



# Daily Current Affairs



## To The Point

by Dhananjay Gautam

**Table Of Content** **31 Jan 2025**

1. **Classifying Denotified Tribes**
2. **SEBI's "When-Listed" Mechanism**
3. **Paris AI Summit 2024**
4. **Debate on the Governor's Role in University Governance**
5. **U.S. Suspends Foreign Aid**
6. **India-Oman FTA Agreement Talks**



Subscribe to our

**You Tube** *Freedom UPSC with* **Dhananjay Gautam**

1

**Classifying Denotified Tribes: A Turning Point for Reservation and Welfare Policies**

**Context:** In a historic development, the **Anthropological Survey of India (AnSI)**, in collaboration with **Tribal Research Institutes (TRIs)**, has successfully categorized **268 denotified, semi-nomadic, and nomadic tribes** across India for the first time. Out of these, **179 communities** have been recommended for inclusion in the **Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBC)** lists. This monumental effort addresses long-standing classification gaps, ensuring these tribes gain rightful access to crucial benefits.

**Historical Background: Why Classification is Critical**

Denotified tribes were once labeled as "criminal" under the **Criminal Tribes Act of 1924**, which was eventually repealed in **1949**. However, subsequent efforts by various commissions such as the **Kaka Kalelkar Commission (1955)**, the **Mandal Commission (1980)**, and the **Renke Commission (2008)**, among others, failed to provide a comprehensive classification. In **2017**, the **Idate Commission** identified **1,200 tribes** needing classification, with **267 communities** still unclassified. This sparked the formation of a **Special Committee under NITI Aayog in 2019**, tasking **AnSI and TRIs** with the ethnographic study.

**Key Findings: A New Chapter for Denotified Tribes**

- **268 communities classified:** This marks the first **systematic documentation** of these tribes.
- **179 communities recommended for SC/ST/OBC inclusion:** Ensuring these tribes access **reservation benefits** like **education, employment, and social welfare**.
- **63 communities untraceable:** These tribes may have merged with others or migrated, complicating the identification process.
- **Political and legal implications:** The classification has sparked debates on **reservation policies** and the **special status** of these tribes.

**Impact on Reservation and Welfare Policies:**

The inclusion of **denotified tribes** in the **SC, ST, and OBC** categories will allow them to access critical **government welfare schemes**, including **education, job opportunities, and social security**. However, this initiative has sparked political discussions, with two major viewpoints emerging:

**Support for Inclusion in SC/ST/OBC Lists:**

- Grants access to **essential benefits** such as **education, employment, and social welfare schemes**.
- Provides **legal recognition** and identity to these historically marginalized communities.

**Demand for a Separate Reservation Category:**

- Some argue that these tribes should have their **own separate category**, similar to **SCs and STs**, to avoid **diluting reservation benefits** for other communities.
- Concerns over whether **merging these tribes** with existing categories could **diminish their entitlement** to benefits.

**Challenges and Concerns:**



- **Political Controversies:** Activists in states like **Uttar Pradesh, Haryana, Madhya Pradesh, and Gujarat** are questioning the validity of this classification, fearing it could disrupt existing reservation systems.
- **Delays in Implementation:** Despite several commissions advocating for the classification, **government action has been slow**, delaying the much-needed welfare benefits for these communities.
- **Historical Misclassification:** Previous census errors in categorizing tribes as castes have led to **confusion** over their **legal identity** and **status**.

### The Road Ahead: Looking at Future Prospects:

The **AnSI** and **TRIs** have submitted their **final report** to the Special Committee under **NITI Aayog**, which is now reviewing the recommendations. If these recommendations are approved:

- **State governments** will find it easier to include these tribes in **reservation lists**.
- New **welfare policies** could be introduced to address the **socio-economic challenges** faced by these communities.
- The **debate** on creating a **separate category** for **denotified tribes** may gain momentum, further influencing future policies.

### Conclusion: A Critical Step Toward Social Justice

The classification of **denotified, semi-nomadic, and nomadic tribes** is a significant milestone in addressing the **historical injustices** they have faced. While the implementation of this classification is complex, the government's final decision will play a pivotal role in reshaping India's **reservation policies** and ensuring these marginalized communities finally receive the **support** and **recognition** they deserve.

### Denotified Tribes Classification FAQs

(Feel free to add any FAQs you may have, addressing common questions about the classification process, its impact, and its future trajectory.)



2

## SEBI's "When-Listed" Mechanism: Regulated Trading of IPO Shares Before Official Listing

**Context:** The Securities and Exchange Board of India (SEBI) is set to launch a groundbreaking “when-listed” platform that will allow trading of shares from companies that have completed their **initial public offering (IPO)** but are yet to be listed on official stock exchanges. This move aims to formalize trading during the gap between IPO closure and stock exchange listing.

**What is the "When-Listed" Platform?**

This new platform will provide a **regulated trading environment** for shares between the time of IPO allotment and the official listing, addressing concerns surrounding **unregulated markets** and promoting transparency in the IPO trading process.

**Eliminating Grey Market Activity:**

Currently, the **grey market** allows **unofficial** and **unregulated** trading of IPO shares based on **demand and supply** before listing. This market operates in cash, with no actual delivery of shares, and is often used by **retail investors** to gauge IPO investments through **grey market premiums**.

By introducing the “when-listed” platform, SEBI aims to reduce reliance on the grey market and provide a **regulated alternative** for investors to trade shares safely before official listing.

**Key Benefits of the “When-Listed” Facility for Investors:**

- 1. Regulated Trading:** Investors who receive **IPO allotments** can now trade their shares in a **regulated market** instead of resorting to the unregulated grey market, ensuring **safeguards** and **transparency**.
- 2. Reducing Market Volatility:** The grey market often distorts market sentiment, leading to **volatility** and **instability**. By moving trading to a regulated platform, SEBI intends to **control market fluctuations** and ensure **stability** in the market.
- 3. Protecting Retail Investors:** The grey market can be risky, particularly for **retail investors** who may lack the resources to navigate unregulated environments. SEBI's initiative aims to **protect retail investors** by formalizing pre-listing trading and providing them with a safer trading environment.

**Current Timeline for IPO Listings:**

Currently, after an IPO bidding closes, shares are expected to be listed on stock exchanges within **three working days (T+3)**. Investors are allotted shares on **T+1** day, creating a window of uncertainty during the gap between **allotment** and **listing** when grey market trading occurs. SEBI's “when-listed” platform aims to bridge this gap and reduce unregulated trading.

**Grey Market Trading in IPOs: How It Works****What is Grey Market Trading?**

When an IPO is announced, **investors**, especially those with low chances of allotment, often turn to the **grey market**. **Brokers** in this market trade shares with a **premium** added to the IPO price band. For example, if the IPO price range is **Rs 90-100 per share**, a **premium** of **Rs 10-30** might be added.

**Settlement in the Grey Market:**



The settlement of grey market trades is determined by the **official opening price** on the listing day:

- If the stock **opens higher** than the grey market price, the operators pay the difference.
- If the stock **opens lower**, the investor faces a **loss**.

### Conclusion: A Shift Toward Formalized IPO Trading

SEBI's "**when-listed**" platform is set to revolutionize the way IPO shares are traded, offering **investors a safer, regulated environment** while addressing the **risks** associated with the grey market. This initiative will contribute to a more **transparent** and **stable** market, benefiting both **retail investors** and the **overall financial ecosystem**.

### SEBI When-Listed Mechanism FAQs:

(Feel free to add any relevant FAQs addressing common questions regarding the "**when-listed**" platform, its **benefits, implementation**, and how it will affect IPO trading.)



## 3 Paris AI Summit 2024: Governance, Innovation, and Global AI Leadership

**Context:** Global leaders will convene in **Paris** on **February 10, 2024**, for the **AI Action Summit**, where the focus will be on **regulating AI** while ensuring its **innovation** isn't stifled. This pivotal summit builds on previous global efforts, including the **2023 AI Safety Summit** in **Bletchley Park** and the **2024 AI Seoul Summit**.



### 2023 Bletchley Declaration: Setting the Stage for AI Safety:

The **2023 AI Safety Summit** in **Bletchley Park** marked a key milestone in global AI regulation. The **Bletchley Declaration**, signed by **28 countries** and the **EU**, underscored AI's immense potential and risks. It called for alignment with **human intent**, safeguarding **rights**, and ensuring **ethics, safety**, and **accountability** in AI development. The declaration also emphasized the **role of civil society** and the responsibility of **developers** to test and mitigate AI risks.

### 2024 AI Seoul Summit: Building a Shared Global Vision

Held in **May 2024**, the **AI Seoul Summit** was co-hosted by the **Republic of Korea** and the **UK government**. The summit laid the groundwork for global discussions on **AI safety, innovation**, and **inclusivity**, while agreeing on **minimum guardrails** and a **roadmap** for ensuring AI safety across nations.

### About the Paris AI Summit: France Takes the Lead

Initiated by **French President Emmanuel Macron**, the **Paris AI Summit 2024** is a cornerstone event focused on **global AI governance**, innovation, and advancing the **public interest**. **Indian Prime Minister Narendra Modi** will co-chair the summit, adding further weight to the discussions.

### Key Objectives of the Summit:

The summit seeks to address the growing **concentration of power** within the AI market, particularly the dominance of foundational AI models controlled by tech giants such as **Microsoft, Alphabet, Amazon**, and **Meta**.

### Event Structure: A Platform for Multilateral Collaboration

- **February 10 – Multistakeholder Forum:** This day will feature conferences, roundtables, and presentations by global representatives from **governments, businesses, civil society**, and **researchers**.
- **February 11 – Summit of Heads of State and Government:** **World leaders** will gather at the **Grand Palais** to chart out key collaborative actions for AI governance and regulation.

### Paris Summit and Europe's AI Challenge: Bridging the Gap

The **Paris AI Summit** holds particular significance for **Europe**, as it faces growing concerns about being overshadowed by **American tech giants** and **Chinese state power** in the **AI race**. Despite regulatory barriers hindering Europe's growth, **President Macron's initiative** represents an effort to ensure Europe does not fall behind in AI development.

### US AI Ambitions:



The summit comes on the heels of the **Stargate Project**—a **\$500 billion initiative** in the **US** involving companies like **OpenAI, SoftBank, Oracle, Microsoft, and Nvidia**, aimed at strengthening the nation's **AI infrastructure** and capabilities over the next four years.

### China's Rapid AI Advancements:

Despite efforts to curb China's AI progress, companies like **DeepSeek** and **Alibaba** have demonstrated the **competitive edge** of Chinese AI models, showing that China is a formidable player in the global AI landscape.

### Diverse Global Approaches to AI Regulation:

As AI continues to evolve, global policymakers are grappling with how to **regulate AI** without hindering its potential. Different regions are adopting varying approaches based on local priorities and concerns:

- **European Union:** **Strict, use-based regulation** that categorizes AI based on its **use case**, invasiveness, and risks, signaling Europe's cautious approach to AI governance.
- **United Kingdom:** A **light-touch approach** that encourages innovation with minimal regulatory barriers, allowing for a **growth-friendly** environment.
- **United States:** A **balanced approach**, positioned between strict regulation and fostering innovation, though the regulatory stance could shift in the future.
- **China:** Structured regulatory measures ensuring AI development is aligned with **state interests**, while balancing innovation with oversight.
- **India:** Focus on ensuring **safety, trust, and ethical use** of AI, while addressing concerns like the **weaponization** of technology.

### Conclusion: The Road Ahead for Global AI Governance

The **Paris AI Summit 2024** stands as a pivotal moment for **AI governance**, bringing together **global leaders, innovators, and policymakers** to shape the future of AI in a way that balances **innovation, ethics, and public safety**. With **competing global powers** shaping the AI landscape, the outcomes of the summit could be instrumental in determining the trajectory of **AI regulation**, ensuring it serves both technological progress and **global well-being**.



## 4

## Debate on the Governor's Role in University Governance

**Context:** The position of **Governor as Chancellor** of state universities has sparked significant **debate** and **controversy** in recent years. This role, inherited from **British colonial rule**, is not enshrined in the **Indian Constitution**, yet continues to shape the governance of **higher education** in India.

**The Governor's Role in Universities: An Inherited Legacy**

The office of the **Governor as Chancellor** of universities was initially designed to **restrict university autonomy**. During the colonial era, the **Governor** held power over universities, particularly in the areas of appointing **Vice-Chancellors** and approving **decisions** of the institution, giving them significant control over educational matters.

**Key Issues and Concerns with Governor's Role:****Politicization and Loss of Neutrality:**

The role of the Governor in universities became more **politicized** after **1967**, as Governors increasingly acted as agents of the **Central Government**. This shift led to a **compromise in the neutrality** of the office, with many Governors being former **politicians**. Consequently, their involvement in university affairs was often seen as **biased**, undermining the **independence** of academic institutions.

**The Dual Role of Governors:**

Governors possess powers under **Article 163** (with **ministerial advice**) and independently as **Chancellor**. This dual authority gives them the power to bypass **state governments**, particularly in states controlled by opposition parties, creating tensions and administrative gridlocks.

**Governor vs. President: A Contrast in Governance**

Unlike the **President of India**, who consults with the **Ministry of Education** and **Parliament**, Governors often **act unilaterally**, bypassing state authorities. This stark difference raises questions about the **transparency** and **accountability** in the appointment of **Vice-Chancellors** and the oversight of **university activities**.

**Challenges Faced by Governors in University Governance:**

- **Lack of Academic Expertise:** Many Governors, by virtue of their political careers, lack the necessary **academic qualifications** to effectively lead universities.
- **Administrative Paralysis:** The **dual authority** model has created **bottlenecks** in decision-making processes, leading to delays and inefficiencies.
- **Undue Central Influence:** The Governor's role in universities has also been criticized for undermining the **federal** nature of the Indian state by increasing **Central government** influence in **state matters**.

**Insights from Commissions: A Call for Reform:**

Several **commissions** have critiqued the Governor's role, urging for changes to ensure greater autonomy for universities:

- **Rajamannar Commission**

Download Our Application



Freedom UPSC with Dhananjay Gautam

Page No

8





- Sarkaria Commission
- Venkatachaliah Commission
- Punchhi Commission

These commissions have recommended reforms such as promoting **political neutrality**, clearer roles for the Governor, and granting universities **greater autonomy**. The **Punchhi Commission** specifically suggested that **Governors should avoid statutory roles** like Chancellor to protect the **dignity** of the office.

### Exploring Alternative Models for University Governance

There have been discussions around **alternative models** for governance that could ensure **autonomy** for universities and reduce the **political influence** of Governors:

1. **Ceremonial Governor as Chancellor:** In some states like **Gujarat, Karnataka, and Maharashtra**, the Governor's role as Chancellor is purely **ceremonial**, without any executive authority.
2. **Chief Minister as Chancellor:** States like **West Bengal and Punjab** have proposed a **Chief Minister-led governance** model, where the **Chief Minister** holds the **Chancellor** position, though it is still awaiting **Presidential assent**.
3. **State-Appointed Chancellor:** In **Telangana**, the state government has adopted a model where a **ceremonial Chancellor** is appointed from among **distinguished academics** or public figures, further distancing the position from political influence.
4. **Elected Chancellor:** In some global universities like **Oxford and Cambridge**, **elected chancellors** are chosen by the **university community**. This model enhances **institutional autonomy** and **transparency**.
5. **Chancellor Appointed by University Executive Council:** Similar to models in the **UK, Canada, and Australia**, a **university executive council** can appoint a Chancellor, ensuring that the **university's interests** take precedence over political or governmental influence.

### Conclusion and Way Forward: Reforms for a New Era of University Governance

Reforming the Governor's role in universities is crucial for upholding **academic freedom**, ensuring **accountability** to **elected state governments**, and allowing universities to function with **greater autonomy**.

While some states have already passed **reforms**, many others are still waiting for **Presidential assent**, demonstrating the need for a more **impartial** and **progressive approach** from the **Central Government**. It is vital to dismantle **colonial-era governance structures** and adopt more **modern, transparent** models that align with **global best practices** for **higher education governance**.

5

## U.S. Suspends Foreign Aid: A Shift in Global Diplomacy and Development Assistance

**Context:** The **United States** has announced the **suspension of foreign aid**, marking a significant policy shift under **President Donald Trump's executive order**. This decision aligns with the "**America First**" agenda, which seeks to prioritize **U.S. national interests** over traditional international financial commitments. The U.S. has long been one of the world's largest donors, distributing **\$45 billion in foreign aid in 2023** alone, benefiting **158 countries** worldwide.



**What is Foreign Aid?**- Foreign aid encompasses **financial, technical, or material assistance** provided by one country to another, typically to:

- **Promote economic development**
- **Provide humanitarian relief**
- **Achieve geopolitical goals**

This assistance often comes in the form of **grants, loans, or in-kind contributions** such as **food, medicine, or infrastructure development**.

### Significance of Foreign Aid: Why It Matters

Foreign aid plays a pivotal role in shaping global development and diplomacy:

- **Promotes Development:** Helps nations improve **infrastructure, education, healthcare, and economic opportunities**.
- **Humanitarian Relief:** Provides essential support during **crises, such as natural disasters or conflicts**, saving countless lives.
- **Fosters Diplomacy:** Strengthens relationships between **donor and recipient countries**, promoting international cooperation.
- **Geopolitical Strategy:** Expands influence, secures alliances, and advances **national interests** in strategically important regions.
- **Global Stability:** Addresses pressing challenges like **poverty, climate change, and pandemics**, fostering a more stable global order.

### Global Implications: The Ripple Effects of U.S. Aid Suspension

#### Impact on Aid-Dependent Countries:

Countries that heavily rely on U.S. aid—such as **Afghanistan, Pakistan, and Bangladesh**—may experience significant **financial shortfalls** and setbacks in **developmental goals**. This reduction in assistance could jeopardize ongoing **healthcare and education** projects, as well as efforts to combat **poverty**.

#### Shift in Global Alliances:

As the U.S. steps back from its foreign aid commitments, **recipient countries** may turn to alternative sources of funding, such as **China**. **China's Belt and Road Initiative** has already provided infrastructure support in many developing nations, which could lead to a **shift in geopolitical alliances**. However, concerns about **China's debt trap diplomacy**, where countries fall into unsustainable debt due to large loans, have raised **sovereignty** concerns in many regions.

Download Our Application



Freedom UPSC with **Dhananjay Gautam**

Page No

10



### Role of Other Donors:

Countries like **China** and **Russia** could fill the void left by reduced U.S. aid. China's growing influence through economic assistance could reshape the development landscape, although some nations remain wary of the long-term implications of accepting large loans.

### Global Stability and the Balance Between Humanitarian Aid and Strategy:

Foreign aid often serves a dual purpose, balancing **humanitarian** objectives with **strategic** goals. The suspension of U.S. aid may exacerbate challenges in vulnerable regions, potentially **undermining global stability** and worsening **poverty** and **instability**.

### Social Impact: A Growing Concern

The suspension of foreign aid could lead to dire **social consequences** for the most vulnerable populations in recipient countries. **Humanitarian crises** could worsen, affecting millions of lives, and the reduction in support could reverse years of progress in health, education, and poverty alleviation efforts.

### Conclusion: A Shift in Global Power Dynamics

The suspension of U.S. foreign aid is a significant development with far-reaching **political, economic, and social consequences**. While it may lead to a reshaping of global alliances and a reduction in U.S. influence, the shift also underscores the increasing role of **emerging powers** like **China** in the realm of international aid. As the world adapts to these changes, the balance between **humanitarianism** and **geopolitical strategy** will remain at the heart of the global discussion on foreign assistance.

freedom UPSC  
TOGETHER WE SCALE HEIGHTS

6

## India-Oman FTA Agreement Talks: Strengthening Bilateral Trade and Strategic Cooperation

**Context:** The **Commerce and Industry Minister** of India is set to travel to **Oman** to provide “further impetus” to the ongoing talks on the **Free Trade Agreement (FTA)**. These discussions aim to boost trade and investment relations between the two nations, with a focus on advancing the **Comprehensive Economic Partnership Agreement (CEPA)**, a strategic initiative to deepen bilateral economic cooperation.



### What is a Free Trade Agreement (FTA)?

A **Free Trade Agreement (FTA)** between two trading partners aims to:

- **Significantly reduce or eliminate customs duties** on a wide range of traded goods.
- **Ease norms** for trade in services and promote **investment** flows.

These agreements create opportunities for mutual growth by eliminating trade barriers and fostering economic ties between nations.

### India-Oman Bilateral Trade and Economic Ties:

Oman stands as a key trading partner for India within the **Gulf Cooperation Council (GCC)**. Some key highlights of their relationship include:

- **Trade Relations:** Oman is India's **30th largest trading partner** with a total trade volume of **US\$ 8.947 billion** in FY 2023-2024.
- **India's Oil Imports:** India is the **4th largest market** for Oman's crude oil exports as of 2023.

This visit underlines India's commitment to enhancing these ties and its focus on **increasing bilateral trade** with Oman.

### Defence and Maritime Cooperation:

India and Oman have a robust **defence cooperation** framework, which includes:

- **Bilateral Exercises:**
  - **Army Exercise:** Al Najah
  - **Air Force Exercise:** Eastern Bridge
  - **Naval Exercise:** Naseem Al Bahr
- **Maritime Cooperation:** Oman's strategic location at the gateway to the **Strait of Hormuz** is vital for India, as **one-fifth of India's oil imports** pass through this route.

Additionally, the **Duqm Port** in Oman, which India gained access to in **2018**, enhances its maritime connectivity and regional presence, especially in proximity to Iran's **Chabahar Port**.

### About the Gulf Cooperation Council (GCC):

The **GCC** is an economic and political alliance of **six Middle Eastern countries**: Saudi Arabia, Kuwait, the UAE, Qatar, Bahrain, and Oman. Established in **1981**, it aims to strengthen unity among members based on common objectives rooted in **Arab** and **Islamic cultures**. The presidency of the council rotates annually.

### The Way Ahead: Strategic and Economic Convergence

India's growing ties with Gulf countries, particularly Oman, are driven by **realpolitik** and strategic interests. Both sides are willing to overlook ideological differences in favor of **economic and security cooperation**.

Download Our Application



Freedom UPSC with **Dhananjay Gautam**

Page No

12





## Key areas of focus for future cooperation include:

- **Defense Industrial Cooperation:** India and Gulf states will likely see increased collaboration in defense technology and industrial partnerships.
- **Technology Transfers:** Long-term strategic cooperation could revolve around technology exchange, further integrating India into the Gulf's military and technological ecosystem.

In conclusion, the **India-Oman FTA** and strategic partnership are poised to be a cornerstone for **military diplomacy** and economic growth in the region, fostering **mutual benefit** and enhancing **regional stability**.

