



DAILY CURRENT AFFAIRS 04-10-2024

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Iran

Syllabus: GS-1; Geography-Mapping

Context

- *Israel bombed central Beirut in the early hours of October 3, 2024 (Thursday), killing at least six people, after its forces suffered their deadliest day on the Lebanese front in a year of clashes against Iran-backed armed group Hezbollah.*



Geographical Location and Importance

- **Region:** *Iran is located in West Asia, bordered by several countries including Iraq, Turkey, Armenia, Azerbaijan, Turkmenistan, Afghanistan, and Pakistan.*
- *It has a long coastline along the Persian Gulf and the Caspian Sea.*

Strategic Importance

- **Persian Gulf:** *Iran's location along the Persian Gulf makes it a crucial player in global energy trade, especially due to its proximity to the Strait of Hormuz, a critical chokepoint through which a significant portion of the world's oil supply passes.*
- **Bordering Countries:** *Iran's geographical position places it in close proximity to the Middle East conflict zones, making it geopolitically significant.*
- **Natural Resources:** *Iran holds some of the world's largest reserves of oil and natural gas, making it an energy superpower in the region.*

Political Structure

- **Theocratic Republic:** *Iran operates as a theocratic republic, where the Supreme Leader holds the highest authority, with significant control over the military, judiciary, and key political appointments.*
- *The President, who is elected, handles day-to-day governance.*
- **Government Institutions:**
 - **Supreme Leader:** *The de facto ruler of Iran with broad control over political and religious matters.*
 - **President:** *Elected every four years, responsible for domestic policies, but the position has limited power over foreign policy.*
 - **Islamic Consultative Assembly (Majlis):** *The legislative body of Iran.*

Iran's Role in International Relations

Relations with India:

- **Energy Partnership:** *India has long relied on Iran for oil imports, although these were impacted by U.S. sanctions. India views Iran as a vital partner for its energy security.*
- **Chabahar Port:** *The development of the Chabahar Port in Iran by India is strategically significant. It provides India access to Afghanistan and Central Asia, bypassing Pakistan. This port plays a crucial role in the International North-South Transport Corridor (INSTC).*

Iran Nuclear Deal (JCPOA):

- *The Joint Comprehensive Plan of Action (JCPOA), signed in 2015 between Iran and the P5+1 countries (the U.S., UK, Russia, France, China, and Germany), aimed at limiting Iran's nuclear program in exchange for lifting sanctions.*
- *However, the U.S. withdrew from the deal in 2018, leading to renewed sanctions, heightening tensions in the region.*

U.S.-Iran Tensions:

- *Relations between the U.S. and Iran have been strained, particularly following the U.S. withdrawal from the JCPOA and the killing of Iranian General Qasem Soleimani in 2020.*
- *These tensions have significant implications for global oil markets and regional stability.*
- **Iran and the Gulf Region:** *Iran has complex relationships with its neighbors, particularly Saudi Arabia, due to sectarian (Shia-Sunni) differences and regional power struggles, especially over influence in conflicts like Syria and Yemen.*

- **Iran and Russia/China:** *Iran has strengthened ties with Russia and China, partly as a response to Western sanctions. This includes military, economic, and diplomatic cooperation.*

Economic Overview

- **Oil and Gas:** *Iran's economy heavily depends on its oil and gas exports, making it vulnerable to fluctuations in global oil prices and sanctions. The energy sector contributes significantly to government revenue.*
- **Sanctions:** *International sanctions, particularly by the U.S., have had a significant impact on Iran's economy, leading to inflation, unemployment, and a contraction in economic growth.*
- **Diversification Efforts:** *Iran has been attempting to diversify its economy, focusing on sectors such as agriculture, manufacturing, and tourism, though progress has been slow due to ongoing geopolitical tensions.*

India-Iran Relations

- *India shares strong cultural, historical, and civilizational ties with Iran.*
- *The relationship has been built on mutual economic, energy, and strategic interests.*
- *India's participation in the Chabahar Port development is key for India's connectivity to Afghanistan and Central Asia.*
- *While Iran has been a crucial energy supplier to India, U.S. sanctions on Iran have impacted trade and economic cooperation.*
- *However, both countries continue to look for ways to strengthen ties despite these challenges.*

What special status is Ladakh seeking?

Syllabus: GS-2; Polity-The constitution of India

Context

- *Solicitor General Tushar Mehta on October 3, 2024 told the Delhi High Court that climate activist Sonam Wangchuk and his associates have been released from detention.*

Background

- *Climate activist Sonam Wangchuk was detained on the Delhi border on September 30, 2024 night as he led a group of protesters to petition the Central government for the*

inclusion of Ladakh in the Sixth Schedule of the Constitution among other demands for autonomy to the region.

- *Similar demands have been raised in Arunachal Pradesh and Manipur.*
- *These discussions relate to special provisions for various ethnic groups in the Constitution.*

What is asymmetrical federalism?

- *The Indian Constitution follows 'asymmetrical' federalism.*
- **Asymmetrical federalism is where some States and areas have more autonomy than others.**
- *A classical federation like the U.S. or Australia is a symmetrical federation as all States enjoy the same set of powers and autonomy.*
- *In India, there are a few States/ areas that enjoy more autonomy or have special provisions under the Constitution than others.*

Fifth and Sixth Schedules

Historical Context

- *Tribal populations in India, before British colonization, largely lived autonomously, with their own customs and traditions.*
- *British policies, especially forest laws and interventions in tribal lands, led to dissatisfaction and rebellions such as the **Kol Rebellion (1831-32), Santhal Revolt (1855-56), Munda Rebellion (1899-1900), and Bastar Rebellion (1911).***
- *These uprisings led the British to adopt a policy of 'isolation' for the tribal regions, leading to the creation of excluded and partially excluded areas under the **Government of India Act, 1935.***
- *The Fifth and Sixth Schedules in the Indian Constitution, which were adapted from this earlier arrangement, seek to provide specific protections and governance models for tribal regions to preserve their culture, land, and resources.*

Fifth Schedule

- **Applicability:** *Covers 'Scheduled Areas' in states with significant tribal populations. As of now, 10 states in India have such scheduled areas.*
- **Tribes Advisory Council (TAC):** *Each state with scheduled areas must have a TAC composed mainly of tribal members. It advises on matters related to the welfare of Scheduled Tribes (STs).*

Powers of the Governor:

- *The Governor can regulate land allotments, transfer of land, and businesses like money lending in these areas.*

- *The Governor can direct the applicability of laws passed by the central or state legislature in the scheduled areas with modifications.*

Sixth Schedule

- **Applicability:** *Designed for 'Tribal Areas' in the northeastern states of Assam, Meghalaya, Mizoram, and Tripura.*
- **Autonomous District Councils (ADC):** *These councils have legislative, executive, judicial, and financial powers over the tribal areas.*
 - *ADCs can legislate on matters like land use, inheritance, marriage, social customs, and regulate shifting cultivation.*
 - *They can establish primary schools, dispensaries, roads, and manage local taxation and land revenue.*
 - *ADCs can also grant licenses for mineral extraction.*
 - *State legislature laws do not apply to these tribal areas unless the ADCs extend them.*

Difference Between Fifth and Sixth Schedules

- *The Sixth Schedule areas enjoy greater autonomy than the Fifth Schedule areas.*
- *The ADCs in the Sixth Schedule regions have broader powers, especially in terms of governance and resource management, than the TAC in Fifth Schedule areas.*

Special Provisions for Northeastern States

Certain northeastern states enjoy special constitutional provisions under Part XXI of the Constitution:

- **Article 371A:** *Protects the customary laws and land rights of the people of Nagaland.*
- **Article 371B:** *Establishes a special committee of legislators from Assam's Tribal Areas.*
- **Article 371C:** *Provides a similar committee for the Hill Areas of Manipur.*
- **Article 371F:** *Special provisions for the protection of Sikkim's unique political and social system.*
- **Article 371G:** *Protects Mizoram's customary laws and social practices.*
- **Article 371H:** *Grants special responsibilities to the Governor of Arunachal Pradesh for maintaining law and order.*

Need for Reforms

Despite these constitutional protections, several challenges persist:

- **Limited Autonomy:** *The autonomy granted to the Fifth and Sixth Schedule areas is often not fully implemented.*

Central and state government approval is still required for many actions taken by the Governors or ADCs, reducing actual autonomy.

- **Unnotified Scheduled Areas:** *Several tribal-dominated regions across India have not been notified as 'scheduled areas,' depriving them of the protections afforded by the Fifth Schedule.*
- **Pending Legislation:** *The 125th Constitutional Amendment Bill (2019) seeks to grant more powers to the ADCs in the Sixth Schedule areas, but it is still pending in the Rajya Sabha.*
- **Inclusion of Other Regions:** *There are demands from states like Arunachal Pradesh, Manipur, and the Union Territory of Ladakh for inclusion in the Sixth Schedule to safeguard tribal interests.*
- **Forest Rights:** *The Forest Rights Act, 2006, which aims to vest land rights to tribal populations, should be fully implemented in both Fifth and Sixth Schedule areas to protect tribal rights to land and resources.*

Conclusion

- *Asymmetrical federalism in India through the Fifth and Sixth Schedules provides tribal areas with special protections aimed at preserving their culture and resources.*
- *However, the implementation of these provisions requires further reforms to ensure genuine autonomy, protection of tribal rights, and integration with the mainstream developmental policies.*

Dharti Aaba Janjatiya Gram Utkarsh Abhiyan

Syllabus: GS-2; Government policies and Interventions

Context

- *PM launches Dharti Aaba Janjatiya Gram Utkarsh Abhiyan from Hazaribagh, Jharkhand on 2nd October 2024, birth anniversary of Mahatma Gandhi*

About

- *The Dharti Aaba Janjatiya Gram Utkarsh Abhiyan is a rural development initiative launched by the Government of India, primarily targeting the upliftment and socio-economic betterment of tribal communities in India.*
- *The name "Dharti Aaba" is a tribute to Birsa Munda, a revered tribal leader and freedom fighter, often called the "Dharti Aaba" (Father of the Earth) by his followers.*



I am happy that the **Dharti Aaba Gram Utkarsh Abhiyan** is being launched from the land of Lord Birsa Munda

The PM-Janman Scheme was also launched from Jharkhand on the birth anniversary of Lord Birsa Munda

Address on the launch of development works in Hazaribagh, Jharkhand
October 2, 2024



Key Objectives of the Abhiyan

- **Tribal Empowerment:** *Focuses on improving the livelihoods, education, and health of tribal communities.*
- **Infrastructure Development:** *Enhances basic infrastructure such as roads, schools, and health facilities in tribal villages.*
- **Agricultural Growth:** *Promotes sustainable agricultural practices and access to modern farming techniques, ensuring better productivity and income for tribal farmers.*
- **Skill Development:** *Implements skill training programs to enhance employment opportunities for tribal youth.*
- **Social Security Schemes:** *Ensures the effective implementation of social security schemes, such as those related to health, education, and housing, specifically for tribal populations.*

- **Sustainable Development:** *Encourages environmentally sustainable practices to protect natural resources that are integral to the tribal way of life.*

Impacts

1. Improved Livelihoods:

- *Increased income levels through better agricultural practices and skill development.*
- *Enhanced self-reliance due to employment opportunities and entrepreneurship for tribal youth.*

2. Enhanced Infrastructure:

- *Improved access to education, healthcare, and other essential services in tribal areas.*
- *Better rural connectivity with urban centers, facilitating trade and market access.*

3. Social Upliftment:

- *Higher literacy rates and educational attainment among tribal children and youth.*
- *Improved healthcare outcomes, particularly in maternal and child health, due to better healthcare facilities.*

4. Cultural and Environmental Sustainability:

- *Preservation of tribal culture and traditions alongside modern practices.*
- *Promotion of sustainable agricultural practices, protecting natural resources vital to tribal communities.*

5. Social Equality and Inclusion:

- *Reduction in inequalities between tribal communities and the general population.*
- *Empowerment of tribal women through gender-specific programs, improving social and economic outcomes.*

6. Increased Awareness and Participation:

- *Greater political and civic participation by tribal communities in local and national decision-making.*

Hedge funds

Syllabus: GS-3; Economy- Financial Market

Context

- *Global hedge funds flocked to Chinese equities on the back of Beijing's much bigger than expected stimulus measures, leading to the strongest weekly buying on record, a note from Goldman Sachs showed.*

About

- *Hedge Funds are alternative investment vehicles that **pool capital from accredited or institutional investors to invest in a variety of assets**, often employing complex strategies with the goal of generating high returns.*
- *Hedge funds are generally **less regulated than traditional investment funds**, such as mutual funds, and are known for their flexibility in terms of investment choices and strategies.*

Key Features

- **Accredited Investors:** *Hedge funds typically cater to high-net-worth individuals, institutional investors, and other accredited investors, due to the risks and high capital requirements involved.*
- **Flexible Investment Strategies:** *Hedge funds can invest in a wide range of assets, including stocks, bonds, currencies, derivatives, and commodities. They often use techniques like short-selling, leverage, and derivatives to boost returns.*
- **Active Management:** *Hedge funds are actively managed, meaning fund managers continuously make decisions on buying or selling assets based on market trends and analysis.*
- **Higher Risk-Return Profile:** *Hedge funds aim to deliver higher returns, but they also come with a higher risk, often making them unsuitable for average retail investors.*

Common Strategies Used by Hedge Funds

- **Long/Short Equity:** *Involves buying long positions in stocks expected to increase in value and short-selling stocks expected to decrease.*
- **Global Macro:** *This strategy involves investing based on global economic trends, such as currency movements, interest rates, and geopolitical events.*
- **Event-Driven:** *These funds focus on corporate events like mergers, acquisitions, or bankruptcies, profiting from any market inefficiencies.*
- **Arbitrage:** *Managers use strategies that involve buying and selling similar assets in different markets to exploit price differences (e.g., merger arbitrage, convertible arbitrage).*
- **Managed Futures:** *Funds invest in futures markets (contracts on commodities, currencies, or indices) and employ systematic, trend-following strategies.*

Regulation of Hedge Funds

- *Hedge funds are often subject to light regulation compared to mutual funds. In India, they are regulated by **SEBI (Securities and Exchange Board of India)** under the category of Alternative Investment Funds (AIFs).*
- *They are required to follow certain guidelines but have significant freedom in the strategies they employ and the risks they take.*

Differences Between Hedge Funds and Mutual Funds

- **Regulation:** *Mutual funds are highly regulated and must follow strict guidelines regarding investment strategies, while hedge funds operate with fewer regulatory restrictions.*
- **Investor Base:** *Mutual funds are open to the public and retail investors, while hedge funds typically require large minimum investments and cater to accredited investors.*
- **Investment Strategies:** *Mutual funds generally follow more conservative strategies, focusing on long-only investments in stocks and bonds. Hedge funds can employ riskier and more diverse strategies like derivatives, leverage, and short-selling.*
- **Liquidity:** *Hedge funds usually have lock-up periods during which investors cannot withdraw their money, while mutual funds offer higher liquidity, allowing investors to redeem shares on a daily basis.*

Advantages of Hedge Funds

- **Diversification:** *Hedge funds often provide diversification because they can invest in a wide array of assets and strategies.*
- **Potential for High Returns:** *Hedge funds can potentially offer high returns due to their flexible strategies and use of leverage.*
- **Risk Management:** *Some hedge funds are designed to reduce volatility and manage risk, offering returns that are less correlated with the stock market.*

Disadvantages and Risks

- **High Fees:** *Hedge funds typically charge high management fees (often 2% of assets under management) and performance fees (usually 20% of profits).*
- **Illiquidity:** *Hedge funds often have lock-up periods, making it difficult for investors to withdraw their money.*
- **High Risk:** *Due to aggressive investment strategies, hedge funds can be very risky, and investors may lose a significant portion of their investment.*
- **Lack of Transparency:** *Hedge funds are not required to disclose as much information as mutual funds, leading to concerns about transparency and oversight.*

Hedge Funds in India

- *In India, hedge funds fall under the **Alternative Investment Fund (AIF)** regulations of SEBI, specifically under Category III AIFs.*
- *Category III AIFs are allowed to employ diverse and complex trading strategies, including the use of leverage.*
- *Hedge funds are generally available only to institutional investors and high-net-worth individuals due to the high risks involved.*
- *Hedge funds are still in a nascent stage in India compared to developed markets like the USA, but they are gaining traction among affluent investors.*

Global Impact of Hedge Funds

- *Hedge funds have become major players in global financial markets due to their large assets under management and influence on market trends.*
- *They can impact prices of assets and commodities significantly due to the volume of their trades and the use of leverage.*
- *Hedge funds were partly blamed for market volatility during financial crises, particularly during the 2008 Global Financial Crisis, when aggressive strategies contributed to instability.*

Little Prespa Lake

Syllabus: GS-3; Global Warming-Climate Change

Context

- *Little Prespa Lake on Albanian-Greek border slowly dying*

More to know

Location

- *The lake is situated mostly in Greece, with a small portion extending into Albania.*
- *It is part of the transboundary Prespa Park, which was established to protect the lakes' ecosystems shared by **Greece, Albania, and North Macedonia.***



Now

- *The situation of Little Prespa Lake reflects the devastating environmental changes occurring at the Albanian-Greek border, particularly the consequences of human interference and climate change.*
- *Historically known for its pristine waters and as a source of livelihood for local communities, the lake is now facing significant degradation.*

Key Issues

Water Recession:

- *The lake's waters have receded drastically, transforming much of it into a **marsh or swamp**.*
- *Of the 450 hectares of Little Prespa Lake located in Albania, only about 20 hectares remain as an actual lake.*
- *This dramatic change has led to the **abandonment of fishing**, once a crucial livelihood for locals.*

Human Intervention:

- *The situation began deteriorating in the 1970s when Albania's communist authorities diverted the **Devoll River** for irrigation projects near Korça, an agricultural hub in southeastern Albania.*

- *This decision cut off a significant water source that fed Little Prespa Lake, initiating its decline.*

Impact of Climate Change:

- **Rising temperatures, reduced precipitation, and milder winters with less snow have exacerbated the problem.**
- *These conditions have contributed to the drying up of the lake, with minimal replenishment during the critical winter months.*
- *If these weather patterns continue, the lake's condition may deteriorate further, posing a serious ecological threat.*

Local Community Impact:

- *For people like Enver Llomi, a 68-year-old local resident, the lake's decline has had devastating personal and economic consequences.*
- *Fishing, once the lifeblood of the community, has all but disappeared.*
- *Now, locals witness abandoned boats rotting on dry land, and instead of fish, cattle graze around the shrinking water body.*

Environmental Crisis:

- *Experts have warned that if the region experiences another dry winter followed by a hot summer, the remaining portions of Little Prespa Lake may completely disappear.*
- *Such an outcome would not only devastate the local ecosystem, but also lead to the loss of biodiversity, including the birds and plant life that thrive in the wetlands around the lake.*

Outlook

- *The drying of Little Prespa Lake stands as a stark reminder of the delicate balance between human activity and natural ecosystems.*
- *As climate change intensifies and past decisions continue to impact the environment, the future of the lake and the surrounding communities grows increasingly uncertain.*
- *Urgent conservation efforts and sustainable water management strategies are essential to prevent further degradation.*