decided to hang up her boots soon after her disqualification.

Vinesh's life has not been one-dimensional. She has been a fighter off the mat too. Apart from successfully beating some career-threatening injuries, Vinesh, known for calling a spade a spade, showed her feisty nature as she famously stood up against alleged sexual harassment by former WFI chief Brij Bhushan Sharan Singh. She was backed by other pre-eminent athletes, including Olympic medallists Sakshi Malik and Bajrang Punia. Fighting for a cause she believed in, Vinesh literally took on the police on the streets of New Delhi. The spectacular scenes beamed on various television and digital channels and photos splashed in newspapers across the country triggered the debate over women sportspersons' safety.

All through Vinesh's battle for 'justice,' her wrestler husband Somvir Rathee provided unwavering support. Because of all her fights on and off the mat, Vinesh has emerged as a symbol of woman power and resilience.

## Wrestler emeritus

The Asian Games gold medallist, who had beaten career-threatening injuries and stood up against alleged sexual harassment by former WFI chief, remains a symbol of resilience

- Vinesh Phogat, from Balali village in Haryana, started making a name for herself as a promising wrestler at 18.
- She won a National title during her rookie year at the National championships in Nandini Nagar, Uttar Pradesh.
- Although many thought she was one of the Phogat sisters, she is actually their cousin.
- Vinesh wanted to establish her own identity and has done so successfully over the years.
- She showed her potential by winning a bronze medal in the 51kg category at the Asian championships shortly after her initial success.
- Vinesh became the first Indian woman wrestler to win gold medals at both the Commonwealth Games and the Asian Games.
- She also won two bronze medals at the World championships.
- Despite her achievements, she faced setbacks at the Olympics.
- In her Olympic debut at Rio 2016, she dislocated her knee during a quarter-final match and had to be taken off the mat on a stretcher.
- Her injury was severe, and there were doubts about her return to competitive wrestling, but she made a remarkable recovery.
- Vinesh Phogat had a disappointing performance in the Tokyo Olympics in the 53kg category.

- After the Tokyo Olympics, she was suspended by the Wrestling Federation of India (WFI) for "indiscipline," though the suspension was later revoked.
- In the Paris Olympics, she lost her chance to win a medal in the 50kg category because she was disqualified for being just 100 grams overweight before the final match. This was a shocking and unprecedented situation for an Indian wrestler in the Olympics.
- Vinesh had recently undergone knee surgery and wanted to compete in the 53kg category.
- She aimed to challenge Antim Panghal, who had already secured a quota place in the 53kg weight category.
- Due to confusion surrounding the Wrestling Federation of India's status and the handling of trials by an ad-hoc body, it was unclear if there would be a trial between the quota place winner and a challenger before the Olympics.
- Given the uncertainty, Vinesh decided to compete in the 50kg selection trials, where she secured a quota place.
- However, dropping down to the 50kg category was a risky move for Vinesh, as it required her to lose almost seven kilograms from her normal body weight, which potentially weakened her.
- Vinesh Phogat's decision to drop to the 50kg category ultimately did not pay off.
- She managed to defeat Japan's World and Olympic champion Yui Susaki on her way to the final.
- However, the next morning, things took an unexpected turn, leading to her disqualification.
- Emotionally devastated by the disqualification, Vinesh decided to retire from wrestling.
- Vinesh's life has not been limited to wrestling alone; she has faced and overcome several challenges off the mat as well.
- She has battled and recovered from career-threatening injuries.
- Vinesh is known for speaking out and stood up against alleged sexual harassment by former Wrestling Federation of India (WFI) chief Brij Bhushan Sharan Singh.
- She was supported by other top athletes, including Olympic medallists Sakshi Malik and Bajrang Punia.
- Vinesh took her fight to the streets of New Delhi, literally confronting the police, drawing significant media attention.
- The coverage sparked a national debate on the safety of women athletes.
- Throughout her battle for justice, her wrestler husband Somvir Rathee was a steadfast supporter.
- Vinesh has emerged as a symbol of female empowerment and resilience due to her struggles both on and off the mat.

Patriotic IAS

# The banker who became ruler

## Muhammad Yunus

The Nobel Laureate, who faced arrest when Sheikh Hasina was in power, is now tasked with stabilising Bangladesh and restoring democracy

### Suchitra Karthikeyan

**I**f action is needed in Bangladesh, for my country and for the courage of my people, then I will take it," Muhammad Yunus, the micro-finance pioneer and Nobel prize winner, said on August 6, a day after Sheikh Hasina resigned as Prime Minister and left Bangladesh. **Coordinators of the Anti-Discrimination Student Movement**, which spearheaded the anti-government protests in Bangladesh, had urged Mr. Yunus to head an interim administration. After the military gave its nod, Mr. Yunus, 84, was sworn in as the head of the interim government on August 8.

"In Dr. Yunus, we trust," wrote **Asif Mahmud**, a key leader of the student movement, in a Facebook post, echoing the widespread acceptability Mr. Yunus has in Bangladesh's fractious polity.

**Born on June 28, 1940, in Chittagong**, East Bengal (now Bangladesh), Muhammad Yunus, the third of nine children, completed his primary and college education in Bangladesh and **PhD in the U.S.**

Then, he began teaching economics at Middle Tennessee State University in Murfreesboro, U.S., in 1969.

As his homeland was struggling for liberation from Pakistan, Mr. Yunus



ILLUSTRATIONS: SREEJITH R. KUMAR

lobbied the U.S. Congress to stop military aid to Pakistan. He also helped raise support for the Liberation movement by running a Bangladesh Information Center in Washington DC, a Citizen's Committee in Nashville, Tennessee, and published the Bangladesh Newsletter.

With the birth of Bangladesh, he returned home, joining the Economics Department of University of Chittagong in 1972. As the newly-liberated country suffered a famine in 1974, he forayed into rural economics, studying **economic aspects of poverty**. In his visits to farming households in Chittagong's Jobra region, he realised the **necessity and effectiveness of small loans to women bamboo furniture makers, freeing them from the claws of loan sharks**. Initiating the first 'small loan', Mr. Yunus lent \$27 to 42 families in Jobra to manufacture their items for sale.

This idea gave **birth to microfinance in 1976**, where Mr. Yunus offered

himself as the guarantor and secured a credit line from Janata Bank to lend small loans to Jobra residents. **In 1983, Grameen Bank was established, specialising on small loans. Over 100 nations, including India, have replicated this model**. As of 2024, Grameen Bank has 2,568 branches across 81,678 villages with 10.61 million borrowers.

Mr. Yunus's pioneering **work in microfinance won him the Nobel Peace Prize in 2006**.

### Political entry

In February 2007, when both Ms. Hasina and BNP leader Khaleda Zia were in jail, Mr. Yunus announced the formation of the Nagorik Shakti party and promised to contest polls.

However, he dropped the plans within months due to lack of public support.

On taking power in 2009, Ms. Hasina's government began scrutinising Mr. Yunus and Grameen Bank. In 2011, he was re-

moved as managing director of the bank, as he had passed the retirement age of 60. While he challenged his ouster, he lost the court battle, accusing Ms. Hasina of targetting him.

The micro-financing model itself came under the scanner after Mr. Yunus admitted that some organisations may have abused the system for profit. **The lack of collateral in such loans have attracted high interest rates by some banks, leading to borrowers falling into more debt.**

In 2019, an arrest warrant was issued against Mr. Yunus for three alleged **breaches under the Labour Act**. In May 2023, Bangladesh's Anti-Corruption Commission accused Mr. Yunus and several others of misusing funds from the workers' welfare fund. After a lengthy trial, Mr. Yunus and his colleagues were convicted in January this year, days after Ms. Hasina began her fourth consecutive term as Prime minister.

Within six months, chaos and violence broke out in Bangladesh, which would trigger dramatic developments.

Now Ms. Hasina, whose government sought to incarcerate him, is out of power and out of the country, while Mr. Yunus is heading an interim government, tasked with overseeing an orderly political transition.

## The banker who became ruler (11 August)

The Nobel Laureate, who faced arrest when Sheikh Hasina was in power, is now tasked with stabilising Bangladesh and restoring democracy

- Muhammad Yunus, a Nobel Prize-winning microfinance pioneer, expressed his willingness to take action for his country, Bangladesh, if needed.
- On August 6, after Sheikh Hasina resigned as Prime Minister and left Bangladesh, there were calls for Mr. Yunus to lead an interim government.
- The Anti-Discrimination Student Movement, which led the anti-government protests, urged Mr. Yunus to head the interim administration.
- With the military's approval, Mr. Yunus, 84, was sworn in as the head of the interim government on August 8.
- Asif Mahmud, a key leader of the student movement, expressed trust in Dr. Yunus in a Facebook post, reflecting the widespread support he has in Bangladesh's divided political landscape.

- Muhammad Yunus was born on June 28, 1940, in Chittagong, East Bengal (now Bangladesh), as the third of nine children.
- He completed his primary and college education in Bangladesh and later earned a PhD in the United States.
- In 1969, Mr. Yunus began teaching economics at Middle Tennessee State University in Murfreesboro, U.S.
- During Bangladesh's struggle for liberation from Pakistan, Mr. Yunus lobbied the U.S. Congress to stop military aid to Pakistan.
- He also supported the Liberation movement by running a Bangladesh Information Center in Washington DC, a Citizen's Committee in Nashville, Tennessee, and publishing the Bangladesh Newsletter.
- After the birth of Bangladesh, Muhammad Yunus returned home and joined the Economics Department at the University of Chittagong in 1972.
- In 1974, as Bangladesh faced a severe famine, Mr. Yunus shifted his focus to rural economics, studying the economic aspects of poverty.
- During his visits to farming households in Chittagong's Jobra region, he observed the struggles of women bamboo furniture makers who were trapped in debt by loan sharks.
- Realizing the potential impact of small loans, Mr. Yunus initiated his first "small loan" by lending \$27 to 42 families in Jobra to help them produce and sell their goods.
- This experiment led to the birth of microfinance in 1976. Mr. Yunus offered himself as a guarantor and secured a credit line from Janata Bank to provide small loans to residents of Jobra.
- In 1983, he established Grameen Bank, which specialized in offering small loans to the poor.
- The Grameen Bank model has been replicated in over 100 countries, including India.
- As of 2024, Grameen Bank operates 2,568 branches across 81,678 villages, serving 10.61 million borrowers.
- Muhammad Yunus's groundbreaking work in microfinance earned him the Nobel Peace Prize in 2006.

### Political entry

- In February 2007, while both Sheikh Hasina and Khaleda Zia were in jail, Muhammad Yunus announced the formation of the Nagorik Shakti party and planned to contest elections.
- However, he abandoned the idea within a few months due to a lack of public support.
- When Sheikh Hasina's government came to power in 2009, they began investigating Mr. Yunus and Grameen Bank.
- In 2011, Mr. Yunus was removed as the managing director of Grameen Bank because he had passed the retirement age of 60. He challenged his removal but lost in court, accusing Sheikh Hasina of targeting him.
- The microfinance model itself faced criticism when Mr. Yunus admitted that some organizations might have exploited the system for profit. The lack of collateral in these loans led to high-interest rates by some banks, causing borrowers to fall deeper into debt.
- In 2019, an arrest warrant was issued against Mr. Yunus for alleged violations of the Labour Act.
- In May 2023, Bangladesh's Anti-Corruption Commission accused Mr. Yunus and others of misusing funds from the workers' welfare fund.
- After a lengthy trial, Mr. Yunus and his colleagues were convicted in January 2024, shortly after Sheikh Hasina began her fourth consecutive term as Prime Minister.
- Within six months, chaos and violence erupted in Bangladesh, leading to significant political developments.
- Now, with Sheikh Hasina out of power and out of the country, Muhammad Yunus is heading an interim government responsible for overseeing a peaceful political transition.

## Record temperatures in Great Barrier Reef seen in last decade

### The Hindu Bureau

Water temperatures in and around the **Great Barrier Reef, Australia**, in the past decade have been the **warmest in the past 400 years**. The results were published recently in *Nature*. These periods of warming increase the risk of mass coral bleaching and mortality and are likely driven by human-induced climate change. The **Great Barrier**

**Reef has undergone a sequence of mass bleaching events** in recent years, with the events increasing in frequency since some of the first recorded episodes occurred in the 1980s. **Mass coral bleaching can be spurred by warming water temperatures linked to global warming**. Analysis of sea surface temperatures in the Coral Sea, which contains the Great Barrier Reef, has until now

mainly been limited to recent instrumental observations.

Researchers now reconstructed sea surface temperature data from 1618 to 1995 using **coral skeleton samples from within and surrounding the Coral Sea** and coupled this dataset with recorded sea surface temperature data from 1900 to 2024. They identified relatively stable temperatures prior to 1900.

From 1960-2024, however, they observed an average annual warming for January to March of 0.12 degree C per decade. The average sea surface temperatures for January and March in the mass coral bleaching years of 2016, 2017, 2020, 2022, and 2024 were considerably warmer than in any year in the reconstruction prior to 1900 and were five of the six warmest the region has experienced in

the past four centuries. Further modelling suggests that this rate of heating post-1900 can be attributed to human influence.

The authors note there are remaining uncertainties in reconstructed sea surface temperature data due to some of the chemical proportions in the coral that are used to model temperatures being influenced by other variables such as salinity. However, these

uncertainties could be reduced with additional sampling of coral cores from the region. The researchers note that even if global warming is kept under the Paris Agreement's goal of 1.5 degree C above pre-industrial levels, 70% to 90% of corals across the globe could be lost, and future coral reefs will likely feature a different community structure with less diversity in coral species.

### Coral bleaching

- Coral bleaching is a phenomenon where corals lose their vibrant colors and turn white.
- This occurs when the  **symbiotic relationship between the coral and the zooxanthellae algae that live within their tissues is disrupted**.
- Zooxanthellae provide corals with nutrients through photosynthesis, and in return, corals offer them a protected environment and the compounds they need for photosynthesis.

### Causes of Coral Bleaching:

1. **Increased Sea Temperatures:** The primary cause of coral bleaching is the rise in sea temperatures due to global warming. Even a small increase in temperature can cause the coral to expel the algae.
2. **Ocean Acidification:** Higher levels of carbon dioxide (CO<sub>2</sub>) in the atmosphere lead to increased CO<sub>2</sub> absorption by the oceans, causing ocean acidification. This can weaken corals and make them more susceptible to bleaching.
3. **Pollution:** Runoff from agriculture, sewage, and industrial activities can lead to the accumulation of harmful substances in the ocean, affecting coral health.
4. **Overexposure to Sunlight:** Increased water temperatures can cause corals to become stressed and more susceptible to damage from excessive sunlight.
5. **Extreme Low Tides:** Corals exposed to the air during low tides can experience bleaching due to sudden temperature changes and UV radiation.

**Impacts of Coral Bleaching:**

- **Loss of Biodiversity:** Corals provide a habitat for a wide variety of marine life. When corals bleach and die, the ecosystems they support also suffer.
- **Economic Consequences:** Many coastal communities rely on coral reefs for tourism, fishing, and protection from storms. Coral bleaching can have devastating economic impacts.
- **Erosion:** Coral reefs act as barriers that protect coastlines from erosion. The loss of coral reefs can lead to increased coastal erosion.

## Directional swimming (11 August)

### Are jellyfish randomly moving organisms?

- Although there is some evidence that jellyfish can actively control their movement, this behavior is not fully understood, leading to the assumption that jellyfish mostly drift passively or move randomly.
- A study using drone videos tracked multiple jellyfish at once.
- The analysis revealed that jellyfish swim in specific, directional patterns, usually away from the coast and against surface gravity waves.
- Individual jellyfish behavior leads to a synchronized, group movement in the same direction.
- Researchers conducted numerical simulations showing that this counter-wave swimming behavior results in a movement pattern that reduces the risk of jellyfish being stranded on shore.
- This swimming strategy is important for the survival of jellyfish.

## FM urges banks to raise small sums from many savers (11 August)

### Sitharaman voices concern over slower growth in deposits in relation to lending; says bankers need to focus on deposit mobilisation as core work

- Finance Minister Nirmala Sitharaman expressed concern about the slower growth in bank deposits compared to the increase in lending.
- She urged banks to find new ways to attract deposits, suggesting a return to the traditional method of gathering small amounts from many savers instead of relying on large corporate deposits, which she referred to as "lazy" banking.
- Reserve Bank of India (RBI) Governor Shaktikanta Das noted a 300-400 basis points gap between deposit growth and credit growth over the past few months, with deposits lagging behind.
- Although there is no immediate crisis, the RBI is cautioning banks that if this issue is not addressed, it could lead to potential liquidity management problems in the future.
- Both the RBI and the government have been advising banks to focus more on their core business activities of deposit mobilization and lending.
- Sitharaman emphasized that banks should prioritize raising deposits and lending, as these are the essential functions of banking.
- She warned that if one of these core activities is not working effectively, it needs to be addressed before banks focus on adding other services to their portfolio.

### 'Old-fashioned way'

- Finance Minister Nirmala Sitharaman plans to urge bank chiefs to return to the traditional method of collecting deposits from a wide range of people, emphasizing the flexibility they have in managing interest rates.
- She criticized the practice of relying on large, bulk deposits, calling it a "lazy" approach for bankers.
- Sitharaman noted that smaller, consistent deposits are essential for banks to maintain regular lending, referring to these smaller deposits as "bread-and-butter money."
- She observed that banks have shifted their focus to securing large deposits to meet targets, neglecting the importance of small deposits.
- While collecting small deposits might be monotonous, Sitharaman stressed that it is a crucial job for banks.
- RBI Governor Shaktikanta Das highlighted that large deposits can be withdrawn quickly, posing a risk to banks.

- He noted that the share of low-cost CASA (Current Account and Savings Account) deposits in overall deposits has decreased from 43% to about 39% in the past year.
- Das emphasized the need for banks to focus on all types of deposits, not just large ones.

## **New reporting norms for banks will bolster informed policy making: Sitharaman (11 August)**

- The most significant aspect of the recent banking law amendments is the change in reporting requirements for banks.
- Finance Minister Nirmala Sitharaman stated that this change will ensure that the data used for policy-making is more accurate and reflective of reality.
- The amendments include provisions in the Banking Regulation (BR) Act for account holders and depositors to make simultaneous and successive nominations.
- Sitharaman described this as a customer-friendly step, giving customers more choices in their nominations and helping nominees avoid difficulties in claiming what is rightfully theirs.
- The proposed changes in the banking law have been long-awaited.
- Among the most critical shifts are amendments to the Banking Regulation Act and Section 42 of the Reserve Bank of India (RBI) Act, which revise the reporting dates for banks to submit statutory reports to the regulator.
- Instead of the old method of reporting by the last Friday of each month, the new system requires banks to report on the 15th and 30th of each month.
- This change allows for more frequent and predictable updates, avoiding large, last-minute adjustments at the end of the year.
- Finance Minister Nirmala Sitharaman highlighted that this new reporting schedule will ensure that data used for policy-making is more accurate and up-to-date.
- Financial sector experts believe these amendments will help banks and regulators respond more quickly to economic changes.
- Uniform reporting standards will enable faster responses to sectoral risks and economic challenges, according to Gayathri Parthasarathy, a financial services expert.