IASBABA'S MONTHLY MAGAZINE

——

FEBRUARY 2018

PREFACE

With the present shift in examination pattern of UPSC Civil Services Examination, 'General Studies – II and General Studies III' can safely be replaced with 'Current Affairs'. Moreover, following the recent trend of UPSC, almost all the questions are issue-based rather than news-based. Therefore, the right approach to preparation is to prepare issues, rather than just reading news.

Taking this into account, our website www.iasbaba.com will cover current affairs focusing more on 'issues' on a daily basis. This will help you pick up relevant news items of the day from various national dailies such as The Hindu, Indian Express, Business Standard, LiveMint, Business Line and other important Online sources. Over time, some of these news items will become important issues.

UPSC has the knack of picking such issues and asking general opinion based questions. Answering such questions will require general awareness and an overall understanding of the issue. Therefore, we intend to create the right understanding among aspirants – 'How to cover these issues?

This is the **33ʳᵈ edition** of IASbaba's Monthly Magazine. This edition covers all important issues that were in news in the month of **February 2018** which can be accessed from https://iasbaba.com/current-affairs-for-ias-upsc-exams-2016-2017/

Value add's from IASbaba- Must Read and Connecting the dots.
Also, we have introduced Prelim and mains focused snippets from November 2017 which shall guide you for better revision.
'Must Read' section, will give you important links to be read from exam perspective. This will make sure that, you don't miss out on any important news/editorials from various newspapers on daily basis.
Under each news article, **'Connecting the dots'** facilitates your thinking to connect and ponder over various aspects of an issue. Basically, it helps you in understanding an issue from multi-dimensional view-point. You will understand its importance while giving Mains or Interview.

Must Read Articles: We have not included them in the magazine. Those following DNA on daily basis may follow it- https://iasbaba.com/current-affairs-for-ias-upsc-exams-2016-2017/

"Today is the beginning of whatever you want"

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Prelims + Mains Focus

NATIONAL

General Studies 2 and 3:

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes.*
- *Aadhar and related security issues; Right to Privacy.*

Aadhar: Good, Bad And Ugly?

Introduction:

From food rations to marriage certificates, entrance exams to train ticket concessions, mobile phone cards to banking, Indians are now being asked to produce a 12-digit Aadhaar number to access both government and private sector services.

India's Unique Identification project is the world's largest biometrics-based identity programme. Initially, the project had a limited aim – to stop theft and pilferage from India's social welfare programmes by correctly identifying the beneficiaries using their biometrics. But now, the use of Aadhaar is expanding into newer areas, including business applications.

The below article makes a quick comparison between India's Aadhar and US's Social Security Number (SSN)

US's Social Security Number (SSN)

The United States enacted the landmark Social Security Act in 1935, giving birth to the Social Security Number (SSN).

When the Act was introduced, American conservatives of the 1930s criticized the initiative, declaring - "Never in the history of the world has any measure been brought in here so insidiously designed as to prevent business recovery, to enslave workers, and … opens the door and invites the entrance into a political field of a power so vast, so powerful, as to threaten the integrity of our institutions...."

Christian fundamentalists joined the crusade by proclaiming that SSN was the very Mark of the Beast prophesied in Revelation 13:17: "…no man might buy or sell, save he that had the mark, or the name of the beast, or the number of his name."

Crux:
- Even when the US introduced SSN, there were intense debates whether the Act was highly contentious.
- Conservatives were involved in actions of deliberately arousing public fear or alarm about harmful impacts of SSN.
- However, they failed to impress the American public and Social Security was introduced.

Over the years Social Security and its counterpart, Medicare, have become the only safety nets for a majority of America's elderly. SSN has been overused for purposes that it was not intended for.

There are many instances of leakage of information linked to it, nonetheless it continues to be the backbone of citizen interactions with the state. None has come up with a better alternative.

India's scenario:

Eighty-three years later, i.e. today, Indian activists opposing Aadhaar can be compared with that of American conservatives of the 1930s.

There are arguments like: "Aadhaar tends to terrorise citizens with the country becoming a totalitarian regime; " and "it is a 'giant electronic mesh' and will turn the country 'into a surveillance state."

However, there is one important difference: The opposition to Social Security was informed by right-wing ideology, which saw it as the harbinger of socialism and an existential threat to America's capitalist enterprise.

In stark contrast, the movement against Aadhaar is led by a small group of Left-leaning activists, who are well known for advocating more and more government in people's lives (the public distribution system, rural employment guarantee, food security, and so on), but who are now arguing in the same breath for the citizens' right to be left alone.

The biometric difference

There is another crucial difference between the SSN and Aadhaar: biometrics.

Critics argue that - Unlike other personal information that one can change at will to protect one's privacy, one can't change one's fingerprints.

However, one of the learned Supreme Court justices observed recently, Google and other social media, mobile operators, and our own voter lists have a lot more immediately damaging personal information that one has no real control over. (Have you ever tried to delete highly personal and sometimes libellous information that show up when you Google your own name?)

Another Justice observed –
"So Indian's who wholeheartedly link ID's like SSN to everything in foreign countries and give all kind of Bio metrics to obtain visa's of many countries without caring about their personal information being compromised and protesting in their own country against this strong anti corruption move. So is it like some fractions of Indians want India to remain corrupt and at the same time, blame India from Developed country that India is Corrupt??"

Besides, none of the examples of Aadhaar data breaches that have been reported involves fingerprints or iris scans. So, the argument that biometrics somehow make a more compelling case against Aadhaar simply does not hold water.

In fact, in a nation with the world's largest safety net programmes, historically largest levels of leakages, and systemic fraud in every past ID programme, it is indeed the biometrics that bring credibility to Aadhaar as a national ID.

So, what is the future?

On the one side, we have a well-organised group of anti-Aadhaar activists who can take full credit for catapulting the privacy debate on to the national stage, but who have not offered a single viable alternative tool to better administer the nation's massive subsidy regime.

On the other side, we have a government at the Centre whose party opposed Aadhaar prior to the elections, but upon taking over the reins quickly realised the power of a single national ID in effectively administering welfare schemes; and which has been much more internally unified than the previous government in its determination to make the best use of Aadhaar.

And we have the UIDAI, which has consistently shown its seriousness in addressing data security and privacy issues; is poised to add more layers of security, such as virtual Aadhaar ids; is taking an active part in crafting a national data privacy law.

In the middle is the Supreme Court, now hearing detailed arguments from both sides, trying to deliberate where the nation should draw the line between personal privacy and the national interest.

Conclusion:

Mandating Aadhaar for all government schemes and subsidies, and allowing it as a tool to prevent money laundering and terrorism are the most logical places to draw that line.
And, lighting the fire under the government to quickly enact a comprehensive national data privacy law, which enshrines internationally accepted principles of privacy, must be the citizens' insurance policy to prevent mass surveillance and other excessive use of Aadhaar, like in the case of the SSN – should be the next immediate action.

PS: (The above article has less content to directly pick for Mains but will help to have different dimensions and assessment, comparing Aadhar with US's SSN)

Connecting the dots:

- Are privacy concerns over Aadhar valid? Critically examine.
- Should Aadhaar be made compulsory for availing the benefits of government schemes? Examine in the light of the recent SC judgement in this regard.

TOPIC

General Studies 3:
- *Issues relating to intellectual property rights.*

General Studies 2:
- *Effect of policies and politics of developed and developing countries on India's interests*

Secondary Patents: How Indian law tackles them effectively?

In news:

The global sales of the world's best-selling prescription drug, Humira, continue to grow even after the expiry of the patent over its main ingredient, adalimumab, a biologic used for the treatment of arthritis.

Reason being- "Broad U.S. Humira Patent Estate" — a list of 75 secondary patents in the U.S. for new indications, new methods of treatment, new formulations, and the like.

Secondary patents:
The patent law allows the intellectual property estate to expand by filing more secondary patents.
Over the years, AbbVie has increased the price of Humira in the U.S. by 100%, while steadily filing a large number of secondary patents.

While the complexity of biologics – drugs made from complex molecules manufactured using living cells — allows for filing more patents, the patent laws too play a role. The U.S. recognises and encourages secondary patents.

India, however, does not, which means that while Humira costs $1,300 (Rs. 85,000) in the U.S., the same treatment costs only $200 (Rs. 13,500) in India.

Patent cliff:
Patents offer their owners market exclusivity for a limited period of time. For medicines, this exclusivity should last as long as the primary patent — which relates to the active pharmaceutical ingredient (API) of the medicine — is in effect, typically 20 years. The end of patent exclusivity is referred to as a patent cliff, because drug prices fall steeply afterwards — by as much as 80% — owing to generic competition.

Issue:
The precipitous fall in profits drives pharmaceutical companies to find new ways to postpone their exclusivity by-
Filing secondary patents for derivatives and variants of the API, such as a physical variant of the API, a new formulation, a dosage regimen, or a new method of administering the medicine.

Evergreening:
The secondary patents prop up before the expiry of a primary patent thereby stretching the exclusivity beyond 20 years, a practice that is called "evergreening". This strategy is most lucrative when employed in the context of so-called blockbuster medicines, which reap annual revenues exceeding $1 billion.

In India:

- The rejection of a secondary patent for Novartis' Glivec, a crucial leukaemia cure, was famously upheld by the Supreme Court of India in 2013, while the same was granted in the U.S. Consequently, the cost of a monthly dose of the medicine in the U.S. was Rs. 1.6 lakh, while the cost of the generic was Rs. 11,100 in India.
- Likewise, Spiriva, a medicine for asthma, enjoys patent protection until 2021 in the U.S., largely due to secondary patents. All of these secondary patents were rejected in India. As a result, while the monthly cost of the medicine in the U.S. is over Rs. 19,100, it costs a mere Rs. 250 in India.

Good patent law:

Some remarkable innovations have been made in Indian patent law. To be deemed patentable, applications for secondary patents have to clear significant hurdles-

- As per Section 2(1)(ja) of the Patents Act, the product in question must feature a technical advance over what came before that's not obvious to a skilled person. Because secondary patents for pharmaceuticals are often sought for trivial variants, they typically fail to qualify as an invention.
- Further, when a medicine is merely a variant of a known substance, Section 3(d) necessitates a demonstration of improvement in its therapeutic efficacy. The provision also bars patents for new uses and new properties of known substances. This additional requirement is unique to Indian law, and along with Section 2(1)(ja), ensures that bad patents stay out of the system.
- Section 3(e) ensures that patents for combinations of known substances are allowed only if there is synergistic effect, while Section 3(i) ensures that no exclusivity can be claimed over methods of treatment.

Together, Sections 3(d), 3(e) and 3(i) have been instrumental in rejecting close to numerous secondary patents for pharmaceuticals.

Secondary patents have been rejected largely due to the stringent thresholds imposed by Sections 2(1)(ja) and 3(d).

- The above provisions also extend to biologics.

Thanks to the provisions in the patent law, Humira enjoys no patent protection in India, since AbbVie restricted their Indian filings to only cover their secondary patents.

Conclusion:

Blockbuster medicines are crucial to the success of public health. But they have been gamed and rendered inaccessible to the people and governments who need them. In order for these medicines to be accessible, there is a need to enact strong standards.

Connecting the dots:

- Discuss how Indian patent law is a robust one helpig avoid frivolous patents.
- What do you mean by secondary patents? Indian patent law does not encourages such patents. Discuss.

TOPIC

General Studies 1:

- *Urbanization, their problems and their remedies*

General Studies 2:

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

Formulating a National Urban Policy

Background:

India is in the midst of a major urbanization boom.

As per Census 2011, 377 million Indians comprising 31.1% of the total population lived in urban areas. This is estimated to have risen to 420 million in 2015 (UN-Habitat "World Cities Report 2016").

India's level of urbanization is lower than its peer group of developing countries: China (45%), Indonesia (54%), Mexico (78%) and Brazil (87%).

Going ahead, by 2030, India's urban population is projected to increase to 600 million.

Issues:

Indian cities face challenges in terms of deficits in infrastructure, governance and sustainability. With rapid urbanization, these problems are going to aggravate, and can cumulatively pose a challenge to India's growth trajectory.

AMRUT- Government inititatives:

Keeping in mind the above challenges, the government launched the Atal Mission for Rejuvenation and Urban Transformation (Amrut)) as a step towards harnessing the agglomeration economies of the urban centres and making cities engines of growth.

The mission lays emphasis on creating infrastructure, improving service delivery, making cities smarter for improved livelihood and providing for faster and integrated mobility.

It envisages convergence across various initiatives such as Amrut, Smart Cities, Hriday (National Heritage City Development and Augmentation Yojana), Pradhan Mantri Awas Yojana and Swachh Bharat.

The intent is matched with a corresponding mobilization of resources. For 2018-19, the government increased the budget for the housing and urban affairs ministry by 2.8%, to Rs41,765 crore.

The centre has also formulated separate policies for urban sanitation, transport, transit-oriented development and also a national mission on sustainable habitat, each with a specific mandate and vision.

Way forward- A comprehensive framework required:

A comprehensive framework that takes a holistic approach to the interrelated challenges is required.

Sustainable urban development needs to be led by the central government working closely with state and local governments.

India needs to develop its own national urban policy (NUP) as an instrument for applying a coherent set of interventions in relation to the future growth of cities, in partnership with all stakeholders.

Globally, around one-third of countries have a NUP in place.

National Urban Policy:

NUP will outline and highlight the importance and objectives of cities. We need to update our definition of urban areas, understand the importance of cities and what we can achieve through urbanization with responsive infrastructure.

India needs to fine-tune this vision in light of the aspirations of citizens, state capabilities, historical legacy, cultural context and present economic situation. It will highlight the key enablers, cross-cutting principles, desired outputs and eventual outcomes.

Urbanization in India is a complex issue, with the majority of city-related issues being state subjects. States would have to take the lead in order to make cities vibrant economic centres. There is a need to build adequate capacities at the state/urban local bodies level to prepare

cities for future challenges. The NUP would set the common minimum agenda, involving participation of all stakeholders.

For instance, the Australian national urban policy document identifies objectives of productivity, sustainability, livability and governance as key agenda drivers for its cities. In India, such agenda setting would encourage programmes and policies to be integrated and aim at operationalizing the spirit of the 74th Amendment. The importance of such a common minimum agenda cannot be overstated. It is required to get the entire ecology of urban-related stakeholders on the same page as a starting point.

The world of the 21st century is substantially more complex than the traditional urban world of the 20th century when citizens, government and civil society were, to a large extent, the only stakeholders.

The stakeholders may also not be physically located in the cities of operation. Various aggregators like Uber and Amazon; distance learning universities; the active participation of non-resident Indians; service aggregators such as UrbanClap present a complex web of interdependent and interconnected stakeholders.

A NUP framework would recognize all these stakeholders and prevent cities from seeing through these participants.

Conclusion:

A NUP is a prerequisite, obviously, for leveraging urbanization to the fullest extent and with the greatest efficiency. Addressing India's current urban woes without NUP will be considerably more difficult.

Connecting the dots:

- Discuss the issues related to urbanisation in India. What are the government initiatives taken in this regard? Also analyze the need of a holistic national urban policy.

TOPIC
General Studies 3:
- *Conservation, environmental pollution and degradation, environmental impact assessment*

General Studies 2:
- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

Biofuel: As an alternative fuel for transportation sector

Introduction:

India faces a major paradox today. While a robust transport sector fuels a growing economy and heralds the economic growth on one hand, on the other it also leaves an unsustainable carbon footprint on cities, severely impacting the health and well-being of citizens. The transport sector is the second largest contributor to carbon dioxide. In addition to the health costs of pollution, fossil fuel dependency of the sector continues to burden the exchequer.

Oil as only fuel for transport sector:

Over the next 20 years India's energy intensity and fuel dependency is expected to rise. According to IEA, India's oil demand is to rise the fastest — by 6 million barrels per day to 9.8 mb/d in 2040.
It has also projected that oil production will fall behind demand, pushing oil import dependence above 90 per cent by 2040.
Meanwhile, projections are that the transport sector will contribute to two-thirds of the rise in India's oil demand.

Pushing the policy:

Given India's rapidly growing fossil fuel dependence and rising demand of the transport sector it is required to look at policies for the transport sector that aim both to reduce the carbon footprint of the sector and meet the nation's transport demand.

E-mobility: Good but should not be the only option

The government has made a major announcement to incentivize and go all-electric by 2030. While the thrust on e-mobility is welcome, current policies have not given similar policy support to alternative fuels, in particular the high potential of biofuels as a promising vehicular fuel. Relying on e-mobility alone will not accomplish our ambition to create a sustainable and green transport on a pan-India basis.

- Market uptake of pure electric vehicles has been largely confined to scooters. We have not seen a rapid rollout of electric buses and cars.
- Even if there is rapid adoption of electric cars, the problem of congestion remains as private vehicle growth is not the desired direction.

We need a shift to public transport, notably buses, which are space and cost-efficient. Biofuel-run buses — private and public — present an unprecedented solution.

What is biofuel?

A biofuel is a fuel that is produced through contemporary biological processes, such as agriculture and anaerobic digestion, rather than a fuel produced by geological processes such as those involved in the formation of fossil fuels, such as coal and petroleum, from prehistoric biological matter.

Advantages of bio-fuel:
- India generates around 70 billion litres of waste water every day, which is expected to double in the next 15 years according to the McKinsey Global Institute. By building biogas generation and upgrading facilities at the STP sites, the output can potentially substitute 350 million litres of diesel, 2.3 gigawatt hours of natural gas fired power and over 8 million LPG cylinders of 14.2kg each.
- India could replace over 40% of the projected demand for diesel in 2020 by . Energy generated from biofuels is equivalent to 340 million barrels of oil or over $22 billion (assuming a landed price of $65 per barrel).
- Production of biofuel from crop residue would solve the challenge of stubble burning resulting into thick smog in Delhi-NCR.
- Considering that in the first quarter India had a current account deficit of $14.3 billion, we could wipe out almost a third of our current account deficit.
- The increase in ethanol production alone has the potential to create over 700,000 jobs when targeting only the base potential.

States with a combination of high agricultural activity and large fuel consumption like Maharasthra, Punjab and Uttar Pradesh are best positioned to exploit this opportunity.

Pilots:

Biofuel-driven buses in cities like Nagpur, where the government has allowed special purpose vehicles to own and operate these buses along with the plants and the depots required to fuel the buses.

The city administration has worked with a manufacturer of biofuel buses to roll out green fuel buses that not only solve the green transport problem but also a waste problem. The fuel which is used in these buses is generated from local waste, in effect converting local waste into local fuel for local transport.

Way forward:

- The economic viability of scaling up of pilot projects will happen if a rational tax policy is implemented.
- Successful pilots of biofuel-run large transport such as buses have not yet received national policy support. Any rapid adoption and scale requires government support to all stakeholders in the vehicular biofuel supply chain, including, manufacturers of biofuel engines, suppliers of biofuels and of course fuelling infrastructure.
- Scaling models that promote ideas based on local waste, local fuel and local transport.
- There have been no fiscal incentives to encourage biofuel-based mass transport — buses which can run on biofuel now attract 28 per cent GST plus 15 per cent cess. This would place renewable fuel-enabled buses in the same category as luxury vehicles and cigarettes!

Conclusion:

Pushing for biofuel buses for public transport within a specific timeline like 2020, would help transform our public transport services, improve the health of our citizens, provide economic impetus and create jobs.

E-mobility thrust is welcome, but it is not a panacea to issues facing the transport sector. A holistic approach which includes biofuels as vehicle fuel is required to achieve our dream of creating an environmentally and economically sustainable transport sector. With a holistic approach, which includes the full potential of biofuels for vehicles, we will be able to achieve our dream of creating an environmentally and economically sustainable transport sector.

Connecting the dots:
- Discuss how bio-fuels can solve the problem of pollution in India. Given its potential, adequate policy push is required. Analyze.

TOPIC
General Studies 3:
- *Issues related to direct and indirect farm subsidies and minimum support prices*
- *Inclusive growth and issues arising from it.*

General Studies 2:
- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections*

Hike in the MSPs: Making it effective

Background:
The issue of minimum support price has been mired in controversy. Recently the government has announced a hike in the MSPs. In the latest budget the government has announced to increase the minimum support price of crops to 50% over the cost of production.

What is MSP?
Minimum Support Price is the price at which government purchases crops from the farmers, whatever may be the market price for the crops.
It is set by the CACP (Commission for Agricultural Costs and Prices) and is normally active for rice and wheat at all times. The Food Corporation of India is the procuring agency.
For other crops, while MSP is announced, it becomes active when there are cooperatives or state agencies procuring the product based on circumstances.
This is because market prices would normally be higher than MSP and the machinery for procurement, storage and disposal is weak.

What necessitates price intervention?
Ideally, the market should be setting the price with all checks at manipulation being in place.
- Farmers are suppliers of basic inputs for the rest of the economy. It is not just the share in GDP that matters but also the purchasing power provided for other industries being linked directly with other sectors.
- The mandi system is opaque and farmers are at a disadvantage when they enter these markets.

Therefore, price intervention is required.

A2+FL and C2 concept:
The Government's announcement to increase the MSP to 1.5 times the cost is laudable as it ensures that the farmers get a higher price and income.
It has, however, not been clarified whether the cost being referred to is the A2+FL concept which is actual cost plus farm labour or the C2 concept which is comprehensive and includes interest paid, rent, etc.
The Government needs to make clear what is being referred to when we speak of 1.5 times the cost — A2+RL or C2?

Making the hike meaningful:

Pricing is one part of the story but delivery is more important. Higher prices would mean a radical change in the way in which farm products are marketed.

- It is necessary to create structures where the Government — Central or State — gets involved with procurement of crops.
  Volumes would be large as almost all the kharif crops now rule below the MSP since production has been very good.
  Organisations for procurement have to be identified; these will have collection centres across all the markets. Ideally, they should be located at all mandis where the crops are sold.
- Procurement is always for an average fair quality. Thus, grading and assaying must be required.
  For rice and wheat the manual inspection system has been established; the same has to be developed for other crops.
- The Government should be able to have warehouses ready to store the produce. Today even the handling of rice and wheat stocks faces several challenges.
- Once procured, focus should be on disposal.
  In the case of rice and wheat, there is direct linkage with PDS and buffer stock, and hence a system has been established. The same has to be done for other crops.

Issue:
Rural distress continues to exists despite many crops and many states already having provided for MSP, which is 50% above the cost of production.
Merely announcing MSPs may not make a material difference unless all the accompanying factors are addressed. At present, for many of the crops the market price is lower than the MSP, yet farmers are not able to get the MSP as there are no channels existing for them.

Price Deficiency Payment System:
A way out of the issues related to MSPs is to not procure but to compensate the farmer with the difference between the price received at the mandi and the MSP. Thus, the option of price deficiency payment system should be explored.

Challenge:
Given that there are intermediaries along the way, the farmer may get bypassed in such a transaction.
Besides, mandis are opaque and records are not maintained.

Conclusion:

Hike in MSP without plans of implementation won't help farmers. To make the higher MSPs meaningful it has to be ensured that all the systems are in place to procure and then dispose of the same. Pricing is one part of the story; delivery is more important. A radical change is needed in farm products marketing.

Connecting the dots:

- The government recently has in its latest budget has announced hiking of MSPs for multiple crops. Discuss how this may not help farmers, until all the systems to procure and then dispose of the same is put in place.
- Rural distress continues to exists despite many crops and many states having provided for MSP, which is 50% above the cost of production. Discuss the issues related with MSPs. Also analyze how price deficiency payment system may help.

TOPIC

General Studies 3:

- *Issues related to direct and indirect farm subsidies and minimum support prices*
- *Inclusive growth and issues arising from it.*

General Studies 2:

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections*

Reducing Agrarian Distress: Budget 2018

Background:

In recent years, the Centre has taken several initiatives such as the Pradhan Mantri Fasal Bima Yojana (PMFBY), electronic National Agricultural Market (e-NAM), soil health card, neem-coated urea and so on to reduce agrarian distress.

Such initiatives have definitely helped, but more needs to be done to truly address the issue of agrarian distress.

Multiple dimensions to agrarian distress:

- Input costs have gone up significantly recently while the farm gate prices of agricultural produce have continued to remain subdued.
  (The farm gate price is the price received by farmers for their produce at the location of farm. Thus, the costs of transporting from the farm gate to the nearest market and market charges for selling the produce are not included.)
- The bulk of farming activities in India is undertaken by marginal farmers, share-croppers or landless agricultural labourers with limited access to institutional finance.
- The value chain in the agricultural sector has been exploitative as only one-third of the retail prices paid by final consumers reach the producers, unlike two-thirds in case of milk.
- The public distribution system does not have the capacity to undertake procurement operations for 24 crops for which minimum support price (MSP) is announced.
- Although PDS is inefficient, an alternative mechanism is yet to emerge, which can ensure MSP to farmers during a period of bumper harvest.
- Post-harvest technology is underdeveloped and farmers' participation in such activities is limited.
- Monsoon dependency is very high, limiting crop diversification to a great extent.
- Agrarian distress in recent times has been aggravated despite India's farm output being at its peak.

This is a clear case of market failure for which farmers do not have any cover. PMFBY provides protection against crop failure.

No such protection is currently available to farmers for distress sale.

Government interventions:
- Lending to agriculture is a major component of priority sector lending in India. The target for bank lending to agriculture has been revised upwards every year. Lending cost to agriculture has been subsidised through interest rate subvention.
- The Government also provides fertiliser subsidy year after year besides food subsidy through PDS.

Budgetary decisions:
1. **Diminishing the financial burden:**
   - The most vulnerable section in the farming community are marginal farmers, share-croppers and landless agricultural laborers.
   - Having limited access to institutional finance they borrow from the informal sector leading to financial burden.
   - Loan waiver hardly helps this group.

Budget:

This year's budget has indicated that the NITI Aayog would devise modalities for extending credit to this segment of people from the formal sector.

2. The budget has proposed to raise the MSP by at least 1.5 times the cost of production.

3. Covering agricultural produce beyond the scope of MSP:
   - Farmers produce several commodities that are outside the MSP. Budget FY19 has proposed the introduction of '**Operation Greens**' for perishable commodities such as potato, tomato and onion to stabilise their prices, which can benefit both producers and consumers.

4. Agricultural Marketing reforms:
   - As proposed last year, the remaining APMCs will be linked to e-NAM by March 2018. As a part of revamping the agricultural marketing system, the idea is to upgrade 22,000 haats (local markets) to Gramin Agricultural Markets so that farmers can directly sell their produce to consumers without middlemen.

5. As a part of diversification, sizeable allocations has been made for forestry, animal husbandry and the restructured National Bamboo Mission.

Way ahead:

- In order to double farmers' income, there is a need to involve them in post-harvest technology through innovative programmes.
  The value addition is large in the case of consumer products such as ketchup, jam, wafers, pickles and so on. Farmers can participate in this process through farmer producers companies (FPCs).
- In order to avoid distress sale farmers must be encouraged and trained to use the commodity market for hedging.
  Procurement too should be extended to crops other than major ones like paddy/rice and wheat, sometimes cotton, oil seeds, and pulses.

Conclusion:

Budgetary decisions if implemented effectively can help break the vicious cycle of agrarian distress. As the focus is on sustaining structural reforms rather than providing short-term relief through loan waivers, input subsidies and the like.

Connecting the dots:

- In order to reduce agricultural distress, the focus should be on sustaining structural reforms rather than providing short-term relief through loan waivers, input subsidies and the like. Comment.
- In Budget 2018 the government has made important decisions related agricultural reforms. If implemented effectively can help break the vicious cycle of agrarian distress. Analyze.

TOPIC
General Studies 3:
- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*
- *Investment and Infrastructure*

Where does India stands in the Global Value Chain?

Background: Vulnerable exports: Indian exports have failed to evolve. India's imports during April-December 2017 grew 21 per cent vis-à-vis an export growth of 12 per cent. The trade deficit increased by $3.6 billion as compared to the previous year. Despite India's GDP being almost eight to ten times as that of Thailand's or Vietnam's, there is not much difference in their contribution to global exports.

Exports and global slowdown: India often unfairly attributes its export movement to global slowdown. For example, while on the one hand India's exports exhibited a negative growth of 1.5 per cent in 2016 over 2015, Vietnam's increased by a whopping 35.5 per cent.

Reasons behind declining exports:
- India's increasing reliability on commodity-based exports does not contribute to the global value chain (GVC) and are highly susceptible to price sensitivity.
- Today, India faces increasing competition in its core exports segments such as textiles and agri-based products where costs and product compliance are a concern. This Budget definitely was a good opportunity to do a course correction and

Where does India stands in the global value chain?
According to OECD-WTO's TiVA database, India's GVC participation index stands at 43.1, as compared to 52.3 for Vietnam and 60.4 for Malaysia.
The GVC index:
The GVC participation index takes into account both goods and services. It displays a country's integration into the GVC and is the sum of forward and backward linkages divided by total exports.

Forward linkage- When industries of the exporting country provide inputs into exports of industries in the importing country, it is called forward linkages.

Backward linkage- When industries in the importing country import intermediate products to be used in its exports, it is known as backward linkages.

The value chain problem?

An analysis of countries' manufacturing share in gross exports shows India has the lowest share of the countries analysed in Asia.

Within manufacturing, the foreign value-added (FVA) component for India remains as low as 18 per cent (29 per cent for Vietnam, 32 per cent for Thailand, and 33 per cent for Malaysia). The FVA exhibits the level of global participation in a country's exports and constitutes imported intermediate goods utilised in the domestic industry's exports.

Why moving up the value chain matters?

- If India fails to move up the value chain, the products on the lower end of the value chain could be taken up by other emerging economies benefiting from scale and cost.

- Moving up in value chain is required to stay competitive. Competition from island economies such as Vietnam, Indonesia, Thailand, and Malaysia, leaving Indian trade vulnerable.

  The textile sector is a good example; with a 12-per cent share, it has the second highest share in India's exports today. But this was was 25 per cent in 2000.

- The manufacturing sector integrated into the GVC, producing specialised items of a finished product, has potential to create more employment and contribute more to global export.

- Integrating into GVC gains more prominence given the negotiations on trade facilitation agreement under the WTO and India's eagerness to participate in mega trade agreements.

What needs to be done?

- Today, complex goods such as automobiles, aeroplanes and computers are made of inputs that are produced in various countries, which are finally assembled in yet another country. India in similar vein needs to get integrated in the GVC and produce specific and specialised products.

- Indian manufacturing requires being competitive and efficient, and take sustained, holistic reforms to exploit the advantages of integrating with GVCs.

- There is a need to attract global investors to value-added manufacturing sectors.

Connecting the dots:

- A decline in Indian exports has been witnessed in recent times. One reason is the gloabl slowdown. But the major reason is failure of India to rise up in the global value chain. Discuss.

TOPIC
General Studies 3:
- *Issues related to direct and indirect farm subsidies and minimum support prices*
- *Inclusive growth and issues arising from it.*
General Studies 2:
- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections*

Operation Greens

Background:
The finance minister announced Operation Greens, on the lines of Operation Flood, with a seed capital of Rs 500 crore in his speech on February 1.
Three days later, the Prime Minister said farmers are his **TOP** priority — T is for tomatoes, O for onions, and P for potatoes.

Operation flood:
Operation Flood changed the face of milk production in India, making the country the largest producer of milk in the world — in 2016-2017.
Key lessons-
- Operation Flood was driven largely by smallholders.
- The AMUL model ensured that 75-80 per cent of the price paid by milk consumers goes to the farmers.
Operation Greens wants to replicate that success story in fruit and vegetables, starting with tomatoes, onions and potatoes.

Objectives of Operations Greens:
- The main objective of this project is to reduce price volatility in these commodities, thereby helping farmers augment incomes on a sustainable basis.
- It also aims to provide these vegetables to consumers at affordable prices.
Overall the scheme aims to check the booms and busts in prices.

India is the second largest producer of vegetables in the world with about 180 MMT. But China produces four times more vegetables than India.

Checking prices collapse with rise in production:
Issue:
The problem with vegetables is that their prices collapse when their production rises sharply.
Reason behind:
The country lacks modern storage facilities and the links between processing and organised retailing are very weak. As a result, farmers often end up receiving less than a fourth of what consumers pay in major cities.
Way out:
Operation Greens needs to ensure that farmers receive at least 60 per cent of what consumers pay.
In the case of milk, the producers get more than 75 per cent of what consumers pay. The basic principles of Operation Flood would be useful to operationalise Operation Greens as well.

What needs to be done?
- Linking major consumption centres to major production centres with a **minimal number of intermediaries**.
  One needs to map mega consuming centres and link their retail networks with the producing centres of each commodity. Farmers can be organised in farmer producer organisations (FPOs). The Agricultural Produce Market Committee Act will have to be changed to allow **direct buying from FPOs**, and giving incentives to these organisations, private companies and NGOs to build back end infrastructure as was done in the case of milk.
  The announcement of tax concessions to FPOs for five years is a welcome step in that direction, if it encourages building such critical infrastructure.
- **Investment in logistics**, starting with modern warehouses, that can minimise wastage should be done. An example is of cold storage for onions, where wastage is reduced to less than 10 per cent, compared to the 25-30 per cent wastage in traditional storage facilities on farmers' fields.
- **Linking the processing industry with organised retailing**. On an average, about one-fourth of the produce must be processed. India is way behind on this curve compared to most Southeast Asian countries. Dehydrated onions, tomato puree and potato chips should become cheap, so that an average household can use them. Processing industry adds value and absorbs surpluses. In this light, the government's announcement of increasing the allocation for the food processing industry by 100 per cent is a welcome step.

Conclusion:

By developing forward and backward linkages under Operation Greens, the government can ease large price fluctuations, raise farmers' share in the price paid by the consumer and at the same time, ensure lower prices for the consumers — a win-win situation for all.

Connecting the dots:

- The government announce Operation Greens this year. Discuss its objectives. Also suggest measures to meet desired objectives.

TOPIC
General Studies 1:
- *Salient features of Indian Society, Diversity of India.*
- *Social empowerment, communalism, regionalism & secularism.*

General Studies 2:
- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

Language: Much more than a means of communication

Background:

Nineteen years ago, in November 1999, the General Conference of the Unesco proclaimed February 21 as the International Mother Language Day to coincide with the Language Day Movement in Bangladesh. The genesis of this commemoration lies in widespread protests by the Bengali-speaking majority in the region, then known as East Pakistan, against the Government of Pakistan's language policy.

Importance of language:

A language is far more than a means of communication; it is the very condition of our humanity. Our values, our beliefs and our identity are embedded within it.

- Language is clearly an emotive issue because it is embedded in our social life. It enables us to communicate our emotions and ideas. It fosters group identity and fraternity. Usually, we express our thoughts much better in our mother language.
- It has been found that children learn better, especially at the primary stage, if they are taught in their mother tongue.

- Language is intertwined with identity and is, therefore, a contested issue. Preservation of languages has inevitably been linked to the preservation of a culture as well as artistic and intellectual heritage.
- As the UN has noted, "Language is fundamental to communication of all kinds, and it is communication that makes change and development possible in human society. Using — or not using — certain languages today can open a door, or close it, for large segments of society in many parts of the world."
- Language is the lifeline of a culture and, in a way, defines the larger social milieu. It plays an important role not only in communication but also in forging bonds among people who speak the same tongue. It provides a collective identity to people and forms an essential component of their cultural values.

Need to preserve languages:
- We need to preserve the multicultural nature of our world and the best way to do that is to preserve all its languages and also enrich them. Gandhiji once remarked: "I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any."
- India has always believed in diversity and plurality. It has respected all languages. However, since language and culture are intertwined, there is an absolute need to strengthen the indigenous languages, including those spoken by the many tribal groups in our country.

However, what is most important is to promote the use of the mother tongue.
- A child can grasp knowledge better in his or her mother tongue compared to any other language.
- A child will also be able to communicate and articulate her thoughts effectively in her native language.
- Large-scale promotion of mother tongue is the best way to increase literacy in India beyond the current level of 74 per cent. With strong language competency in the mother tongue, a student will be able to learn other languages faster and can become a true polyglot in a multicultural, globalised world.

International comparison:
- English has become the link language in the country and is used in government offices and elsewhere. Unfortunately, many people, especially the urban-educated Indians, feel it infrerior to speak or read and write in their mother tongues. This undesirable trend has to be reversed.

- World over, people not only take pride in speaking in their mother tongues, but also try to propagate them. Various heads of state, for example, from Russia, France, Switzerland, China, Germany and Iran, use their national languages. This is simply because they take pride in their languages. They use language to assert their national identity.

What needs to be done?

We need to have-

- An educational system that incorporates mother languages.
- A publishing industry that encourages Indian language publication.
- An internet regime that allows communication and transmission of knowledge in different Indian languages.

Conclusion:

A multilingual and multicultural world will be possible only by strengthening individual mother languages. Individuality and plurality can and must go hand in hand. That has been the essential Indian vision. It is the same vision that can enable us to be true Indians as well as global citizens at the same time.

Connecting the dots:

- A language is far more than a means of communication; it is the very condition of our humanity. Our values, our beliefs and our identity is embedded within it. Discuss the need of preserving languages. Also suggest how it can be done in India.

TOPIC

General Studies 2:

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

General Studies 3:

- *Conservation, environmental pollution and degradation, environmental impact assessment*
- *Science and Technology- developments and their applications and effects in everyday life*
- *Achievements of Indians in science & technology; indigenization of technology and developing new technology*

Adopting Electric vehicle(EVs): Challenges & Way ahead

Background:
Acknowledging the challenge of rising vehicular pollution in Indian cities, Piyush Goyal, then Union Minister for Power, said that from 2030, India would completely shift to using electric vehicles (EVs).
The push for electric mobility was backed by the government think-tank, NITI Aayog, which has estimated that the nation can save up to Rs. 4 lakh crore by rapidly adopting EVs.

Benefits:
While transitioning from an internal combustion engine (ICE)-based regime to an EV-based one is challenging, the long-term benefits could outweigh the hardships significantly in the wake of India's ambitious renewable energy plans.

- Jobs and the economic impact- India is the world's fourth largest fifth auto market, where over 25 million motor vehicles are produced. The sector is estimated to provide direct and indirect employment to about three crore people and accounts for 7.1% of the nation's GDP.
  The industry is estimated to grow to $300 billion in annual revenue by 2026, creating 65 million additional jobs, and contributing over 12% to the GDP.

- In October 2017, the Lancet Commission on Pollution and Health, attributed to air pollution an estimated 6.5 million premature deaths globally, with 1.1 million being from India. The database also placed 10 Indian cities in the 20-worst list. EVs will help check this vehicular pollution.

Addressing fundamental issues:

Ensuring coordination among stakeholders: EVs, unlike ICE vehicles, involve several actors at the *national, State and city levels*, respectively. In the first, it needs multiple ministries such as Road Transport and Highways, Housing and Urban Affairs, Heavy Industries, Power, New and Renewable Energy, External Affairs as well as national institutes such as NITI Aayog. State and city-level players need to be involved so as to address several technical and infrastructural needs. **Coordination between all three** is crucial in driving the EV agenda.

Figuring out the best mode forward:
- China has focussed on the use of electric buses as a catalyst for EV penetration. It is the largest electric bus manufacturer in the world, with most in use in the country. In 2016 alone, about 80,000 electric buses were added to China's roads.
- The Netherlands, on the other hand, has captured the EV market using a simple yet well-crafted strategy of creating charging infrastructure and encouraging investment in charging

technology by providing incentives to EV buyers. Today, it has the densest charging infrastructure in the world and is a major exporter of this technology.

These two case studies show that sustained growth is possible only due to positive economic impacts of EVs.

Solving the battery challenge:

The assumption that anyone who controls the battery will control electric mobility is true in the current scenario. India does not produce lithium-ion (Li-ion) batteries currently, and companies making battery packs are dependent almost exclusively on imports from China. This is a cost-saving strategy as setting up a cell manufacturing unit in India would be expensive.

Solution:

Accelerating EV use in India should be linked to the "Make in India" goal and domestic battery production.

Investment is required for **research and development in battery-making** and exploring alternative technologies.

Charging infrastructure:

EV charging is more than just using electricity. It involves exchange of information requiring a communication protocol. There is no unique or single-charging technology for EVs. The three major EV users, China, Japan and the European Union, have their own charging technologies which are often conflicting and not interchangeable. The absence of a standard global infrastructure is a major deterrent for EV penetration in India, as creating infrastructure can be cost-intensive.

Solution:

For this, the government needs to select or develop appropriate charging technology that avoids multiplicity and reduces the cost of infrastructure, while making it convenient and safe for users.

Conclusion:

EVs have the potential to disrupt the mobility ecosystem, and, if implemented well, could have a positive impact on the economy as well as the urban environment. India, however, needs a road map, with timelines, processes, well-researched impact studies, bold initiatives and robust investments in technological research to turn its EV dream into reality.

Connecting the dots:

- While adopting Electric Vehicle(EVs), India is surely to face multiple challenges. What are these challenges and what is the way out?

TOPIC
General Studies 1:

- *Poverty and developmental issues, urbanization, their problems and their remedies*

General Studies 2:

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

General Studies 3:

- *Conservation, environmental pollution and degradation, environmental impact assessment*

Generating energy and wealth from waste: The "GOBAR-Dhan" Initiative

Introduction:
In the latest budget, the finance minister announced the launch of "**GOBAR-Dhan**" (Galvanising Organic Bio-Agro Resources-Dhan).

About the GOBAR-Dhan initiative:
The initiative is expected to pilot similar opportunities to convert cattle dung and other organic waste to compost, biogas and even larger scale bio-CNG units. This programme, expected to be launched in April, aims at the collection and aggregation of cattle dung and solid waste across clusters of villages for sale to entrepreneurs to produce organic manure, biogas/bio-CNG. The initiative has two objectives: To make villages clean and generate wealth and energy from cattle and other waste.

- **Making villages clean:** The 19th Livestock Census (2012) estimates India's cattle population at 300 million, putting the production of dung at about 3 million tonnes per day.
- **Generating energy:** Some European countries and China use animal dung and other organic waste to generate energy. But India has yet to tap the full economic potential of such waste.

With the largest cattle population in the world, rural India has the potential to leverage huge quantities of gobar into wealth and energy.

Swachh Bharat and the GOBAR-Dhan initiative: While the core mission of Swachh Bharat is to make India open defecation free (ODF), it also aims to make the country clean, both its urban and rural areas. Good progress has been made on the ODF front through massive behaviour change mobilisation, with rural sanitation coverage increasing from 39 per cent in October 2014 to over 78 per cent today, and about 3,20,000 villages becoming ODF. Usage of toilets has also been found through third party surveys to be over 90 per cent. A major thrust is now underway to promote general cleanliness and effective solid and liquid waste management in rural India.

The challenge is adding value to the utilisation of gobar and incentivising farmers to think of their cattle waste as a source of income and, in the process, also keep their communities swachh. Cattle dung, kitchen waste and agricultural waste can be tapped to create biogas-based energy.

Benefits:
- According to a 2014 ILO study, the productive use of dung could support 1.5 million jobs nationally.
- For the farmer, there is a significant potential of greater income from the sale of cow dung.
- The study also reports that the value of one kg of cow dung multiplies over 10 times, depending on whether the end product is fresh dung (sale price of Rs 0.13) or as input for a one megawatt biogas plant along with compost output (Rs 1.6).

Challenge:
One of the challenges for operating biogas plants, and even related higher value chain operations like bio-CNG plants, is the aggregation of cattle waste and maintaining a regular supply to plant operators.

Case Studies:
- The Lambra Kangri Multipurpose Cooperative Service Society in Hoshiarpur, Punjab, generates energy from waste by aggregating cattle dung and other organic waste to run the biogas plant and providing metered cooking gas to members.
- The Gram Vikas Trust started the Gobar Bank initiative in Surat, Gujarat, where members bring fresh cow dung to the community biogas plant. The dung is weighed and accounted for in their passbooks. In return, they get cheap cooking gas as well as bio-slurry, the residue from the biogas plant, which is used for vermicomposting and organic farming.

What needs to be done?
Generating wealth from waste in rural areas will require the involvement of all actors and sectors.
- Investments from the private sector and local entrepreneurs will be needed.
- Panchayats and village communities will have to play key roles to leverage the animal and organic waste that goes into water bodies, dumping sites and landfills.
- Informal sanitation service providers can be integrated into the system by training and licencing them.

Conclusion:
With appropriate policies and practices, the waste to energy generation in rural areas can be scaled up into opportunities for growth, leading to increased incomes, long-term livelihoods

and, of course, more Swachh villages. The GOBAR-Dhan initiative is thus a step in right direction.

Connecting the dots:

Discuss the objectives of the GOBAR-Dhan initiative. Also suggests what needs to be done to ensure effective implementation of the scheme.

TOPIC
General Studies 1:
- *Social empowerment*

General Studies 2:
- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes*

The "Unwanted girls" in India

Introduction:

India has 63 million "missing women." The 2018 Economic Survey gives us a powerful new number: India has twenty-one million "unwanted girls". This number describes the girls who are born but not treated well. Crafting a new statistic that brings a spotlight to this problem will be an important legacy of the Economic Survey.

Who are "Missing women"?

- These are the girls and women who would be alive today if parents were not aborting female foetuses.
- Girls getting less food and healthcare add to this count by raising female mortality.

Amartya Sen raised this problem in 1990 with an article titled "More Than 100 Million Women Are Missing". He counted the missing women across several countries such as India, China and Pakistan. Many people knew the problem existed, but Sen's number, called out in the title of his article, made the problem salient. Today, there are **63 million fewer women** counted in the Census in India than there naturally should be.

Who are "Unwanted girls"? These are girls who are alive but **likely disfavoured** by their parents.

They receive less healthcare and schooling, with life-long effects on their well-being. These girls are more precisely described as **"less wanted" children**. They are daughters that

parents gave birth to when they were really hoping for a son. There are **twenty-one million unwanted girls** under the age of 25 in India.

Common pattern of childbearing:

A couple wants to have two children, ideally one son and one daughter, but it's especially important to them to have at least one son. If they have two daughters in a row, they will keep having children until they get a son. In such cases, the last child in the family is a boy. By aggregating all families, it is seen that the sex ratio of the last child (SRLC) is male-skewed. SRLC is thus a revealing measure of parents wanting sons.

- The fervent desire for sons in India is not a feature of all less economically developed societies. For example, in the historical US, there wasn't a male-skewed SRLC.
- The Economic Survey's analysis revealed that even Kerala and Assam have a male-skewed SRLC; if we only tracked missing women, these states would look problem-free.

Fig: 8a. Sex Ratio by birth when child is not the last

Fig: 8b. Sex Ratio by birth when child is the last

Pic credit: http://images.indianexpress.com/2018/02/epaper.jpg?w=450

In the figure above (from Economic Survey 2018), the right panel shows that last children are disproportionately male. The left panel shows that non-last children are more female; that's because the child being female led the parents to keep having children in their quest for a son.

Issue:

Many couples have a girl when they were hoping for a boy. If the girls are nonetheless treated equally, this would not be much of a problem. Unfortunately, *girls get fewer resources than boys*.

Even if parents treat their children equally, girls are disadvantaged by being in families with fewer resources to spend per child. Moreover, parents who passionately want sons, unsurprisingly, favour them once born. Boys are more likely to get immunisations.

- India shows a gender gap in stunting compared to other parts of the world, consistent with girls consuming less nutritious food.

- One study found that one year after parents were advised that their child needed surgery to correct a heart defect, 70 per cent of the boys but only 44 percent of the girls had undergone the surgery.

This is why having 21 million unwanted girls is unacceptable.

Way forward:

- Improve women's earnings opportunities so that dowries are lower and women have more say in family decision-making.
- Better options for people to support themselves in old age, such as a good pension system, would make having a son less paramount to couples.
- We also need more efforts that take on society's norms and try to reshape them so that people start valuing daughters as much as sons.

Conclusion:

A decline in the number of unwanted girls isn't necessarily progress. Unwanted girls arise when parents keep having more children to obtain a son. Couples are becoming more reluctant to have large families and are gaining better access to ultrasound. "Trying again" might give way to more sex-selection.
It will not be progress if we achieve fewer unwanted girls at the cost of more missing women. The goal should be for both numbers to come down.

Connecting the dots:

- While 'missing girls' is an issue well know, the latest economic survey raised the issue of "unwanted girls". Who constitutes unwanted girls? Discuss the reasons behind ans ways to solve the issue.

TOPIC
General Studies 2:

- *Parliament and State Legislatures – structure, functioning, conduct of business, powers & privileges and issues arising out of these.*

The tussle between political executive and the bureaucracy in Delhi

Why in news?

The chief secretary (CS) of Delhi was reportedly roughed up by two MLAs in the Chief Minister's (CM's) presence. One has heard of humiliation of officers before, but seldom involving the chief secretary.

The CS is not an ordinary bureaucrat. He is the head of the civil administration in the state or union territory, an officer who represents not just his own service but all services within the civil administration. His word in sorting out contending arguments and dissension among officers is final. It is his duty to run an efficient administration and give the CM fair and impartial advice.

In Delhi, the CS has an even more challenging role — he has to report simultaneously to the CM and the lieutenant governor (LG) and walk a tightrope between the vision and concerns of both, even when they are not always on the same page.

Background:

The capital's asymmetric division of powers between the elected and the selected has been an issue in recent times. It vests the LG with absolute powers without corresponding accountability and leaves the elected chief minister faced with complete responsibility but without requisite powers.

The basic principle of parliamentary democracy is that the elected executive decides policies and programmes while the bureaucracy executes them. There can be occasional friction. But overall, the two arms of the executive work in tandem, as a single, cohesive branch. In the eyes of the law, the actions of secretaries are actions of ministers. On occasions when secretaries disagree with their ministers, the latter either agree with or overrule the babus. It is upon a CS that a CM is dependent for governance and delivery.

The Conflict:

The MHA, vide a notification dated May 21, 2015, added a fourth subject, "Services", to the existing list of three subjects of Public Order, Police and Land which were already reserved with the Centre. Through a judgment on August 4, 2016, the Delhi High Court upheld the notification, ruling that "Services" was outside the domain of Delhi government. The high court also ruled that the "aid and advice" of the council of ministers is not binding on the LG. Hence, the elected executive in Delhi doesn't have even a modicum of control or authority over government employees- from a peon to the chief secretary, the transfer, posting, appointment, creation of posts, service conditions, vigilance matters, leave sanction.

- Many appointments and transfers in the bureaucracy are made by the GOI without taking CM into confidence.
- The Delhi CS also coordinates with multiple authorities and agencies outside the Delhi Government. The performance of a CM is thus incumbent upon the performance of his CS and the secretaries of other departments with the CS at the top. But the Delhi CM can't even pick a deputy secretary, leave aside his CS and secretaries. They are appointed by the LG without consulting either the chief minister or minister concerned.

- By vesting the LG with "Services" and the veto power on every aspect of governance, the Centre has made him the primary decision-making authority even with respect to transferred subjects. He convenes and chairs meetings on these subjects, where the chief minister and other ministers may or may not be invited.
- Cabinet decisions remain pending for long periods at the LG's office. For example, the policy decision to establish 1,000 Mohalla Clinics was approved by the cabinet in November 2015 but the LG raised queries on multiple occasions and the project remained stalled for two years.

The Delhi government's petition challenging the Centre's notifications was heard by a Constitution Bench of the Supreme Court in December 2017. The order is since reserved.

Way ahead:

The AAP has for long complained that the Centre is paralysing its executive functions through the Lt. Governor and that the bureaucracy is refusing to obey government orders. But the proper response to this is to keep pushing for the constitutional changes that will give Delhi full statehood rather than targeting police officers and civil servants. Both the Centre and the Delhi government must work together to see that the administration is not brought to a halt in the Union Territory.

Conclusion:

The very concept of parliamentary democracy is at stake. The current imbroglio is only a manifestation of a deep-rooted malaise. It is time to address the structural malaise afflicting Delhi's body politic.

The two pillars- the political executive and bureaucracy- need to hold the structure together, or else one would develop cracks and bring the other down with it or lead to a go-slow which would prevent doing things that matter the most.

Connecting the dots:

- The capital's asymmetric division of powers between the elected and the selected has been an issue in recent times. Analyze.

INTERNATIONAL

General Studies 2:
- *India and its neighbourhood- relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests*
- *Effect of policies and politics of developed and developing countries on India's interests*

India-ASEAN Economic Partnership

Background:
India's diplomatic gesture of inviting all the ten ASEAN heads of state as guests of honour at the Republic Day festivities on January 26 and their participation in the Commemorative Summit that celebrated 25 years of partnership between India and ASEAN on January 25, was precisely a step in that direction.

Evolving relationship:
- The journey of India as a dialogue partner of ASEAN started in early 1990s with the initiation of Look East Policy (LEP).
- In the following years, the geographic ambit of LEP expanded from Southeast Asia to include the Oceania as well as East Asia, encompassing a significant part of the Indo-Pacific. The renaming of LEP as Act East Policy (AEP) in 2014 reflected this reality. The new coinage signaled India's interest in playing a significant role in the Indo-Pacific region.

Economic partnerships play a significant role in India-ASEAN relations and in India's efforts to reach out to the Indo-Pacific region. The region has witnessed the formation of mega-trade blocs like the Regional Comprehensive Economic Cooperation (RCEP).

The ASEAN Economy
ASEAN is a recognised production base, with most of its members witnessing upward growth for the last couple of years. Domestic consumption and private investments have become the principal factors in ASEAN's economic development.3 Asian Development Bank (ADB) also estimates that ASEAN Five (Indonesia, Malaysia, Thailand, Philippines and Vietnam) will witness remarkable growth in their export trade.
- India's position in ASEAN's external trade and investment flows has not yet experienced any special momentum.

- In its external trade, ASEAN's major partners are China, European Union and the US. On the other hand, in Foreign Direct Investments (FDI), EU, Japan, the US and China are the principal sources of investment inflows.

ASEAN-India Economic Partnership:

- ASEAN's share in India's foreign trade and inflows of FDI is higher than India's share in ASEAN's total external trade and FDI inflows.
- The two-way trade between ASEAN and India is increasing steadily; however, it is in favor of ASEAN and the trade gap is broadening regularly.
- India's benefits from the FTA with ASEAN remain nominal.

Issues:

- Despite having a Free Trade Agreement (FTA) in goods (being implemented since 2010) and trade in services and investment agreement (signed in 2015), India is not benefitting much from its economic cooperation with ASEAN.
- Though there has been a steady growth in the total trade between India and ASEAN in the last few decades, India suffers from tariff reductions in imports from ASEAN.
- In value-added sectors including chemicals and applied products, plastics and rubber, minerals, leather, textiles, gems and jewellery, metals, vehicles, and medical instruments, India's negative trade balance has been increasing.

Economic Integration: Problems in RCEP
ASEAN views the RCEP as a next step towards larger integration with six of its FTA partners.
India's worries:

- India is worried that RCEP will increase its already vast negative trade balance with China (which stands at $50 billion at present) as cheap Chinese products will flood the Indian market.
- This may worsen India's negative trade balance with ASEAN as well.
- India's domestic entrepreneurs, especially those in pharmaceuticals, textiles, dairy and wheat products etc., will suffer, as they may not be able to face the competition from other member countries like Japan, Australia and New Zealand.
- India is unhappy with the restrictions RCEP member countries are putting in place in all modes of services, which include movement of professionals. India wants to ensure liberalisation in services in the RCEP mega-trade bloc; however, RCEP members are not keen on it.
- India's preferred three-tier approach as regards to tariff reductions on imports, has been rejected by ASEAN and other RCEP members.

About RCEP:

Regional Comprehensive Economic Partnership (**RCEP**) is a proposed free trade agreement (FTA) between the ten-member states of the Association of Southeast Asian Nations (ASEAN) (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam) and the six states with which ASEAN has existing free trade agreements (Australia, China, India, Japan, South Korea and New Zealand).

Pic credits: http://www.businesskorea.co.kr/english/news/industry/18741-regional-comprehensive-economic-partnership-19th-round-rcep-negotiations-take

Significance of partnership:

- Connectivity has become the key word in ASEAN-India cooperation. ASEAN and India have expressed their willingness to enhance intra-regional tourism and people-to-people connectivity and civilisational and cultural influences have been reiterated by both sides.
- The ASEAN region wants a strong Indian presence as a counter-balance to the growing Chinese influence. This has become evident as India's defence and security partnership with countries like Vietnam has experienced several positive developments in the recent years.

Conclusion:

Despite the challenges in the economic partnership, India's commitments towards ASEAN continues. India has also recently committed to assist the CLMV countries (Cambodia, Laos PDR, Myanmar and Vietnam) in their economic development.

ASEAN is an inevitable partner for India if it has to become a major Indo-Pacific power.

Reciprocity and mutual understanding on common concerns will help both ASEAN and India to overcome some of the challenges facing their relationship.

Connecting the dots:

- The India-ASEAN economic partnership is yet to reach its potential. Critically analyze.
- Discuss the apprehensions India have regarding RCEP. Reciprocity and mutual understanding on common concerns will help both ASEAN and India to overcome the challenges. Discuss.

TOPIC
General Studies 2:

- *India and its neighborhood and International – relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests*
- *Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.*

Maldives in the midst of a deep political crisis
Issue:

Maldives Supreme Court had ordered the release of political prisoners. However, **President Abdulla Yameen** defied the Supreme Court order and the international community by refusing to release jailed members of Parliament and restore their rights.

Yameen led government had expressed "concerns" over the judicial order and resisted complying with it, but the court said there can be no excuses.

Maldives Supreme Court said in a statement – "Dissidents must be released because their **trials were politically motivated and flawed**".

Former president and current opposition leader **Mohamed Nasheed** (Maldives's first democratically elected leader) described the government's refusal to obey the Supreme Court as a **"coup"**. Nasheed, who was controversially convicted of a terrorism charge and jailed for 13 years in 2015, urged police and troops to uphold the constitution.

Constitutional crisis deepened further in Maldives when President Yameen declared Emergency after a showdown with Supreme Court; security forces arresting former President M A **Gayoom** and Chief Justice Abdullah Saeed.

Nasheed sought India's military intervention to resolve the ongoing political crisis in his country and rescue democracy.

The Maldivian people fought long and hard for the right to hold free and fair elections, and won it only as recently as 2008.

The release of prisoners could have been a great step towards ensuring a free and fair election in the country to be help later this year. But Yameen has not only refused to abide by the orders of the judiciary but has gone ahead and arrested Supreme Court judges and members of the opposition.

Big Questions

The big questions before India are:

- **Should India intervene to repair the situation in Maldives?**
- **And should India be ready to use military force?**

Should India intervene?

One popular political myth about Indian foreign policy is that New Delhi has unflinching commitment to the **principle of "non-intervention"**.

- India certainly is opposed to other powers interfering in its domestic politics. It used to criticise Western powers for their frequent interventions in the developing world. But that general principle had a big exception in India's neighbourhood policy.
- India has often intervened in the internal affairs of other countries — recall its liberation of Bangladesh from Pakistan in 1971, the intervention in the Sri Lankan civil war in the late 1980s or its more recent involvement in the making of Nepal's constitution.

Therefore, India certainly intervenes, but not always.

It is true that India's interventions in neighbouring countries will please some and alienate some, but that should be an acceptable cost for furthering Indian interests in the region. The plethora of interventions in other countries has earned the US a whole host of enemies but one cannot credibly think of a global superpower staying out of major crises just to earn some goodwill.

India has indeed intervened militarily in Maldives once earlier **(Operation Cactus in 1988)**. But the circumstances of Operation Cactus were very different.

The intervention by Indian paratroopers was at the invitation of the then dictator-president, **Maumoon Abdul Gayoom**—now a part of the democratic opposition.

In the current situation, the demand for Indian intervention is by the opposition forces in Maldives.

Reasons for India's intervention today are far more compelling than before.

1. Ever since Yameen took power in 2013, India-Maldives relations have deteriorated.
2. Apart from unabashedly crushing democratic forces, Yameen has courted Beijing and handed out big infrastructure projects to Chinese companies.
3. Yameen has openly challenged New Delhi by allowing Chinese naval ships to dock in Malé.

4. Yameen's relations with Saudi Arabia and the growing trend of radicalization in Maldives have also been areas of concern in New Delhi.

5. China is now mastering the arts of intervention that were once the monopoly of the European great powers. As South Asia becomes ever more important for China, its interventionism is becoming routine in India's neighbourhood — from Nepal to Maldives and from Pakistan to Sri Lanka.

India's relation with Yameen led Maldives:

India has tried to maintain more than a working relationship with Yameen's Maldives. As the largest democracy in the world and the leading player in the region, India kept a watchful eye on goings-on in the Maldives and been in touch with all sides.

1. New Delhi helped Maldives overcome a water crisis in 2014 and received the Maldivian foreign minister (also a special envoy of President Yameen) last month, who reiterated the government's "India First" policy.

2. But after the 1st February order of the Maldivian Supreme Court, India clearly chose to support democratic forces in the Indian Ocean country.

Yameen has not only shown, through his actions a total disregard for the democratic code India swears by, he has also imperilled the Maldivian Constitution itself.

Should India be ready to use military force?

There are genuine constraints as far as Indian intervention is concerned.

India's first priority is to ensure the safety of Indian tourists and workers in Maldives. An Indian intervention should not complicate the situation for Indian nationals.

India should also think deeply about the instruments it can use to ensure a favourable outcome in Maldives.

- New Delhi's intervention should be surgical, that is, one which makes the Yameen government capitulate without harming the people of Maldives.

- The use of a blunt instrument like the economic blockade in Nepal in 2015-16 might have temporarily brought the then K.P. Oli government to its knees but it also generated a backlash against India in Nepal's hilly areas.

- The choice of instrument should also be such that it doesn't make India a long-term participant in the partisan domestic affairs of Maldives. The lessons of the disastrous intervention in Sri Lanka (1987-90) should not be forgotten—the Indian Peace Keeping Force (IPKF) had to, apart from fighting a war, run the civilian administration in Jaffna and compete in winning the hearts and minds of the Tamil population.

Conclusion:

"Doing nothing" is surely an option for Delhi; that in effect means India chooses Yameen's side. "Doing something" would involve political mediation between the government and Opposition,

the use of coercive diplomacy, and ultimately force, to restore order in Maldives. Such an intervention is likely to get considerable international support and some Chinese criticism.

The task of fixing other people's problems is never easy. And not all consequences of intervention can really be predicted or managed.

Maldives might be tiny state with less than half a million people. With a deeply fractured political elite that has become acutely conscious of its strategic location, it will take a lot of Indian energy to repair the state of affairs in Maldives. But then that is the burden of all major powers, especially in their own regions.

Connecting the dots:

- Discuss the prevailing political crisis in Maldives. Also examine its consequences for India.
- What significance Maldives hold for India? Discuss. Also enumerate the irritants in Indo-Maldives relations. How do you assess the present status of relationship?

TOPIC
General Studies 2:
- *India and its neighbourhood- relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests*
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India's policy towards Middle East region: Making it more practical

In news: External Affairs Minister Sushma Swaraj visited Saudi Arabia recently and Prime Minister Narendra Modi is traveling to Palestine, Oman and the United Arab Emirates. India is expected to host President Hassan Rouhani of Iran next month.

Turns in the Middle East:
- **Liberation from social controls imposed in the name of religion:** Women in Iran are taking off their head scarves in a bold protest against Iran's rule on compulsory wearing of the veil in public. It was among the first prohibitions imposed by the Islamic Republic after the 1979 revolution.

  Women in Saudi Arabia are learning how to drive as they await legal sanction this summer. Riyadh has also lifted a four decade-old ban on movie theatres.
- **The quest for "moderate Islam":** Key leaders of the region, President Abdel Fattah al-Sisi of Egypt, Mohammed bin Zayed, the crown prince of the United Arab Emirates, and Mohammed bin Salman, crown prince of Saudi Arabia, have all made reclaiming Islam from

the extremist groups an important political priority. For decades now, the region's political leadership has been under pressure to yield to the conservative religious flank. Any reversal, of course, would be hugely consequential for India and the world.

- Meanwhile, the Sunni monarchies that traditionally looked to the United States to ensure their security, are taking matters into their own hands to shape the regional security architecture. Troops backed by Saudi Arabia and the UAE are battling groups backed by Iran across the region.

Indian context: The Indian government must come to terms with a changing region and the opportunities it presents.

- Although Delhi's relations with the Middle East have gained greater traction, many feel there is *need for the articulation of objectives and a strategy to achieve them*.
- There is need to formulate "Look West Policy" that puts India's relations with the region on a sound basis. The success of India's "Look East Policy" provides a precedent. The transformation of India's engagement with South East Asia was celebrated last month by the presence of the 10 ASEAN leaders at the annual Republic Day celebrations.

Challenge- Lack of forum:
One big difference between the Middle East an Southeast Asian regions is an institutional framework that facilitates India's regional diplomacy. If the Association of South East Asian Nations has been the vehicle for India's expanding partnership with South East Asia, there is *no similar forum in the Middle East*.

- Groupings such as the Arab League, or the Organisation of Islamic Conference, were never really effective.
- Organisations like the Gulf Cooperation Council (though little focused) are beginning to crack amid the region's turbulence. Once formed to counter the Iranian threat, the GCC is badly divided today.

Way ahead:
- India needs to adopt a process-driven diplomacy, with multiple lines of continuous engagement. In the Middle East, the principal impulse has to be India's own strategic appreciation of the region matched by a vigorous bilateralism.
- Rapport at the leadership level is critical for success in a region ruled mostly by monarchs and strong rulers.
- Delhi's bureaucracy must be able to follow through on declarations and joint statements.

India needs to change its perceptions:

- In the first decades after Independence, India had bet that its commitment to pan-Arabism and anti-imperialism would counter Pakistan's claims for special affection of the region as a state founded on Islam. While religion remains important, pan-Islamism is no longer a dominant force in shaping the politics of the region. The rise of sectarianism has undercut pan-Islamism.
- After the Cold War, India pursued a more practical policy towards the region. Even as India's economic ties deepened after the economic reforms launched in 1991, Delhi appeared defensive in the region. For example- Delhi's persistent tendency to view the region in terms of the conflict between Israel and Arab states. This seems at odds with what is happening in the region. Israel which with Iran tried to balance the Arabs, is now partnering the Sunni Arabs to defeat the growing influence of Shia Iran.

Conclusion:

India needs to view the Middle East on its own merits, pays sustained political attention, and deliver on the Indian economic and security commitments made at the highest levels.

Connecting the dots:

- India needs to view the Middle East on its own merits, pays sustained political attention, and deliver on the Indian economic and security commitments made at the highest levels. Discuss.

TOPIC
General Studies 2:

- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.*
- *Effect of policies and politics of developed and developing countries on India's interests.*
- *India and West Asia Relations.*

Growing importance of West Asia

Introduction:

India seeks to pursue a multi-dimensional engagement with West Asia.

Focus on India's 'Look West' policy is evolving rapidly.

India and Palestine relations:

- PM Modi became the first Indian prime minister to visit Palestine.
- India signed six agreements – (worth around $50 million)

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1. setting up of a super speciality hospital in Beit Sahur
2. setting up of a centre for empowering women
3. procurement of equipment and machinery for the National Printing Press
4. investment in the education section

PM Modi was conferred the **'Grand Collar of the State of Palestine'** by President Mahmoud Abbas, recognising his key contribution to promote relations between India and Palestine.

The Grand Collar is Highest order given to foreign dignitaries — Kings, Heads of State/Government and persons of similar rank.

India hopes for Palestine to soon emerge a sovereign and independent country in a peaceful atmosphere.

India and UAE relations:

PM Modi re-connected with the UAE leadership for the second time in three years. Trade and economic ties are becoming central to the India-UAE relationship.

- A landmark pact awarding a consortium of Indian oil companies a 10% stake in offshore oil concession will be the first Indian investment in the UAE's upstream oil sector.
- The above move transforms a traditional buyer-seller relationship into a long-term investor relationship with stakes in each other's strategic sectors.
- There was also an MoU aimed at institutionalising the collaborative administration of contractual employment of Indian workers.
- Growing convergence on tackling terrorism - The two countries reiterated their condemnation for efforts, including by states, to use religion to justify, support and sponsor terrorism against other countries, or to use terrorism as instrument of state policy.

Significance of Oman for India

Oman has been a long-standing partner of India in West Asia, where Indians constitute the largest expatriate community.

- With the Indian Ocean becoming a priority focus area for India, Oman's significance is likely to grow.
- China's expanding footprint in the Indian Ocean Region has alerted India to the possibility of strengthening security ties with littoral states.
- India is likely to step up its military presence in Oman. Naval cooperation has already been gaining momentum with Muscat giving berthing rights to Indian naval vessels to fight piracy in the Gulf of Aden. Regular naval exercises have now become the norm.
- India and Oman have made military cooperation more expansive.
- Other areas of cooperation - health, tourism and peaceful uses of outer space.

Conclusion:

All these shows the depth of India's foreign policy outreach in West Asia.

India's engagement with West Asia should now focus on delivering on its commitments and strengthening its presence as an economic and security partner.

This will be crucial as traditional powers such as the U.S. and Russia are jostling militarily, even as America's stakes in the region decline by the day. China and India, as two emerging powers, are yet to articulate a clear road map for the region.

While India is still stuck in the age-old debates of Israel-Arab rivalry, West Asia has moved on. Growing rivalry between the Sunni Arabs and Shia Iran is reshaping old relationships and India will have to be more pragmatic in its approach towards the region.

Connecting the dots:

- What importance does the West Asian region hold for India's economic and strategic interests? Discuss. Also elaborate upon the role of past economic and cultural ties in shaping India's relations with West Asia today.

TOPIC
General Studies 2:
- *India and its neighbourhood- relations.*
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India-Canada relationship: Issues & Potential

Introduction:
Justin Trudeau, Canada's Prime Minister visiting India on February 17. This would be his first trip to India after he became Prime Minister in 2015.

During Prime Minister Narendra Modi's visit to Canada in April 2015, both sides agreed to elevate their bilateral relations to a strategic partnership. The strategic cooperation is yet to be strengthened.

The ties essentially rest on 3Es — economy, energy and education.

Indian diaspora in Canada:
- Indian diaspora comprising **3.6% of the Canadian population** is well-educated, affluent and politically suave.
- 19 persons of Indian origin have been elected to the House of Commons, of which 17 (15 Sikhs) represent Mr. Trudeau's Liberal Party. He has rewarded four Sikhs with key Cabinet berths.

The Khalistan issue:

In recent times there has been resurgence in anti-India activities by emboldened Khalistani elements in Canada.

Recent instances-

- The Ontario Provincial Parliament adopted a resolution terming the 1984 anti-Sikh riots as 'genocide'.

  India described it as a "misguided motion based on a limited understanding of India, its Constitution, society, ethos, rule of law and its judicial process."

- Mr. Trudeau once showed up at the Toronto nagar kirtan where Khalistani flags and pictures of slain terrorists like Jarnail Singh Bhindranwale were displayed.Former Prime Minister Stephen Harper had avoided such platforms during his years in office.

The 'Khalistani' issue has figured prominently between India and Canada at all levels. However, Canadian political leaders and parties continue to protect the Khalisanti elements in the quest for electoral gains. The issue is that the current Liberal government seems to be going beyond the needs of political and electoral arithmetic in courting the radicals. This has naturally impacted bilateral relations.

India-Canada cooperation: Potential-

Canada has truly been a land of opportunity for the Indian diaspora:

- They have earned the affection and respect of Canadians, who are very inclusive.
- There many iconic rags-to-riches stories, like that of Prem Watsa, Chairman of Fairfax Financial Holding, who migrated from Hyderabad in the 1970s with a few dollars and is now known as the Warren Buffett of Canada.

Economic relations:

- There has been a spike in investments by the well-endowed Canadian Pension Funds like CPPIB and CDPQ into India.
- Together, Canadian companies have have pumped in some $12-15 billion Canadian in India in sectors including real estate, financial services, distressed assets, modern logistics facilities and e-commerce.

Way ahead:

Early conclusion of the bilateral Comprehensive Economic Partnership Agreement (CEPA) and Investment Promotion and Protection Agreements (BIPPA), which have been under negotiation for several years, would boost our economic partnership. It would particularly open up the

services sector allowing highly skilled Indian professionals, for whom there is a ready demand, to work in Canada.

Energy security for India:

- India has started importing uranium from Canada, beginning 2015.
- Canada also has sizeable reserves of oil and gas.

Over time Canada could become a key partner in India's quest for energy security.

Attractive for Indian students:

- With declining interest in Britain and some uncertainty over the U.S.'s policies, Indian students have begun heading for vocational and higher education to Canada in larger numbers.
- An added attraction for them is that Canada routinely provides a three-year work visa upon completion of studies, which opens up avenues of gainful employment and citizenship.
- Canada also continues with a liberal immigration policy. In 2016, some 40,000 Indian immigrants were admitted into the country.

In agricutural sector:

- Till recently, significant quantities of Canadian pulses were being imported by India.
- Both nations also have some collaboration in agri-tech.

Much more can be done. There exists complementary economies and capable human resources.

Conclusion:

There exists enough potential for stepping up cooperation in areas like information technology, science and technology, clean and green tech, aviation and outer space, cold-climate warfare, cybersecurity, counterterrorism and tourism. The need of the hour is to strengthen mutual trust and confidence, by taking a long-term view of the relationship.

Connecting the dots:

- Discuss the potential of India-Canada relationship. Also analyze how Khalistan issue in recent times has impacted our bilateral ties.

TOPIC
General Studies 2:
- ***India and its neighbourhood- relations.***

- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests*
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India joins Ashgabat agreement: Significance

Introduction:
India recently joined the Ashgabat Agreement, which was instituted in 2011 to establish an international multimodal transport and transit corridor between Central Asia and the Persian Gulf.

The Ashgabat agreement: The Agreement was first signed by Uzbekistan, Turkmenistan, Iran, Oman and Qatar in 2011. While Qatar subsequently withdrew from the agreement in 2013, Kazakhstan and Pakistan joined the grouping in 2016. The Ashgabat Agreement came into force in April 2016. Its objective is to **enhance connectivity within the Eurasian region** and synchronize it with other regional transport corridors, including the International North–South Transport Corridor (INSTC).

Benefits of joining the Ashgabat agreement:
- **Facilitating trade with Eurasian region:** Accession to the Ashgabat Agreement will enable India to utilise the existing transport and transit corridor to facilitate trade and commercial interactions with the Eurasian region. It will synchronise with India's efforts to implement the INSTC for enhanced connectivity.
- **Operationalisation of INSTC:** The Iran-Turkmenistan-Kazakhstan (ITK) railway line will be the major route under the Ashgabat Agreement. It has also been included as part of the INSTC. Therefore, the Ashgabat Agreement and INSTC will be easily synchronized. Thus, with Ashgabat agreement the operationalisation of the INSTC is inching closer to becoming a reality.
  INSTC:
  A 7200 km long multi-mode network encompassing ship, rail and road routes connecting India with Russia, Central Asia and Europe via Iran. The route primarily involves moving freight from India, Iran, Azerbaijan and Russia via ship, rail and road. The objective of the corridor is to increase trade connectivity between major cities such as Mumbai, Moscow, Tehran etc.
- **Improved scope of Chabahar port:** With the recent commissioning of the Shahid Beheshti terminal at Chabahar port and India's joining of the Ashgabat Agreement, a greater prospect now opens up for enlarging both the operational and practical scope of Chabahar to become a vital gateway and the shortest land route to Central Asia. The operation of a

multi-purpose terminal at Chabahar including India's plan to build a 610 km north-south railway from Chabahar to Zahedan couldn't have been realised unless India joined a Central Asian-led transport mechanism.

- **Procuring resources from Central Asia:** Joining the Ashgabat Agreement would make it easier for India to reach out to Central Asia which houses strategic and high-value minerals including uranium, copper, titanium, ferroalloys, yellow phosphorus, iron ore, rolled metal, propane, butane, zinc, coking coal, etc. Kazakhstan alone wants to increase its non-oil exports by 50 per cent by 2025. And, without direct transport access, India cannot procure the Central Asian riches needed for its manufacturing economy.
- **Enhancing commercial ties:** India's current trade with Central Asia is minimal at a little over $1 billion and is not growing much. India's share in Central Asia's total trade is only about one per cent. Only by improving transport connectivity can the prospect of commercial ties with the region be enhanced.

What more needs to be done?
- India must enlarge the strategic role of Chabahar port for evolving an integrated transportation network involving both the INSTC and the proposed transit corridor to Central Asia.
- India's connectivity approach need not be limited to increasing trade and commerce but should aim to enhance investment and services, interlinking sources of raw material, centres of productions and markets between India and Eurasia. For example, a Free Trade Agreement (FTA) between India and Eurasian Economic Union (EAEU) could spur the unhindered flow of raw materials as well as inflow of capital and technology through new industrial infrastructure along Chabahar and INSTC routes.

Conclusion:
Overall, India's participation in Eurasian connectivity projects through the Ashgabat Agreement will serve to address the integration process in more viable ways.

Connecting the dots:
- India recently joined the Ashgabat Agreement. Discuss its significance for India.

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General Studies 2:
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India and It's Neighbors

Introduction:

India's salience in global matters has grown over time.

- The presence of 10 leaders from the Association of Southeast Asian Nations (ASEAN) at India's Republic Day celebrations.
- The visit of Israeli Prime Minister Benjamin Netanyahu to India
- Prime Minister Narendra Modi's latest visit to the United Arab Emirates (UAE), Oman and Palestine.

India now need to contemplate and reflect deeply on what is happening in our immediate neighbourhood.

In the vicinity:

Far more than East, South-east Asia, or West Asia, it is India's immediate neighbourhood that directly impacts it geopolitically, geo-strategically and geoeconomically. Whatever be the ambit of India's reach elsewhere, India's principal focus should be on its neighbourhood.

In West Asia:

India still possesses enough leeway to engage in skilful manoeuvre around contentious issues in West Asia.

- India successfully handled an Israeli Prime Minister's visit to India just prior to Mr. Modi's visit to Palestine, and yet avoid a negative fallout.
- Mr. Modi, during his Palestine visit concluded as many as six agreements and express the hope that Palestine would soon emerge as a sovereign independent country in a peaceful manner without having to specifically refer to a "united" and "viable" Palestine.
- With the UAE, trade and economic ties along with counter-terror aspects have improve over time.
- With Oman, an established friend, the option of closer naval co-operation and of reaching an agreement to give the Indian Navy access to Duqm port should be explored.

In South Asia:

Nepal and Bangladesh:

- India needs to contemplate ways to deal with a new government in Nepal (comprising the Left Alliance of the CPN-UML and the CPN-Maoist Centre).

- India also needs to now contemplate the prospect of prolonged unrest and possibly violence, both communal and terror-related, in neighbouring Bangladesh, prior to scheduled elections in 2019.

Dealing with both Nepal and Bangladesh will need closer monitoring.

In Maldives:

An imminent challenge for India is to sort out the imbroglio in the Maldives which is threatening to spill out of control. India cannot afford not to be directly engaged in finding a proper solution.

Relations between India and the Maldives have undergone significant changes since the days of former President Maumoon Abdul Gayoom.

- After the Maldivian Democratic Party, headed by former President Mohamed Nasheed, came to power, for the first time anti-Indian forces within the Maldives gained some support.
- Under the current President, Abdulla Yameen Abdul Gayoom, anti-Indian tendencies have steadily increased and there has been a pronounced tilt in favour of China.
- The free trade agreement that the Maldives signed recently with China has been providing China with an excellent opportunity to enhance its influence and retain de facto possession of the Southern Atolls in the Maldivian archipelago.
- With the U.S. taking a step back, China has begun to display a great deal of interest in the area.

The Maldives today occupies a crucial position along the main shipping lanes in the Indian Ocean.

India cannot, hence, afford to remain idle and must come up with an answer soon enough that is consistent with its strategic interests.

Reference article: Maldives in the midst of deep political crisis https://iasbaba.com/2018/02/iasbabas-daily-current-affairs-prelims-mains-focus-8th-february-2018/

Across the border:

Pakistan and Afghanistan, similarly demand our focussed attention. India should act with a sense of responsibility expected of a regional superpower.

Pakistan:

- India is facing a daily haemorrhaging of human lives due to cross border firing and terrorist violence from Pakistan.

- In spite of its internal political crisis, and U.S. President Donald Trump's threatening Pakistan with dire consequences if it failed to amend its ways, Pakistan shows no sign of altering its anti-India trajectory.

Afghanistan:
Issues-
- The daily massacre of innocents, men, women and children, civilian officials and military personnel, experts from several countries and diplomats, marks the start of the complete collapse of a system of governance.
- Despite periodic optimistic forecasts of the Taliban being in retreat, terrorists under check, and that the Afghan government is still in charge, Afghanistan's position today is the worst ever since the 1970s. This January, the capital city of Kabul witnessed one of the worst ever incidents of violence anywhere, in which over 100 civilians were killed following a series of terror strikes.

The prolonged period of chaos demonstrates that the Afghan state has virtually disintegrated.
As a regional power, India has significant stakes in Afghanistan.
- New Delhi has spent over $2 billion in providing humanitarian assistance to Afghanistan.
- India's true stake lies in sustaining the future of the Afghan state. Absence of peace in Afghanistan will only revive memories of the worst days of the Afghan jihad in the 1980s and 1990s.
- If Afghanistan were to cease to exist, its civilisational links with India would also evaporate.

For a variety of reasons, therefore, India cannot allow Afghanistan to collapse or cease to exist as a state in the modern sense. This is something that demands India's critical attention, and specially for a display of its leadership skills.

Conclusion:
The outcome of the Israel-Palestine conflict, the turmoil in the East and South China Seas, or other big-ticket issues across the world are important, but it is South Asia and the neighbourhood that demands our concentrated attention. Only after India actively involves in ensuring that the region is at peace and functions in conformity with its world view, the claims to its leadership will sound justifiable.

Connecting the dots:
- For India to gain leadership position in global affairs, it is required that our foreign policy is reframed so as to priorities our neighborhood. Analyze.

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General Studies 2:

- *India and its neighbourhood- relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests*
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India-Iran relations: Recent visit by President of Iran

Background:

President of Iran, Hassan Rouhani to India, was on a three day visit to India this month.

- The visit is within a month of the six-day visit to India of Benjamin Netanyahu, the Prime Minister of Israel, Iran's implacable foe in the region.
- A four-nation tour was undertaken by the PM to West Asia where he visited Palestine (the first by an Indian PM), Oman, UAE and Jordan.

India is one of the few countries to have warm and mutually beneficial relations on all sides of the divide in West Asia including the Shia/Sunni split and the Iran/Israel rift. Rouhani's visit will give a decisive shot in the arm to India's growing engagement with West Asia.

The visit:

Rouhani's visit provided a welcome opportunity to the two sides to give a vigorous push to bilateral ties in the areas of connectivity, energy, infrastructure, trade, investment, security, defence, culture and people-to-people contacts. Rouhani's presence in India was evidence of the keen interest that both countries have in promoting bilateral ties and taking them to the next higher level.

Domestic challenges: Rouhani is under considerable pressure both on the domestic front, in political as well economic areas, and in the realm of Iran's international ties.

- Huge street protests and demonstrations in several cities of Iran against lack of employment, corruption and high prices.
- He won a second term in 2017 on the point that the nuclear deal or Joint Comprehensive Plan of Action (JCPOA) signed with P5+1 in 2015 would result in increased investment from foreign countries, improve production and productivity, bring in new technology, create more jobs and be beneficial to the common people. This unfortunately has failed to materialise principally because of the aggressive and belligerent posture adopted by President Trump against the nuclear Agreement.

Connectivity:

As expected, connectivity through Chabahar port emerged as one of the most significant aspects of bilateral Talks.

- India's recent accession to the Ashgabat Agreement in which Turkmenistan, Iran, Uzbekistan and Oman are members, and to the TIR Convention will help enhance its engagement with the region.

The trilateral agreement-
- The Trilateral Agreement between India, Iran and Afghanistan on the use of Chabahar, which was signed in May 2016, has been put into operation in a little more than a year.
- Chabahar provides a strategic option to India to connect with Afghanistan and Central Asia and beyond by sidestepping Pakistan.

Indian projects-
- India has invested USD 85 million in upgrading the first phase of the port from 2.5 million tons to 8.5 million tons.
- India has also committed to construct the railway line from Chabahar to Zahedan, which is close to Zaranj on the Afghanistan-Iran border.

To maintain its credibility, India will need to ensure that there is no slackness in implementation of the project.

Challenges:

Gwadar port in the Baluchistan province of Pakistan is barely a 100 kms away from Chabahar and is being developed by China. Chabahar will face stiff competition from Gwadar. India and Iran will have to make certain that to-and-fro business handled by Chabahar is significant.

Chabahar enjoys several advantages over Gwadar-
- It is located in a peaceful region as opposed to Gwadar which is situated in a violent and terrorism prone province.
- The possibilities for establishing manufacturing and downstream petrochemical industries in Chabahar are much greater as ready, easy, cheap natural gas is available in plentiful in Iran.
- Chabahar is a natural harbour and can serve as the sourcing point for the International North-South Transport Corridor.
- For Afghanistan, the Chabahar port could prove to be, as Modi said, ''a Golden Gateway.''

Energy:
- India will set up ''plants in sectors such as fertilizers, petrochemicals and metallurgy in Chabahar Free Trade Zone (FTZ) on terms mutually beneficial to the concerned parties.''

This will be a win-win investment as it will promote India's energy security while providing financial resources and employment opportunities to Iran.

- Discussions on the exploitation of Farzad B gas field, which was discovered by an Indian consortium comprising OVL, OIL and IOCL in 2007, have been going on for the last many years.
It was mentioned in the Joint Statement.

Trade and Investment:

- Facilitating issuance of visas to promote tourism and people-to-people contacts. It will be mutually beneficial if more businessmen and common people travel to each other's countries as they will provide a huge boost to Iran's economy and also promote understanding and cooperation between the two countries.
- The Agreement on Avoidance of Double taxation was signed to promote bilateral trade and investment.
- India has also decided to permit Indian investments in Iran in Indian rupees. Currently, this facility is available only for Bhutan and Nepal. This decision, which has been taken in view of the absence of international banking facilities in Iran and also given the uncertainty due to continuing pressure by the United States on Iran.
- The opening of a CII Office in Iran last year can also be expected to give strong boost to two way business and economic ties.

Bilateral cooperation in security, defence and fight against terrorism emerged as significant areas of discussion during Rouhani's visit. A Bilateral Extradition Treaty was signed and it was also decided to have enhanced cooperation in the maritime domain. The two countries "agreed to hold dialogue to look into measures for cooperation in defence sphere, including port calls by naval ships, training and regular exchanges of defence delegations.''

Challenges:

Ensuring security and stability in Afghanistan, which is vital to peace in the region, poses a challenge to both India and Iran. Both countries desire peace in Afghanistan but their approaches are markedly different. India's position-

- India maintains that there cannot be a distinction between ''good Taliban'' and ''bad Taliban.'' It contends that the Taliban and Haqqani network are the root cause of the problem and that these groups cannot be a part of the solution. India views the presence of US troops as beneficial since they maintain pressure on Pakistan to give up support for terrorist elements acting against Afghanistan.
- Iran's position- Iran's wants US troops to leave Afghanistan. In addition, it has expressed readiness to collaborate with Pakistan and China to bring the Taliban to the negotiating table.

Other challenges in bilateral relations relate to India's growing ties with USA, Israel, Saudi Arabia and UAE, all of which are intractable rivals of Iran.

Conclusion

Both India and Iran seem to have come to the conclusion that there are a large number of areas in which their interests coincide and converge. They also recognize that they have divergent views on some issues. Notwithstanding the fact that the two countries do not see eye to eye on some issues, India and Iran have decided to focus their energies on areas of concurrence and rapidly embark on a mutually beneficial and fruitful partnership.

Connecting the dots:

- India is one of the few countries to have warm and mutually beneficial relations on all sides of the divide in West Asia including the Shia/Sunni split and the Iran/Israel rift. Analyze.
- Rouhani's visit provided a welcome opportunity to the two sides to give a vigorous push to bilateral ties in the areas of connectivity, energy, infrastructure, trade, investment, security, defence, culture and people-to-people contacts. Discuss.

TOPIC

General Studies 2:

- *India and its neighbourhood- relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests*
- *Effect of policies and politics of developed and developing countries on India's interests*

Maldives Issue: China's interference in Indian Ocean

Background:

The ongoing crisis in the Maldives has acquired a particularly serious dimension over the past week.

- Several reports have emerged suggesting China may be directly backing Abdulla Yameen's decision to impose—and extend—the emergency in the small island state. These reports suggest that China has implicitly promised support to Yameen in the event that India moves to forcibly change the political status quo there.
- Many have reported Chinese naval activity in the eastern Indian Ocean earlier this month.

The above potentially will have serious consequence to the troubled India-China relationship. Any potential Chinese show of force in the Indian Ocean stands to upturn India's position as the pre-eminent power in that maritime space.

What happened? Earlier this month, a Chinese naval surface action group (SAG) of three ships entered the eastern Indian Ocean through the Sunda Straits—thousands of nautical miles away from the waters of South Asian littorals—and having made their presence known, exited the area into the South China Sea. One of these ships was a Type 071 transport vessel which is used to land troops for an amphibious assault.

How is it related to Maldives crisis? It is quite possible that Yameen's decision to impose the emergency in the Maldives was based on his impression that the tides were not favourable to him, and that the Mohamed Nasheed-led opposition was about to depose him, potentially with Indian support. In that case, it is likely that he would have consulted Beijing on the future course of action. Beijing had to signal India that it has the muscle to push Indian forces out of the Maldives if it so chooses.

The "Grey zone coercion" strategy of China:
A strategy by which China seeks to meet its strategic objective without crossing its adversary's threshold for conventional military retaliation. Example-By choosing to message its resolve to India from a distance, Beijing ensured that India would not be provoked militarily and yet be compelled to take into account the strategic signal emanating from the east.

Options available for India:
- New Delhi must continue to keep up a robust presence in the Arabian Sea, to let Beijing know that regardless of the PLAN's show of strength, India is unprepared to cede its primacy in its maritime neighbourhood.
- The Indian Navy must also be allowed to expand its presence operations in the South China Sea, long considered a Chinese preserve.
- China's vulnerabilities in its near-seas must be taken advantage of by Indian naval planners. To counter PLAN power-projection in the Indian Ocean, the Indian Navy can raise the tempo of operations in littoral-South-East Asia, where Beijing cannot prove a territorial violation and yet feel the perceived violation in its sphere of maritime influence.
- India must have an alternative plan ready for the Maldives, just in case naval posturing does not beget an optimal solution. This does not have to involve boots on the ground.

Conclusion:
The Indian Navy must be prepared for a sustained presence around the island State. In the game of brinkmanship ongoing in the Indian Ocean littorals, India must not be fall behind China.

Connecting the dots:

- With ongoing Maldives crisis, China showed its naval presence in Indian Ocean. Discuss how this is an issue for India. Also suggest ways as to how India can deal with it.

TOPIC
General Studies 2:
- *India and its neighbourhood- relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests*
- *Effect of policies and politics of developed and developing countries on India's interests*

Canada's PM visit to India

Introduction:
India-Canada cooperation can be seen as anchored on five Es: economy, energy, education, entertainment industry linkages, and empowerment of women. The recent visit of Canadian PM to India has many takeaways.

Key takeaways:
Countering terrorism: From the Indian viewpoint, the most important agreement signed during the visit is the "Framework for Cooperation between India and Canada on Countering Terrorism and Violent Extremism". It commits the two nations to combating this phenomenon in all its "forms and manifestations", and to facilitate "effective cooperation" on security, finance, justice, law enforcement and operations. Progress in this realm will spur positivity in other domains of mutual cooperation.

Regional, bilateral issues:
A close commonality of views emerged on several regional issues.
- The two Prime Ministers called for dismantling the infrastructure of support to terrorism "from across borders of Afghanistan", a clear reference to Pakistan.
- The Maldives government was urged "to ensure early resumption of the political process." On Myanmar, the need for voluntary, safe and sustainable return of the Rohingya refugees was stressed.
- Canada and India showed a common perspective on freedom of navigation and over-flight "throughout the Indo-Pacific region" and respect for international law, including the United Nations Convention on the Law of the Sea.
- Canada implicitly shared India's reservations on China's mega Belt and Road Initiative.

Other developments:

- The decision to expand the scope of Ministerial Energy Dialogue is noteworthy.
- A new Canada-India Track 1.5 Dialogue on Innovation, Growth and Prosperity was launched. This aims to establish contours of convergence through sustained research and brainstorming among experts, officials and business people.

Potential:

As a capital, technology and innovation-rich economy and an open, inclusive and multi-cultural society, Canada is highly relevant to India. It is sharpening its role as a Pacific Ocean power. India's commitment to peace and prosperity in the Indo-Pacific should deepen geopolitical affinity.

The two sides had forged close cooperation on energy and trade, including a civil nuclear cooperation agreement and a commitment from Canadian pension funds to invest in India. India and Canada have much in common as two pluralistic, diverse democracies with very strong people-to-people ties: there is an Indian diaspora of 1.3 million in Canada, besides 100,000 Indian students.

Conclusion:

The mutual interests are likely to drive the two nations to strengthen their strategic partnership. However, for this vision to turn into reality, the Canadian leadership needs to demonstrate greater sensitivity to India's core concerns (the Khalistan issue).

Connecting the dots:

- Discuss the potential and challenges of India-Canada relationship.

For reference: India-Canada relationship: Issues & Potential https://iasbaba.com/2018/02/iasbabas-daily-current-affairs-prelims-mains-focus-16th-february-2018/

ECONOMY

TOPIC
General Studies 2 and 3:

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

Payments Bank: Making it a success

Background:
In late 2015, when the Reserve Bank of India gave 'in principle' approval to 11 companies to form what we call payments bank.
The model was hailed as a game-changer as it was meant to deepen access to formal financial services in unbanked and under-banked areas and further the agenda of financial inclusion for all.
Two years down the line, the model is attracting severe criticism from all corners, questioning the very feasibility of the model. Recently, India's first payments bank was charged with opening accounts without requisite approvals and custom consent as well as reporting losses for 2016-17.

What is Payments Bank?
A payments bank is like any other bank, but it operates on a smaller scale without involving any credit risk.
It can carry out most banking operations but can't advance loans or issue credit cards.
It can accept demand deposits (up to Rs 1 lakh), offer remittance services, mobile payments/transfers/purchases and other banking services like ATM/debit cards, net banking and third-party fund transfers.

Financial Inclusion still a challenge:
- The idea of financial inclusion, particularly in developing markets, has always met with challenges pertaining to accessibility and affordability.
- The RBI and the Government have tackled these challenges in numerous ways and have made substantial progress.
- But problems remain in reaching out to those who are most vulnerable, namely, the illiterate, low-income and rural population.

- As of 2017, 37 per cent of the Indian adult population remain excluded from the formal financial system; 21 per cent of those included do not actively use their bank accounts.

The idea of payments banks:
The goal was to broaden the reach of payments and other financial services to small businesses, low-income households and vulnerable populations.
The USP was the fact that people could open a bank account almost at their doorsteps with the help of an agent, could make transactions using their phones and had the facility to make deposits of up to Rs. 1 lakh.
On the face of it, the model was a win-win for both consumers and financial service providers, thereby tackling the problems of accessibility and affordability.

Issues:
There are multiple issues the payments bank is facing-
- Little awareness about the model among last mile consumers.
- Dearth of incentives among last mile agents to promote the product and services of a payment bank.
- Agents reported lack of administrative and technical support from the payment banks, and limited training on the features of the product, terms and conditions and its benefits.
- In terms of the levels of awareness, both the last mile customers and the agents seemed to know little about the product and did not have an understanding of the uses of the product, leading to low consumer awareness and subsequent low demand for the product.

Way forward:
Payment banks need to intensify their efforts and try different approaches.
- There is significant potential for the product to expand into rural areas, given the low density of bank branches and ATMs in these geographies.
- So, payment banks need to heavily invest in marketing, especially in rural areas.
- Compensate agents substantially — ideally, above and beyond the commission-based compensation structure — to motivate them to spend time with customers in explaining the benefits of the product.
- Payment banks need to explain the features and uses of the product to their agents such that they can effectively transfer this knowledge to the consumer.
- Currently, agents themselves do not seem sufficiently familiar with the product features.

- Empowering retail agents- There needs to be more involvement by payment banks throughout every part of the process.
- Payment banks must take a holistic approach, investing heavily in agent training and handholding their agents in the short run to reap longer-term benefits.
- Agents, in turn, must also provide continued support to customers in terms of assisting them in the uses of the product and resolving problems.

Conclusion:
A one-time introduction is not likely to be enough for payments bank. Adequate steps must be taken to make it a success.

Connecting the dots:
- What are payments bank? How far has the model been successful in deepening financial inclusion in India? Discuss.
- Recent surveys and news report that Payments bank aren't functioning as was supposed to be. Discuss the reasons. Also suggest measures to make it a success.

TOPIC
General Studies 3:
- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

General Studies 2:
- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

India's poor performance in enforcing contracts

Introduction:
India has shown dismal performance in one key component in the Ease of doing business indices- "enforcing contracts". In the World Bank report which covers 190 economies, evaluating them on 10 specific parameters required for doing business, India's ranking in the 'enforcement of contract' component is 164. The report says that it takes an average of 1,445 days (or nearly four years) to enforce a contract in India.The cost to a litigant to recover amounts legitimately due to him is 31% of the value of the claim. This is a shocking state of affairs.

Distance-To-Frontier score:

It measures the distance of a particular country's economy from the "frontier" which represents the best performance. Simply put, the "frontier", measuring 100, is the ideal situation and a DTF ranking indicates how far a country is from that ideal. Though India's DTF score was 56.05 in 2017 and is projected to improve to 60.76 in 2018 in the overall ease of business rankings, unfortunately, in 'enforcing contracts' our score was a dismal 38.90 in 2017, projected to improve feebly to 40.76 in 2018.

Background:
A nation's ranking in the "ease of doing business" index is based on the average of 10 sub-indices which are: starting a business; dealing with construction permits; getting electricity connections; registering property; getting credit; protecting minority investors; paying taxes; trading across borders; enforcing contracts; and resolving insolvency. The sub-indices about "enforcing contracts" is directly dependent on a country's ability to provide an effective dispute resolution system.

Legislation:
Parliament has passed the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act.
The purpose behind the Act is to provide a forum with upgraded infrastructure to resolve a certain class of disputes, classified as "commercial disputes" in the Act, in a time-bound and effective manner.

Provisions under the Act:
- The legislation also requires establishment of appropriate infrastructure and manpower training on a constant basis.
- In identifying disputes above a specified value to qualify as commercial disputes, it has ensured that these courts are not cluttered up with small claims.
- The Act essentially paves the way for the setting up of commercial courts at the district level and a commercial division in High Courts that have original jurisdiction along with a commercial appellate division in the High Courts to hear appeals arising under the Act.
- By mandating that High Courts must show levels of disposal of such claims on their website, the Act also ensures transparency.

However, for this statutory scheme to work, many players must play their respective parts.

Poor enforcement of the legislation:
- The Act contemplates the "appointment" of commercial court judges in districts. Issue- In most States the government has merely vested the presiding district judge with powers to act as a commercial court.

- Given that the workload of principal district judges is already quite staggering, vesting them with the powers of commercial courts in districts goes against the intent and purpose of the Act.
- Whenever presiding officers are appointed to commercial courts, it must be ensured that they have experience in dealing with commercial disputes, as Section 3 of the Act ordains. Issue: In most cases the incumbent is a district judge without any experience.
- In terms of Section 19 of the Act, the respective State governments must, in consultation with the High Courts, establish necessary infrastructural facilities to run these courts.
- In terms of Section 20 , the State government is to establish facilities providing for the training of judges who may be appointed to these courts.
- In terms of Section 17, statistical data regarding the functioning of these courts are to be displayed on the website of the respective High Courts.

Conclusion:

Without institutionalising above mentioned improvements, it will be difficult commercial courts businesslike and our ranking in "enforcing contracts" any better.

Connecting the dots:
- India has performed poorly in one of the sub-indices under Ease of doing business rankings- "Enforcing contracts". Discuss the reason behind. Also suggest measures to solve the issue.
- India has performed poorly in one of the sub-indices under Ease of doing business rankings- "Enforcing contracts". The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act if implemented effectively can help improve the rankings. Analyze.

TOPIC
General Studies 3:

- *Economic Development – Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment;*
- *Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.*
- *Inclusive growth and Challenges of inequality.*

Fighting Inequality: Empowering women and Farmers

Background:

How to fight inequality as become an important question in recent times. An Oxfam report reported, the top one percent of the world increased their wealth by $762 billion while the bottom 50 per cent saw no growth, increasing the divide between social classes.

This kind of economic inequality can result in unfair political institutions, unfair control by a few wealthy over others and unfair workers' laws.

Solutions:

Solutions to reducing income inequality lie in three aspects:

    (1) investing in women
    (2) investing in agriculture
    (3) reforming workplace laws

(1) Investing in women – Why is it necessary?

Investing in women as important workers is necessary and urgent today to reduce inequality and increase nations' gross domestic product (GDP).

As IMF Chief Christine Lagarde recently said, if women's participation in the workforce matched men's, Japan could grow at 9 per cent per annum and India at 27 per cent.

McKinsey reported in August 2016 that women contribute only 17 per cent of India's GDP, and estimates that India could add $700 billion to its GDP in 2025 by closing this gap.

How?

Helping women stay active in the workplace while raising a family is key to achieving this growth.

- More family-friendly work policies, such as paid parental leave.
- Creating an environment where kids are allowed in the workplace.
- More men should take equal responsibility in raising kids and managing household chores.
- Men in leadership roles should build a culture where there is more relevant empathy in the team members toward parents of all genders.

(2) Investing in agriculture – Why is it necessary?

As per the World Bank, agriculture can help reduce poverty for 80 per cent of the world's poor who live in rural areas and work mainly in farming.

It further states that 65 per cent of the poor working adults make a living through agriculture.

More than one billion people have moved out of extreme poverty in recent decades, but 80 per cent of those that remain live in rural areas.

How?

- Providing farmers with a bundle of services like access to seeds, plant nutrients and production practices are critical.
- But today, climate smartness and climate resilience also need a special focus. We should focus on risk mitigation mechanisms like weather insurance and risk prevention mechanisms.

(3) Reforming workplace laws

Reforms in workers' laws can reduce inequalities.

How?

- Minimum wages and universal basic income (UBI) are two of the popular ways to reform workplace laws.
- They both have the same aim — raising incomes of the least fortunate to reduce the income gap. These are imposed by law and paid by the employer. Minimum wages should have inflation adjustment and a premium for inequality reduction. This needs an annual reassessment and suitable correction.

Hiking minimum wages alone won't alter the root cause of inequality. Globalisation and technology create bigger wage premium for the top employees and stagnating wages for the bottom.

UBI, supported by tech gurus like Mark Zukerburg and Elon Musk, envisions that everyone receives a monthly pay packet from the state that covers their basic needs — no strings attached. UBI through cash transfers ensures that the benefits of technology are felt by everyone.

In developing countries such as India, despite having hundreds of pro-poor schemes, the biggest question is whether such benefit is reaching the poor.

But the real challenge will be in distinguishing the poor from non-poor, particularly when such data are questionable.

Conclusion:

Let us not forget history. The Roman Empire was one of the richest on the planet, with wealth concentrated in the hands of a few senatorial elite and the rest were utterly poor. Warning signs of inequality were ignored and it resulted in civil war and the entire empire collapsed. Keeping this in mind we need to collectively work towards making an equitable world.

Connecting the dots:

- How to fight inequality has become an important question in recent times. Discuss. Suggest at least three measures by which we can reduce inequality.

General Studies 3:

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

Checking Banking Frauds

Background:
The Nirav Modi case has once again cast the spotlight on the dark corners of the Indian banking universe.
The information available till now suggests that there was a failure at different levels—internal controls, corporate governance and weak regulatory capabilities.

Failures at different levels:
- The fact that the fraud at PNB spanned for seven years without setting the alarm bells ringing at the numerous audits at banks, raises some hard-hitting questions on the manner in which auditors carry on their affairs.
  A scam of this proportion happened even when numerous external auditors are scrutinising banks shows failure in the auditing processes of PNB.
- The way banks use SWIFT (a messaging network for securely transmitting instructions for all financial transactions through a standardised system of codes) and the business processes they have in place to do so, differs from bank to bank. In the case of PNB, it is evident that the various checks and authorisations had been completely compromised.

Minimizing risks of banking frauds:
- **Technology should be seen as a game changer**. It can reduce the chances of human connivance and can be used to detect outlier lending or guarantees.
  A good technology system should make it impossible—or at least extremely difficult—for individual employees to bypass controls, as seems to have happened in the Punjab National Bank case.
  Most importantly, bank boards, and especially the audit committees, must have clear responsibilities.
- Usage of **blockchain technology** to reduce fraud. Blockchain technology could be used to make banking transactions more transparent. This would mean that every link in the chain can be scrutinized publicly.
- Banks can also set up a **special fraud monitoring agency**, with officials specially trained to detect incipient frauds. Banks can also choose to appoint one member of the board to oversee fraud risk management. In other words, *banks need to focus more on frauds* in

order to maximize the chances of detecting them at an early stage. This will also require banks to improve their human resource management policies.

- The role of third parties such as chartered accountants, auditors, and advocates who figure in bank frauds should also be examined with a tough eye. The regulator should **revisit the role of auditors** both in the case of borrowers and lenders. They will need to design stringent systems where auditors are not able to get away with fraudulent financial statements. However, to make this happen, it will also be necessary that investigations are conducted in a given time frame.
- The Reserve Bank of India **(RBI) will have to build capabilities**, both in terms of designing rules and making sure that they are effectively implemented. It will be a delicate balancing act, since over-regulation could scare bankers off any sort of lending, hardly what the doctor ordered for a growing economy. For now, the RBI has done well to constitute an expert committee to look into the rising incidence of frauds, among other things, in the banking system.

Conclusion:

India needs a safe and efficient banking system to service the needs of a growing economy. The government and RBI must to use the current opportunity to strengthen the banking system. The authorities should not let this crisis go waste but use it as an opportunity to minimize the risk of such frauds in the future.

Connecting the dots:

- Banking frauds like that of Nirav Modi case shows failure at different levels—internal controls, corporate governance and weak regulatory capabilities. Analyze. Also suggest ways to check such frauds.

HEALTH

The National Health Protection Scheme: An analysis

Background:
The National Health Protection Scheme has promised to cover 10 crore families involving 50 crore family members with health insurance cover of Rs. 5 lakh for secondary and tertiary hospitalisation.

How will it work financially?
The NHPS is not a classic insurance programme, since the government pays most of the money on behalf of the poor, unlike private insurance where an individual or an employer pays the premium.

The scheme operates around the **insurance principle of 'risk pooling'**. When a large number of people subscribe to an insurance scheme, only a small fraction of them will be hospitalised in any given year. In a tax funded system or a large insurance programme, there is a large risk pool wherein **the healthy cross-subsidise the sick** at any given time. The NHPS will be financially viable, despite a high coverage offered to the few who fall sick in any year, because the rest in the large pool do not need it that year.

Apart from budgetary allocation, it will draw additional resources from the Health and Education Cess and also depend on funding from States to boost the Central allocation.

Comparison with RSBY:
The scheme will provide cost coverage, up to ₹5 lakh annually, to a poor family for hospitalisation in an empanelled public or private hospital.

- The precursor of the National Health Protection Scheme (NHPS), the Rashtriya Swasthya Bima Yojana (RSBY), provided limited coverage of only ₹30,000, usually for secondary care. Though it improved access to health care, it did not reduce out-of-pocket expenditure

(OOPE), catastrophic health expenditure or health payment-induced poverty. The NHPS addresses those concerns by sharply raising the coverage cap.

- It shares with the RSBY the weakness of not covering outpatient care which accounts for the largest fraction of OOPE. The NHPS too remains disconnected from primary care.

Financing challenges

The Budget has made this positive announcement and added that resources will be provided for the same. At the financing level, this will require some innovative methods.

The average cost for covering a family of five persons where the oldest person is less than 30 years old for Rs. 5 lakh, yields an average of Rs. 11,000-13,000 per annum. Multiplying this by 10 crore families, the outlay would be Rs 1.1-1.3 lakh crore per annum. The amount is a recurring one, and has to be paid every year by the government.

- A way out is for the States to contribute a fixed proportion. However, this would be difficult as almost all States are facing a stiff fiscal position with limited funds for executing their capex projects.
- The government can subsidise the scheme and make the families pay a part of the premium. But these families do not have the wherewithal to make such payments given their very low levels of income, which barely provides them with one full meal a day!
- The NHPS needs a buy-in from the States, which have to contribute 40% of the funding. Even with the low cost coverage of the RSBY, several States opted out. Some decided to fund their own State-specific health insurance programmes, with distinctive political branding.

Implementation challenge:

- Enrolling such people is always difficult. Just like the farm insurance scheme which promises a lot but covers very few farmers, access to this grandiose scheme would be limited as most would be excluded.Aadhaar and Direct Benefit Transfer are definitely structures created to ensure better delivery but they have to be made accessible to all deserving people.
- There could be resistance from private hospitals. The insured poor would prefer to go these hospitals as they get better treatment from the best doctors. Hospitals normally do not encourage such transactions as there are delays in receipt of payments from when dealing with the insurance companies.Given the magnitude, insurance companies would not make money on these policies when pooled. It would be impossible to settle claims leading to non-viability of the business.

Way ahead:

- In a federal polity with multiple political parties sharing governance, an all-India alignment around the NHPS requires a high level of cooperative federalism, both to make the scheme viable and to ensure portability of coverage as people cross State borders.
- The NHPS will pay for the hospitalisation costs of its beneficiaries through 'strategic purchasing' from public and private hospitals. This calls for a well-defined list of conditions that will be covered, adoption of standard clinical guidelines for diagnostic tests and treatments suitable for different disorders, setting and monitoring of cost and quality standards, and measuring health outcomes and cost-effectiveness. Both Central and State health agencies or their intermediaries will have to develop the capacity for competent purchasing of services from a diverse group of providers. Otherwise, hospitals may undertake unnecessary tests and treatments to tap the generous coverage.

Conclusion:

Conceptually, the programme is compelling, but it would be hasty to rush into it, given the complexities involved. Thus it is required that the implementation challemges and funding issues are sorted before the programme comes into effect.

Connecting the dots:

- Discuss the provisions of National Health Protection Scheme. Also analyze implementation and financial challenges associated with the programmer.

TOPIC
General Studies 2:
- *Issues relating to development and management of Social Sector/Services relating to Health*
- *Development processes and the development industry the role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders*

Eliminating Malaria

Background:

For millennia, India suffered greatly from smallpox. In 1977, the country declared elimination of smallpox. Similarly, India was burdened by polio. In 2014, India declared polio eliminated. These are stunning achievements from which all Indians benefit immensely. Now is the time to take on malaria.

At the East Asia Summit in 2015, Prime Minister Narendra Modi committed India to eliminating

malaria by 2030, and last year, India launched its **national strategic plan for malaria elimination**.

National strategic plan for malaria elimination:
Launched in 2017 the plan gives year wise elimination targets in various parts of the country depending upon the endemicity of malaria until 2022. The strategies involve strengthening malaria surveillance, establishing a mechanism for early detection and prevention of outbreaks of malaria, promoting the prevention of malaria by the use of Long Lasting Impregnated Nets (LLINs), effective indoor residual spray and augmenting the manpower and capacities for effective implementation.

Challenges:
India faces daunting challenges in the fight against malaria.

- Recent reports cited that in 2017, there was an 18 per cent increase in malaria cases in Tamil Nadu — a State that has otherwise been a leader in fighting the disease. These malaria upsurges could jeopardise the successful elimination that neighbouring Sri Lanka has sustained, particularly given the frequent travel between south India and the island nation.
- The true numbers of malaria cases and deaths are not known. Estimates range from 1 million to 18 million cases and from 400 to 48,000 deaths per year.
- Malaria exists in all States in India, and 95 per cent of Indians are at risk. The scale and distribution of this devastating disease is not well documented.

Problems related to malaria treatment by private sector:
A related problem is that the majority of malaria in India is diagnosed and treated (or commonly misdiagnosed and mistreated) in the private sector. In 2015, 86 million malaria treatments were procured in the private sector, compared to just 2 million in the public sector.

- Private doctors and clinics have no obligation to follow government guidelines, use recommended drugs, or report malaria cases to State authorities. Malaria treatment by the private sector is especially problematic.
- In the private sector, *all types of drugs are used*, including those that are either worthless or harmful.
  For example, each year, the private sector procures nearly 10 million injections of artemisinin monotherapy — a treatment that is strongly discouraged in India and elsewhere because it accelerates the development of deadly drug resistance. The misuse of malaria drugs in India is an irony, given that India is by far the largest supplier of high-quality approved malaria drugs to the rest of the world.

What needs to be done?

- India must declare a campaign and a determination to get the job done. National initiatives must promote innovative strategies, incentivise the appropriate use of diagnostics, drugs and insecticides, and ensure that all malaria cases are reported.
- The most affected States must aggressively bring their malaria down using effective vector-control and case management practices, combined with robust surveillance systems.
- The fight against malaria will require partnership between communities, civil society, private sector, and public health agencies.
- Intersectoral coordination is the key. Health ministry needs to work together with the other Ministries and Municipal Corporations to achieve the desired results.
- **States must step in:** States will have to tailor their programmes to achieve elimination, especially in tribal areas where the burden of malaria is often the highest. A *single approach to malaria elimination will not work* in any large country, especially in India where the biology, entomology and epidemiology of the disease vary considerably.

Conclusion:

India has been central to the fight against malaria since the beginning of the battle. The breakthrough discovery that malaria is transmitted by mosquitoes was made 120 years ago in Secundrabad, India. Since then, half of the world's countries have banished malaria. Now is the time for India to do the same.

Connecting the dots:

- While India has successfully eliminated small pox and polio over time. It is time coordinated efforts are put in to eliminate malaria. Discuss the challenges associated with the same. Also, suggest measures to address these challenges.

TOPIC

General Studies 2:

- *Issues relating to development and management of Social Sector/Services relating to Health*
- *Development processes and the development industry the role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders*

The "Healthy States, Progressive India" report

Introduction:

The "Healthy States, Progressive India" report has been released recently.

The focus has been on the performance and annual progress of states and Union territories on a myriad of health indicators.

About the report:
- The comprehensive Health Index report titled, "Healthy States, Progressive India" was released by NITI Aayog.
- The report ranks states and Union territories innovatively on their year-on-year incremental change in health outcomes, as well as, their overall performance with respect to each other.
- It is the first attempt to establish an annual systematic tool to measure and understand the heterogeneity and complexity of the nation's performance in Health.
- The report has been developed by NITI Aayog, with technical assistance from the World Bank, and in consultation with the Ministry of Health and Family Welfare (MoHFW),

Best and worst performers:
Kerala is the leader among large states, closely followed by Punjab and Tamil Nadu. Uttar Pradesh, Rajasthan and Bihar are the least-performing states. Mizoram is the best-performing small state, followed by Manipur, while Nagaland and Tripura take the final two spots. Lakshadweep secured the top spot among Union territories, and Dadra and Nagar Haveli is at the end of the rankings.

Incremental performance:
The goal of the index is not just to rank the states based on their historical performance, but also on their incremental performance.
The attempt is to capture the change made during the course of the year.
Jharkhand, Jammu and Kashmir, and Uttar Pradesh are ranked first, second and third in their incremental performance ranking.

The "Performance on Health Outcomes" index:
The index is made up of 24 indicators in three different domains—Health outcomes, Governance and information, and Key inputs and processes. The "health outcomes" account for 70% of the weight, and the other two domains weighs 12% and 18%, respectively.
- The "health outcomes" domain has indicators such as total fertility rate (TFR), neonatal mortality rate (NMR), sex-ratio at birth (SRB), etc.
- The governance and information domain measures the quality of data (data integrity indicator) and the average occupancy in important health-related posts such as principal secretary (health), chief medical officer, etc.
- Key inputs and processes measure the current status of healthcare professional vacancies, infrastructure at district hospitals, and the speed of financial governance in the states.

Key results that emerge from the health index:

Table 1: **The gap between best-performing and least-performing states**

Index	Best-performer		Least-performer		Gap
Overall index	Kerala	76.55	Uttar Pradesh	33.69	42.86
Health outcomes	Kerala	82.89	Rajasthan	29.58	53.31
Key inputs and processes	Tamil Nadu	78.06	Uttar Pradesh	25.02	53.04

Table 2: **UN-SDG & National Health Policy: how states have performed versus goals**

Health indicator	UN-SDG	NHP	Best-performer	Least-performer
Neonatal mortality rate	Under 12 by 2030	Under 16 by 2025	Kerala (6)	Odisha (35)
Under 5 mortality rate	Under 25 by 2030	Under 23 by 2025	Kerala (13)	Assam, Madhya Pradesh (62)
Total fertility rate	Below re-placement level (2.1)	Below re-placement level (2.1)	Tamil Nadu, West Bengal (1.6)	Bihar (3.3)
Low birth weight	NA	NA	Telangana (5.7)	Rajasthan (25.5)
Sex ratio at birth	NA	NA	Kerala (967)	Haryana (831)

UN-SDG: United Nations Sustainable Development Goals

Source: Healthy States, Progressive India report

Pic   credit:
http://www.livemint.com/r/LiveMint/Period2/2018/02/28/Photos/Processed/g_Oped_Table_web.jpg

- There are *large gaps between states*. The gap between the best-performing states and the least-performing states.(Refer Image) Two-thirds of our citizens live in states with an overall score less than 60.
- Incremental performance reveals that there has been a decline in performance on some states: While most states have registered an increase in their health index in 2015-16 relative to 2014-15, *six states' scores have declined*—Kerala, Haryana, Gujarat, Karnataka, Himachal Pradesh, and Uttarakhand.
- India has made significant strides in achieving the goals set out under the UN-SDG and our own National Health Policy. *Some of our states have already met or exceeded the goals* a decade ahead of 2030.

Lessons from the health outcomes index:

- An exercise of this kind requires data on health outcomes, which is periodic, reliable and comparable across different states and Union territories. The effort showed us significant gaps in the availability of such data, especially for the smaller states. *We need robust programmatic data* than can be used for continuous monitoring.
- Incentives need to be linked to performance. The two separate rankings, on absolute performance and year-on-year progress are designed to encourage states to work on their health sector and bring about meaningful transformation. The *linking of the health index with incentives* under the National Health Mission will further push states to improve outcomes.
- This index must *motivate states towards improving their health sector outcomes in the spirit of cooperative and competitive federalism.*

Conclusion:

Measures like upgrading and setting up of health and wellness centres under the Ayushman Bharat Scheme, the National Health Protection Scheme and annual publication of the Index and its availability on public domain on a dynamic basis will help us realize the goal of "good health and well-being" for all citizens(SDG3).

Connecting the dots:

- What are the key results from the "Healthy States, Progressive India" report released recently. Also discuss key lessons.

TOPIC
General Studies 2:

- *Issues relating to development and management of Social Sector/Services relating to Health*
- *Development processes and the development industry the role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders*

National Health Protection Scheme: Challenges

Background:

The National Health Protection Scheme (NHPS), announced in the latest budget, is being hailed as the world's largest public healthcare programme, which will cover about 40 per cent of India's population. While any public effort at providing free healthcare to the poor is welcome, this is not the first public health insurance programme in the country. Many states, including

Maharashtra, Karnataka, Rajasthan, Andhra Pradesh, Goa and Tamil Nadu, have successfully implemented health insurance programmes, easily covering over 50 crore people.

Challenges:

NHPS will have to consider many critical aspects.

- **Total cost**- There is a token provision of Rs 2,000 crore in the budget. However, the total cost is likely to be nearer Rs 20,000 crore per year. A new 1 per cent cess will make about Rs 11,000 crore available to the government in a year.
- **Identification of the initial 10 crore families**- Any criteria, other than family income, will cause a huge discontent. How will a village-level functionary select 40 per cent of the people and leave out the rest? Will these remaining families be covered later? The government could alternately consider a universal roll-out for all the poor households, even at a lower level of maximum insurance cover, depending on the resource availability.
- **The list of medical procedures to be covered** in the scheme- Disease profile varies across the country. Each state must be given the flexibility to curate its own list of medical procedures.
- **Selecting the insurance provider**- This is an extremely complex process. Each step — such as the design of the tender documents, contracts and legal agreements, payment terms, penalties for non-compliance, prior experience — must be considered carefully. Otherwise, it could invite legal challenges.
- **The accreditation of participating hospitals**- If due care is not taken in selecting the right hospitals, it can derail the entire programme. The Rashtriya Swasthya Bima Yojana (RSBY) is a glaring example- Many private hospitals registered under the RSBY were reported to have indulged in malpractices such as prescribing unnecessary diagnostic testing and hospitalisation.

Way forward:

- Implementation of such a large health insurance scheme will require humongous preparation in the creation of infrastructure such as central data centre, software development, data entry, issuance of health cards, call centers for pre-authorisation, and claims settlement, hospital accreditation and online accounting.
- Trained personnel (aarogya mitra) must be posted in each of the participating hospitals.

Conclusion:

Insurance-based intervention in the health sector can only be a partial solution. The government cannot, and must not, abdicate its responsibility of **providing a high-quality and affordable public health infrastructure**.

Connecting the dots:

- The National Health Protection Scheme (NHPS), announced in the latest budget, is being hailed as the world's largest public healthcare programme. Discuss the associated challenges and the way out.

ENVIRONMENT

Reducing GHGs emissions from Solid waste management

Background:
GHG emissions from solid waste disposal as reported to the UNFCCC in 2015/16 by India increased at the rate of 3.1per cent per annum between 2000 and 2010.

GHGs:
Greenhouse gases (GHGs) create a natural blanket around the Earth's atmosphere by preventing some of the sun's heat energy from radiating back into space, thus keeping the Earth   warm.
Over the last century-and-a-half, human activities have added considerably to GHGs in the atmosphere, and that continues to result in global warming. The global warming potential of methane is 25 times as much and nitrous oxide 298 times as much as that of carbon dioxide, over the long run (100 years).

Solid waste management and GHGs:
Activities involved in the management of solid waste generate (GHGs) results into release of gases such as carbon dioxide, methane, and small amounts of nitrous oxide. GHG emissions from solid waste disposal as reported to the UNFCCC in 2015/16 by India increased at the rate of 3.1per cent per annum between 2000 and 2010, and by China at 4.6per cent per annum between 2005 and 2012.

Way out:
The volume of waste sent to the landfill sites can be reduced if biodegradable waste is processed   locally.
Aerobic decomposition into compost:
- Aerobic decomposition with the help of microbes or earthworms (vermicomposting) to produce compost or organicfertiliser.

- Compost helps store carbon back in the soil. Its usage reduces the need for chemical fertilisers which emit large quantities of nitrous oxide — both during production and in application— and thereby helps mitigate emissions. Compost also improves moisture retention in the soil.
- Only two per cent of the municipal solid waste in India is composted.
- The Supreme Court order of 2006 directed fertiliser companies to co-market city compost with chemical fertilisers. However, the government incentive of market development assistance for city compost at Rs 1,500 per tonne to fertiliser companies is no match for the capital subsidy and transport subsidy provided to chemical fertilisers, which renders compost uncompetitive vis-a-vis chemical fertilisers.

Anaerobic decompostion:
An alternative to composting for biodegradable waste is biomethanation or anaerobic decomposition.
Biomethanation generates biogas which is a substitute for fossil fuel and produces slurry which is an excellent organic fertiliser, both helping to mitigate global warming. Local processing also means that biomethanation saves on transportation. Very few Indian cities are trying biomethanation because segregation at source and feeding biodegradable waste to the plants in time remain a major challenge.

Recycling of waste:
It helps reduce GHG emissions because the energy required to manufacture a product using virgin materials is higher than when using recycled materials. While India has had a tradition of recycling paper, glass, metals, etc with the engagement of the informal sector, lack of segregation comes in the way of realising the full potential of recycling. This is particularly true for paper that soils easily when waste is mixed. Only 27 per cent of paper in India is recycled, compared with 60 per cent in Japan and 73 per cent in Germany (CPPRI, 2013). Recycling requires up to 50 per cent less energy compared to production of paper based on wood pulp, and it also saves trees from being cut.

Refuse Derived Fuel:
The non-biodegradable and non-recyclable waste other than hazardous waste (batteries, CFLs, etc), can be converted into Refuse Derived Fuel for use in high-temperature furnaces, for example, in cement kilns and power plants. Technologies are also available for controlled incineration and/or gasification for energy recovery from this waste. These are commonly referred to as "waste-to-energy" plants.

Landfills: Not a viable option

If incineration is not desirable or acceptable, the solution is not simply to dump untreated mixed waste at landfill sites. Issues with landfills-

- Landfills in India are neither scientifically engineered nor scientifically closed.
- They serve as open dumpsites.
- The discarded plastics in the mixed waste are a major contributor to dumpsite fires.
- Disposal of mixed waste including biodegradable matter (sometimes as high as 60per cent) in these dumpsites provides a perfect anaerobic environment for generation of methane and leachate.
- One tonne of biodegradable waste releases 0.84 tonne of carbon dioxide equivalent emissions if left to decompose anaerobically.
- The untreated disposal of mixed municipal solid waste at landfill sites is around 80per cent for Mumbai and Chennai, 50-60per cent for Delhi and Bengaluru, and 35per cent for Pune. This implies that Mumbai emitted 921 k-tonne of carbon dioxide equivalent of GHG gases from landfill sites in 2016, equal to annual emissions from 1,96,000 typical cars. For Delhi, the estimate is 137,000 cars.

Solution:

Bioremediation offers a relatively quick and inexpensive mitigation instrument for reducing the GHG emissions from landfill sites through aerobic decomposition of organic fraction of the waste.

Lessons from other countries:

GHG emissions from solid waste have been declining in Germany and Japan. A ban on landfilling of non-pre-treated waste in Germany has led to 47 per cent of the waste being recycled, and 36 per cent incinerated. In Japan, 75 per cent of the waste is incinerated, while 21 per cent is recycled. The regulations in both countries ensure that incinerators have state-of-the-art emission control technologies, and the directly landfilled municipal solid waste is as low as one per cent.

Conclusion:

India needs to get its act together to improve its municipal solid waste management with the triple objective of resource recovery, improving public health conditions and mitigating the risks associated with human-induced global warming.

Connecting the dots:

- What is the relation between solid waste disposal and GHG emissions? In this light, managing solid waste can help tackle climate change too. Discuss.

TOPIC

General Studies 2:
- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

General Studies 3:
- *Conservation, environmental pollution and degradation, environmental impact assessment*

Fixing the Compensatory Afforestation Model

Introduction:

The Compensatory Afforestation Fund Act (CAF Act), 2016 has raised serious concerns about the human and environmental costs of compensatory afforestation (CA).

- Numerous evidences have established that CA plantations destroy natural forests, harm biodiversity, undermine the rights and nutrition of local communities, and disguise rampant misuse of public funds.
- By allocating more than Rs50,000 crore, the Act enables the forest bureaucracy to entrench its control over forests. It subverts democratic forest governance established by the Forest Rights Act (FRA), 2006 and Panchayats (Extension to Schedule Areas) Act (Pesa), 1996.

Such human and environmental costs are set to aggravate further unless the model of CA is fixed.

About CFA Act, 2016:

The legislation provides an institutional mechanism to ensure utilization of amounts realised in lieu of forest land diverted for non-forest purpose. The amount should be used such that we can mitigate impact of diversion of such forest land.

About FRA, 2006:

The law concerns the rights of forest-dwelling communities to land and other resources, denied to them over decades.

A Survey:

A macro-analysis of 2,548 plantations, and case studies of 63 CA plantation sites in Odisha, Jharkhand, Maharashtra and Chhattisgarh, by forest rights group Community Forest Rights Learning and Advocacy (CFR-LA) reveals that 60% of these are monocultural commercial plantations, sometimes set up in the name of "forests". These plantations have been carried out over forest lands both claimed and titled under the FRA, and even over dense natural forests.

The consent of the communities was not sought, violating their legal rights and leading to livelihood distress.

Issues:

The compensatory afforestation (CA) funds have become a tool to further strengthen the forest departments, undermine the authority of gram sabhas and defeat forest rights claims. The draft rules recently released by the the Union environment, forest and climate change ministry does not address concerns regarding FRA and the role of *gram sabhas*.

- Across the states CA plantations have been set up on community forests, common lands, homesteads, cultivable land, pastures and religious sites which belong to communities, without their free, prior and informed consent. At least half the lands claimed as "government forest" are forests belonging to communities under the FRA.
- The ministry of tribal affairs (MoTA) has not intervened with the MoEFCC to defend the FRA and has allowed it to issue guidelines for creating land banks for CA out of revenue forest-lands and degraded forests on which people have recorded rights.
- Sections 3(1)(i) and Section 5 of the FRA vests the right and authority for governance of forests in the *gram sabha*. The potential of FRA is hindered by a lack of political will. Formal recognition is issued to a mere 3% of claims, and *gram sabhas are marginalized* from decision making.
- The Act lacks a mechanism to monitor expenditure of funds, despite the comptroller and auditor general (CAG) report, 2013 finding massive misutilization by the forest department (FD).

Communities are the best managers for the governance and conservation of forests:

Forest Survey of India reports show that forest cover in tribal districts, constituting 60% of the country's total forest cover, contradicted the national trend and increased by 3,211 sq. km over 2001-03.

In Odisha alone, more than 12,000 self-initiated forest protection groups cover more than 2 million hectares of forest. These *community-led initiatives* have successfully regenerated forests by adopting sustainable- use practices, regeneration through traditional knowledge of forests and species, guarding and penalizing poachers, among others.

Way forward:

- One option can be the repeal of, or amendments to, the CAF Act, adopting a framework of democratic forest governance as per the FRA as the principal approach for the governance of CA.
- The CAF Act needs to be integrated with the FRA and Pesa by centering the role of *gram sabhas* and incorporating land and forest rights guarantees.

Conclusion:

The political class must show the will and take bold steps to review the CAF law, implement the FRA in letter and spirit, and promote community-led conservation initiatives.

Connecting the dots:

- The Compensatory Afforestation Fund Act (CAF Act), 2016 conflicts the Forest Rights Act. Analyze.
- Communities are the best managers for the governance and conservation of forests. In this light it is required that the CAF Act, 2016 is brought in sync with the Forest Rights Act, 2006. Discuss.

TOPIC

General Studies 2:

- ***Government policies and interventions for development in various sectors and issues arising out of their design and implementation.***

General Studies 3:

- ***Conservation, environmental pollution and degradation, environmental impact assessment***

Bringing in behavioral change to tackle climate change

Introduction:

Some changes in our lives creep upon us and before we know it they become part of our daily habits. This is true of changes in society as well as in nature.

For instance, consider the case of changes in Bengaluru city.

- Earlier, Bangalore used to be known for its gardens and greenery. People use to drink water off the taps and had no fans in their houses.
- Today, Bengaluru has become a developed city. People boast of the world's first burning lake, of increasing incidences of diseases related to the low quality of air, and a falling public health profile.

These problems are part of every town and city in India.

Environmental Performance Index 2018

India is among the bottom five countries according to EPI, 2018 (biennial report by Yale and Columbia Universities along with the World Economic Forum).

- The report ranks India 177 out of 180 countries.
- India ranks 178 out of 180 as far as air quality is concerned.

Its overall low ranking is linked to poor performance in the environment health policy and deaths due to air pollution categories.

It is not just about pollution of nature but also of our behaviour

As our numbers continue to grow, we continue to increase our need for far more water, far more food, far more land, far more transport and far more energy. As a result, we are accelerating the rate at which we're changing our climate. In fact, our activities are not only completely interconnected with but now also interact with, the complex system we live on: Earth. It is important to understand how all this is connected.

Our relationship with nature has now become purely economic. We do not associate ourselves as a part of nature because we use it for profit.

- Forests are cut down for the profits of the lumber industry and to make room for livestock.
- Animals that we are undoubtedly related to, that have senses and the ability to socialize are slaughtered by the billions to feed an increasingly carnivorous population.
- Resources such as oil and food are all unevenly distributed throughout the world and therefore used as a platform for profit.

All the while the environment bears the grunt of our greed.

This is how hegemonic power changes the natural and social worlds and we all tend to accept these changes without much protest.

This change is so powerfully naturalised that those who question its nature and pace are often portrayed negatively. This includes being termed as 'anti-national' or 'anti-technology'.

Humans have arrived at a situation where the very idea of development is only understood as a means to appease the incited desires of individuals.

We live in a world where nations are increasingly being viewed as a machine. We live in a society where it is so difficult to change certain social habits. And with the above 'secular' notion of development - every town and city are affected in ways that have been detrimental to the people living there.

Conclusion:

The naturalisation of negative changes to our environment by us doesn't bode well for the future of our planet. Habits of consuming as required, not wasting, being efficient while using resources etc may go a long way in helping us check the menace of climate change. Overall a behavioral change is required to win the battle of climate change.

Connecting the dots:

- Climate change is the result of our unsustainable of living. This was not so a few decades back. The issue is that the changes in our way of living over decades have been naturalised by us. Thus, to tackle change what is required is behavioral change. Analyze.

AGRICULTURE

Farmers need economic freedom

Introduction:

Farm incomes have virtually stagnated for the past four years, mostly owing to – falling prices, an output glut, large untimely imports and demonetisation.

India with a huge population dependent on agriculture for livelihood, increasing their purchasing power becomes extremely important. Because the growth of larger economy depends on economic potential and power of this group itself.

Therefore, such slow growth in farm incomes doesn't augur well for the government's stated objective of doubling farmer incomes by 2022.

This article deals with –

- How to improve their incomes and productivity?
- How to wean away a big chunk of the workforce from agriculture?
- What are the concerns in farm sector?
- Recent Budget measures.

Recent Budget Measures:

Some of the Budget measures deserve applaud:

- Government has decided to offer a minimum support price (MSP) of at least 1.5 times the expenses borne by farmers for all crops.
- The tax holiday for farm producer companies, i.e. 100% tax deduction to farmer producer companies with annual turnover of Rs 100 crore for the period of 5 years.
- Another farm-friendly measure was the announcement of 22,000 village-level mini-marts or Gramin Agricultural Markets (GrAMs) – that would enable a direct link between

farmer producers and consumers, and thus bypass the burdensome APMCs (agricultural produce market committees).

- "Operation Green" – to promote Farmer Producers' Organization (FPOs), agri logistics and processing. It aims to increase shelf-life of perishable commodities.

All these are a step in the right direction. However, there is need for a true solution than some of the piecemeal Band Aid-type fixes.

Concern:

The MSP has always been a political instrument. The recommendations of the Commission on Agricultural Costs and Prices (CACP) have often been overruled in the cabinet, to accommodate the political demands of coalition partners from certain states.

The actual fiscal resource set aside for the large MSP hike is not very much. Besides, there is some lack of clarity on the base for calculating the cost of cultivation.

It is important to note that since 1950s, the farm story has been one of continuous and intrusive price and movement controls, monopoly food procurement, storage and distribution, with massive attendant leakages, with innumerable piecemeal Band Aid-type fixes.

Farming is never accorded the status of a business, to be run along capitalist principles, with unshackled economic freedom, so that the farmer can plan, sow, reap, sell and distribute as he deems best.

Most of the famers are denied direct access to consumers, to forward markets, to capital, technology and to corporate structure. And this is the basic flaw in our approach or farm policy. Farmers are not free to sell to any buyer they wish but must go through the APMC.

For example, for the past 10 years, all exports of pulses have been banned. This was presumably for food security and price stability. But this export ban has hurt farmers, who couldn't take advantage of high prices.

Indeed, it's in countries where bourgeois capitalism sprouted and flourished in agriculture (e.g. Japan, Switzerland) that farmers enjoy a high standard of living.

When prices of food crops go up, the Central government swings into action, clamping down on exports, bringing in zero-duty imports, imposing stocking and storage limits, and so on. But when the opposite happens, that is when prices crash, often, there is no corresponding reverse rescue. This is an example of the inherent urban bias in India's agriculture policy, which persists to this day.

The real solution:

Export restrictions must go. Monopoly procurement must go. Essential Commodities Act restrictions must go. Arbitrary stocking limits must go.

Therefore, in order to truly unshackle the farmer and farm sector, it is important to accept the paradigm that what the farmer needs is more economic freedom, not more price and quantity controls, and cleverly designed subsidies.

For instance, removing the concept of a minimum export price for all crops is a step in that direction. It acknowledges the right of the farmer to tap into an international price, without constraint.

Doubling agricultural income by 2022 is a mammoth task but is also one that is the need of the hour. With majority of the country's population dependant on agricultural activities, no true development can be said to be meaningful unless it incorporates the needs of this sector.

There are intense complexities and therefore, the focus of the government on this sector is much needed. The journey to double the farmers' income is a long and very tedious but the journey has begun. The need is to ensure that the implementation in right direction by all stakeholders is uniform, effective and done whole heartedly.

Connecting the dots:
- Critically analyze the strategies outlined by the Indian government to achieve the target of doubling farmers' income by 2022. Elaborate on the need to make structural changes in Indian agriculture and what more is required to achieve the target.

TOPIC
General Studies 2:
- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
General Studies 3:
- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment*
- *Issues related to direct and indirect farm subsidies*

Achieving the goal of doubling farmers' income by 2022

In news:
The ministry of agriculture and farmers welfare recently organized conference to prepare a strategy for doubling farm income by 2022. Prime Minister Narendra Modi emphasized on four ideas:
- Reducing the cost of inputs.
- Ensuring remunerative prices.
- Reducing wastage at the farm level.

- Creating alternative sources of income.

After two consecutive years of drought, in 2014-15 and 2015-16, farmers of many crops were hit by low market prices in several states in 2016-17. In view of widespread discontent, there is a sense of urgency about addressing their issues.

Variation in agro-climatic conditions:

Agriculture is subject to a lot of uncertainties, ranging from rainfall and pest attacks to market prices.

Even within states, there is enormous variation in agro-climatic conditions, extent of irrigation, penetration of roads, proximity to markets, and availability of credit through banking infrastructure.

- In Uttar Pradesh (UP), for example- Western UP farmers have access to irrigation and banking infrastructure and are close to a large market in the National Capital Region. They grow sugar cane, rice and wheat, for which they are assured a fair price as almost the entire production of sugar cane is bought by sugar mills and rice and wheat are procured by the government.

  The agriculture in seven districts of Bundelkhand in UP, however, is mostly unirrigated, farmers have smaller holdings, and do not have easy access to a large consuming market.
- The requirements of Punjab's agriculture may have little in common with agriculture in Maharashtra or Bihar.
- The annual income of a farm household in Punjab in 2013 (70th-round National Sample Survey) was Rs2,17,450 while in Bihar it was only Rs44,172. It is clear that doubling farmer incomes in Punjab is not only much more difficult but will also require a completely different strategy than in Bihar.

Therefore, the strategy for doubling farmer incomes will **differ from state to state, and from one region to another even within a state**.

In March 2015, the government had set up a task force under Arvind Panagariya, which submitted its report that year itself, but the report has not been made public.

Key issues that needs to be addressed:

The wasteful use of water for irrigation-

The micro-irrigation fund of Rs5,000 crore announced in the 2017 budget has not yet taken off and wasteful practices in the use of water continue in most areas, especially in the northern states.

Even in Punjab, we do not see any action on the emerging water crisis. Several ideas put forward by experts continue to be discussed in conferences but state and centre have not taken a single decision which would make a real difference to the wasteful use of water.

Model land leasing law-

A model law prepared by NITI Aayog, has been circulated to states but they seem to have ignored it. The Union ministry of rural development, which deals with the subject of land leasing, has also haven't taken steps to see the implementation of the law.

Considering price deficiency payment (PDP) system-

To ensure that farmers receive remunerative prices. This has been tried in Madhya Pradesh (MP) in kharif 2017 and the results have not been very encouraging. The market price of some crops, particularly *urad,* continued to be much lower than the minimum support price (MSP) in MP, yet only 42% of *urad* production was brought to the *mandis* to avail of the benefit. NITI Aayog needs to examine various alternatives to ensure MSP to farmers.

Conclusion:

The states need to be persuaded to put useful and innovative ideas recommended by various committees and in conferences into practice for the goal of doubling famers' income by 2022 is to be achieved.

Connecting the dots:

- Any strategy for doubling farmers' income must vary from state to state and from one region to other region within a state. Disucss.
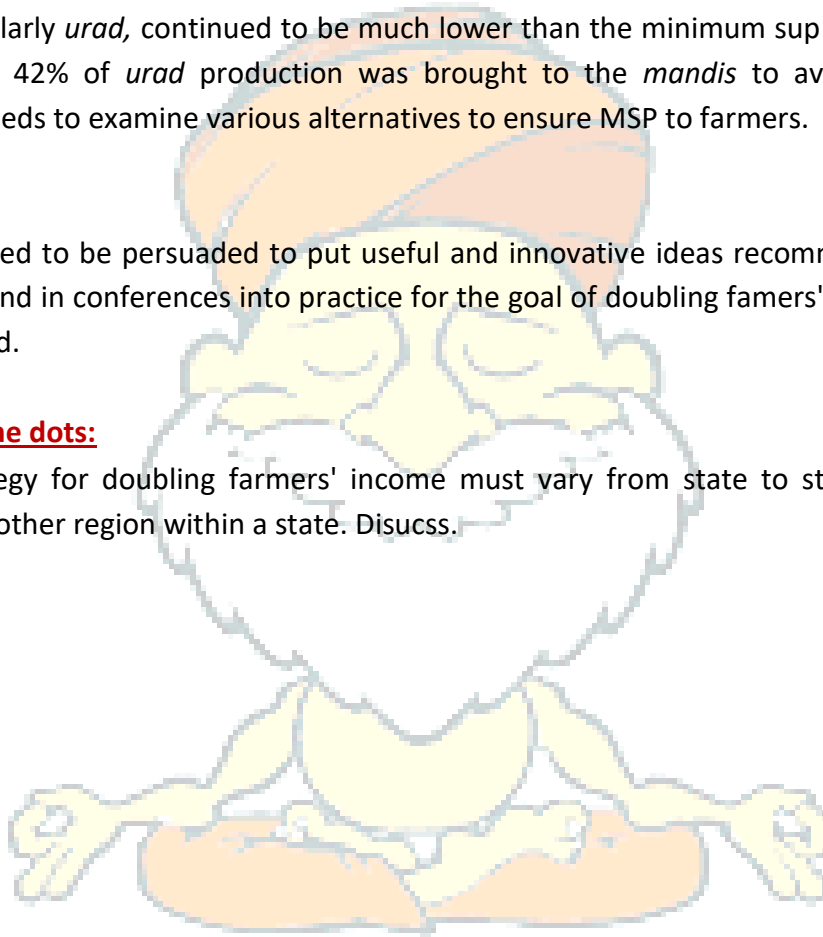
GOVERNANCE

Unethicality in India

Background:
India was ranked the most unethical of 13 major economies in the 2016 Global Business Ethics Survey, behind even Brazil and China. Last year, Ernst and Young's Asia-Pacific Fraud survey found that unethical practices are rife in India's business community.

Introduction:
Seventy years after Independence and more than 25 years after landmark economic reforms, India, despite its many obvious attractions, is seen as a tough place to do business in. Red tape and the inconsistent and arbitrary manner in which our governments have administered taxes and investment rules and regulations. Also, Indians are seen as highly unethical.

Unethicality not just restricted to politicians and civil servants:
- This is not just about politicians. Political corruption plagues many societies. Even the Scandinavians are not above making pay-offs when it suits their interests as we saw in the Bofors scandal.
- The negative perception of India is not even about our civil servants. True, India ranked 79th out of 176 countries in Transparency International's 2016 Corruption Perception Index, and last year the same organisation found India to be the most corrupt country among the 16 Asia Pacific countries surveyed. Nearly seven in 10 Indians who had accessed public services — be it schools, hospitals, official documents, utility services, the police or courts — had paid a bribe versus only 0.2 per cent in Japan, the least corrupt country.

The decline of public morality is now mirrored by fall in ethics in the private sector. The cancer of corruption has spread well beyond the corridors of power to our educated and affluent elites — professionals, salaried employees and businessmen — who are increasingly on the take.

Corruption in public life:

- Foreign investors and companies complain that Indian businessmen don't understand the concept of good faith in negotiations.
- Legal agreements are routinely flouted.
- Illegal diversion of profits by promoters is common.
- The non-performing loan crisis in India's banks is largely due to cheating and fraud by crony capitalists with the connivance of bank executives.

These dishonest practices are carried abroad. Indians in the management ranks are known for taking cuts on deals and purchasing contracts. Indian names feature disproportionately in insider trading scandals on Wall Street and the City in London. Even in Silicon Valley, Indians dealing with outsourced staffing for technology companies are notorious for collecting facilitation fees through their spouses.

Cause of concern:

Back in the days of the licence raj, many blamed corruption in India on red tape and socialist controls. However, even as the economy has been liberalised to a great extent since 1991, corruption has only grown worse and today infects not just government but Indian businesses and corporate life.

Even low-income levels are no excuse — dishonesty appears to have more than outpaced rising compensation packages.

The corroding ethical fabric of the country is not just an issue of morality for its own sake. No economy can perform at a high level without a basic level of integrity.

Unethical behaviour destroys trust. As trust erodes, the cost of doing business will soar, affecting India's competitiveness and attractiveness as an investment destination.

Conclusion:

Stricter rules and regulations and better policing of businesses are no solution for improving ease f doing business. No amount of compliance and governance can substitute for sound moral   fibre.

We need to reflect more on the state of our morality as a nation.

Connecting the dots:

- India was ranked the most unethical of 13 major economies in the 2016 Global Business Ethics Survey. Unethical business practices is on rise. Analyze.

TOPIC

General Studies 2:

- ***Issues related to welfare schemes***

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections*

Economic Survey 2016-17 on Misallocation of centrally sponsored schemes (CSS)

Introduction:

Economic Survey 2018 has highlighted the weakness of existing welfare schemes which are riddled with misallocation, leakages and exclusion of the poor. It has pushed the case for implementing UBI to weed out these problems.

The below article analyzes the following –

- Weakness in resource allocation of centrally sponsored schemes (CSS) – especially misallocation of the government's resources across different districts.
- What explains this misallocation of resources across districts?
- What are the consequences of such misallocation of resources?

District-wise spending of the below provided six top CSS (for FY16) which accounts for more than 50% of total CSS spending has been analyzed in order to check if indeed there is misallocation of the government's resources.

1. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)
2. Sarva Shiksha Abhiyan (SSA)
3. Mid Day Meal Scheme (MDM)
4. Pradhan Mantri Gram Sadak Yojana (PMGSY)
5. Pradhan Mantri Awas Yojana (PMAY) and
6. Swachh Bharat Mission (SBM)

Outcome of the result:

The survey has found the following -

Misallocation of resources across districts

- There is poor welfare-spending per person in different districts. In other words, the poor belonging to a poor district receive less welfare spending than the poor from richer districts.
- This can be observed in Figure 1 below. It shows the scatter plot of district-wise per poor spending under these six schemes against head count ratio.

- Ideally, "per poor" spending should be the same across districts (black line). It should not matter whether the poor person is a resident of district A or district B, welfare spending per person should be the same. However, the actual per poor spending is downward sloping (red line).

Figure 1
Welfare spending on poor across districts
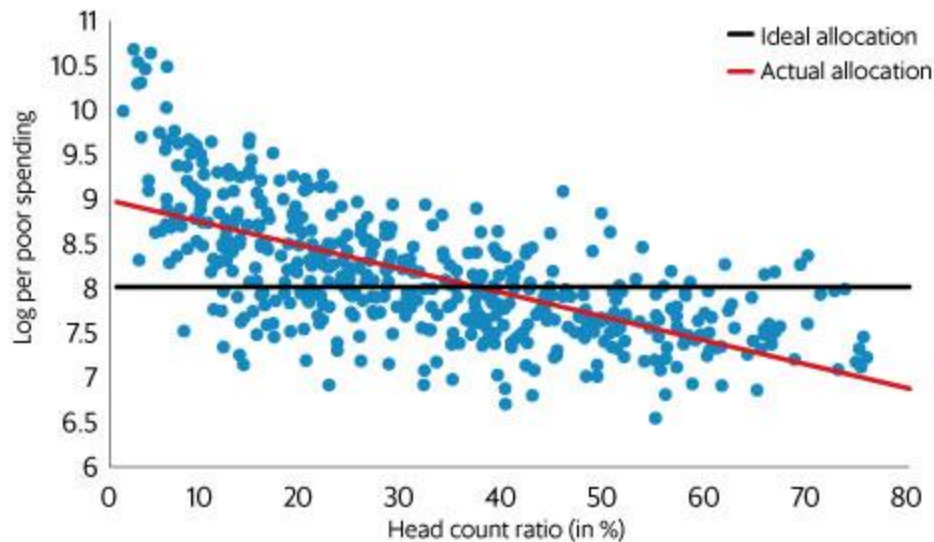
Source: Administrative data and National Sample Survey 2011-12

Figure 2
Welfare spending and own revenue of states
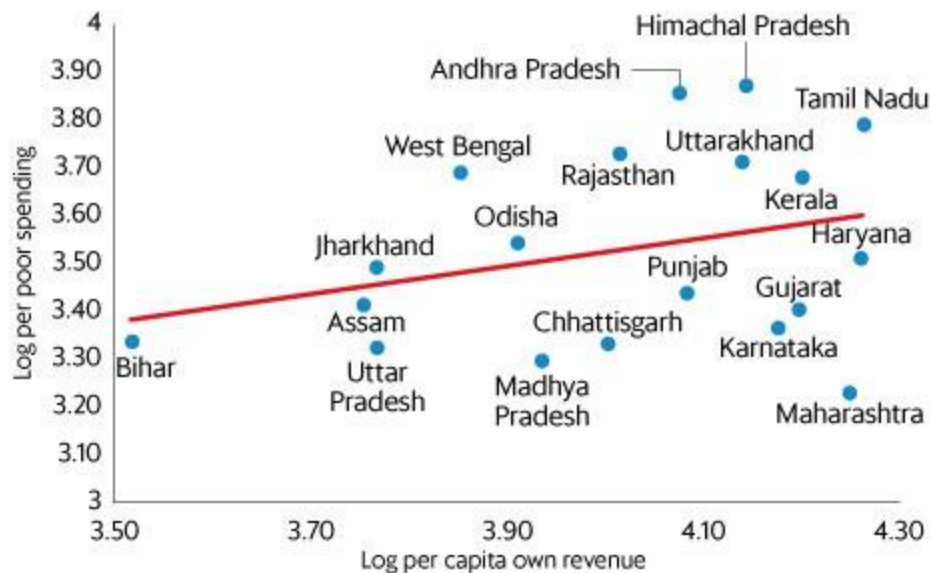
Source: Administrative data and 14th Finance Commission report

What explains this misallocation of resources across districts?

- It is important to note that States have to provide for a **matching grant to get funds** from the Centre for CSS.
- States such as Bihar and Jharkhand have often represented that they have limited resources and are **not able to provide the state's share** to enable them to access the required funds under CSS.
- Another important factor leading to this situation is the **inefficient administrative capacity of poor districts** leading to poor implementation of schemes.

Economic Survey 2016-17 has observed that –

- Since richer districts have better administrative capacities, they implement schemes effectively. Their spending on welfare schemes is relatively greater than poor districts. (Fig2 explains this)
- As the own tax revenue (OTR) of states goes up, their per poor spending also goes up. Their capability to contribute towards matching the grant for CSS goes up because of which they can get more CSS funding from the Centre.

What are the consequences of such misallocation of resources?

According to the Survey, misallocation of funds may **lead to exclusion error**.

For instance, in MGNREGA scheme –

- If a district's share of total spending is greater than its share of total poor, it is classified as a "surplus district", otherwise a "deficit district".
- In this scheme because of misallocation, many of the rich districts are in "surplus", while majority of the poor districts are in "deficit".

Economic Survey has observed that –

- In the "deficit" districts, the Head Count Ration (HCR) is 38% but the active to registered workers ratio is just 33%.
- On the other hand, in "surplus" districts, HCR is just 22% but the ratio of active to registered workers is 50% (numbers for 2015-16).
- The lower active-registered worker ratio in poorer districts implies that the chances of exclusion error are higher. The same trend is observed in other schemes as well.

The way ahead:

First, there is a need to **rationalize existing welfare schemes**.
- The Union government at present runs hundreds of social welfare schemes (675 Central sector schemes as per Budget 2017-18).
- A large majority of these are small in terms of allocation with the top six to seven schemes accounting for about 50% of total welfare spending.
- On top of this there are thousands of other schemes that different state governments run.
- Implementing such a large number of schemes efficiently, specially by states with weak administrative capacity, puts a tremendous burden on states.

The B.**K. Chaturvedi committee report (2011)** had observed that –
- Welfare and other such schemes should either be weeded out or merged for convergence with larger sectoral schemes or be transferred to states, which can then continue with these schemes based on their requirements.
- Small outlays anyway do not achieve the objective of making an impact across the states.

Second, Economic survey proposes for **UBI**, in place of many of the existing schemes.

Connecting the dots:
- Can UBI fix the weakness of existing welfare schemes which are riddled with misallocation, leakages and exclusion of the poor? Critically examine.

    (or)
- Critically examine the need for rationalizing existing welfare schemes and implementation of UBI to weed out weakness of existing welfare schemes such as misallocation, leakages and exclusion of the poor.

SCIENCE AND TECHNOLOGY

General Studies 3:

- *Science and Technology- developments and their applications and effects in everyday life Achievements of Indians in science & technology; indigenization of technology and developing new technology.*

Artificial Intelligence: Potential Benefits & Risks

What is AI?

AI, is the "science and engineering of making intelligent machines, especially intelligent computer programs". AI enables intelligent machines that can execute functions, similar to human abilities like speech, facial, object or gesture recognition, learning, problem solving, reasoning, perception and response.

AI enables machines to think intelligently, somewhat akin to the intelligence human beings employ to learn, understand, think, decide, or solve a problem in their daily personal or professional lives. Intelligence is intangible.

The present wave of enthusiasm in AI is backed by the industry, with Apple, Amazon, Google, Facebook, IBM, Microsoft and Baidu in the lead. Automotive industry is also unleashing benefits of AI for self-driving cars, led by Tesla, Mercedez-Benz, Google and Uber.

Real-world examples from around us:

- AI empowered cars are already under rigorous testing and they are quite likely to ply on the roads soon.
- The social humanoid *robot Sophia became a citizen of* Saudi Arabia in 2017.
- Apple's intelligent personal assistant, Siri, can receive instructions and interact with human beings in natural language.
- Autonomous weapons can execute military missions on their own, identify and engage targets without any human intervention.
- Facial detection has instated deep interest from law enforcement and security agencies. China is known to be building a massive facial recognition system, connected with its surveillance camera networks, to assist in detecting criminals and fugitives.
- AI is also changing the ways militaries command, train, and deploy their forces.

Applications of AI:

- Gaming industry, where AI empowered computers can think of a large number of possible positions in games such as chess, poker, and go. These computers can test the skills of the human beings who are playing against these AI enabled computers, in games or simulations which require greater mathematical and strategic depth.
- Computers with natural language processing capability can understand and generate human language, including speech, imitating human capabilities of listening, comprehending, thinking and responding.
- Law enforcement or internal security requirements for detecting and recognizing individuals or criminals, with multitudes of data streaming from police databases or the network of surveillance cameras.
- Healthcare industry to design optimized treatment plans, assistance in repetitive jobs, data management for medical records, or even assistance in clinical decision making with better analysis of diagnostics and interpretation of clinical laboratory results.
- Banking and financial services for fraud detection using advanced algorithms to identify patterns in transactions and consumer behaviors which are risk prone.
- Automotive industry is already using AI algorithms to enhance fuel efficiency and safety in vehicles to build features such as automatic braking, collision avoidance systems, alerts for pedestrian and cyclists, and intelligent cruise controls.

Indian Context:
India fares average in the surging competition for AI technology development. There is no clearly stated policy document or vision statement for AI development. In February 2018, the Department of Defence Production has constituted a 17-member task-force to study the use of AI for both military applications and technology-driven economic growth.

Applications in Indian context:
The potential benefits are plenty, from basic sectors like healthcare, governance and economy to the specialized ones like foreign policy and defence and security.

- Reforms in governance- AI can actually help with process optimization and cost savings for the government, in addition to solving some strategic problems or assisting in decision making.
- India has one of the world's largest automotive industries, with a significant production and consumption base. AI applications have vast scope in the automotive sector, ranging from enhancing fuel efficiency to passenger safety to the concept of self-driving vehicles.
- AI can augment the potential of government and private sector to deliver healthcare services and products with improved drug safety, better diagnosis and analysis of clinical

reports for preventive and accurate treatment. More advanced applications of AI extend to the domains of foreign, defence and security policies.

- Defence and foreign policy decisions are based on immense cognitive and intangible skillsets.

  As AI evolves further, it could play a vital role in analyzing large data sets, intelligence inputs, imagery from satellites or other airborne platforms etc. Such detailed analyses can supplement individual and organisational ability during bilateral or multilateral negotiations, and military standoffs or geopolitical conflicts.

Summary of Potential Benefits of AI and Risks:

Sector	Potential Benefits	Potential Risks
Governance	Process Optimization & Cost Saving Decision Making & Problem Solving Human Resources Management	Lack of Technical Competence Inability to Synchronize Goals/Expectations Dependence on Foreign Technology
Economy	Next Generation of Economic Growth Spurring Innovation Value and Job Creation	Economic Competition & Espionage Threats to Intellectual Property Loss of Conventional Jobs
Automotive Industry	Self-driving Cars Enhanced fuel efficiency Enhances Safety Features Optimize Logistics & Supply Chain	Regulatory Challenges Overdependence on Technology Software Error, Defect or Failure Susceptible to Hacking/Interference
Defence & Security	Decision Making (Tactical & Strategic) Trainings and War-gaming Logistics, Fleet Management	Dependence on Foreign Technology Human Safety & Security Software Error, Defect or Failure

	Periodic Maintenance	Potential Weapons Arms Race
	Intelligence Analysis	
	Face Recognition & Crime Prevention	
Foreign Policy	Decision Making	Lack of Cognitive Data for Deep Learning
	Scenario Analysis	Multilateral Rules of the Road
	Analysis of Historical Data/Events	
	Negotiations	Technology Acceptance in Decision Making
	Information Analysis	Lack of Data from Other Countries
	Public Diplomacy	Dependence on Foreign Technology
		Potential Weapons Arms Race
Healthcare	Drug Discovery and Safety	Training Doctors and Paramedical Staff
	Diagnosis and Lab Results Analysis	
	Preventive Care	Generating Awareness
		Acceptance of AI in Medical Practices
	Insurance Risk Assessment	Technology Affordability

Challenges for India:

Akin to any advanced technology, AI also has its own set of risks.

- AI has to meet the first and foremost **challenge of acceptability** with the users from the government, public sector and the armed forces, or even the private sector. Technical competence in this fast-paced sector, primarily in the case of government, could be a road block.

- AI can better adapt to the goals and expectations of the Indian decision makers, if the technology development is indigenous. Foreign dependence in this case would be detrimental and unproductive.
- AI has set off an economic and technological competition, which will further intensify. Any delay in recognizing the benefits and in innovating will limit India's ability to draw the economic advantage.

Conclusion:

More than a technology developer or consumer, India can play a vital role in defining the multilateral rules of the road and help setting up of best ethical standards, ensuring safe and beneficial Artificial Intelligence for all.

Connecting the dots:

- What do you mean by Artificial Intelligence? Discuss its potential benefits and associated risks. Also highlight the challenges in adoption of AI in Indian context.
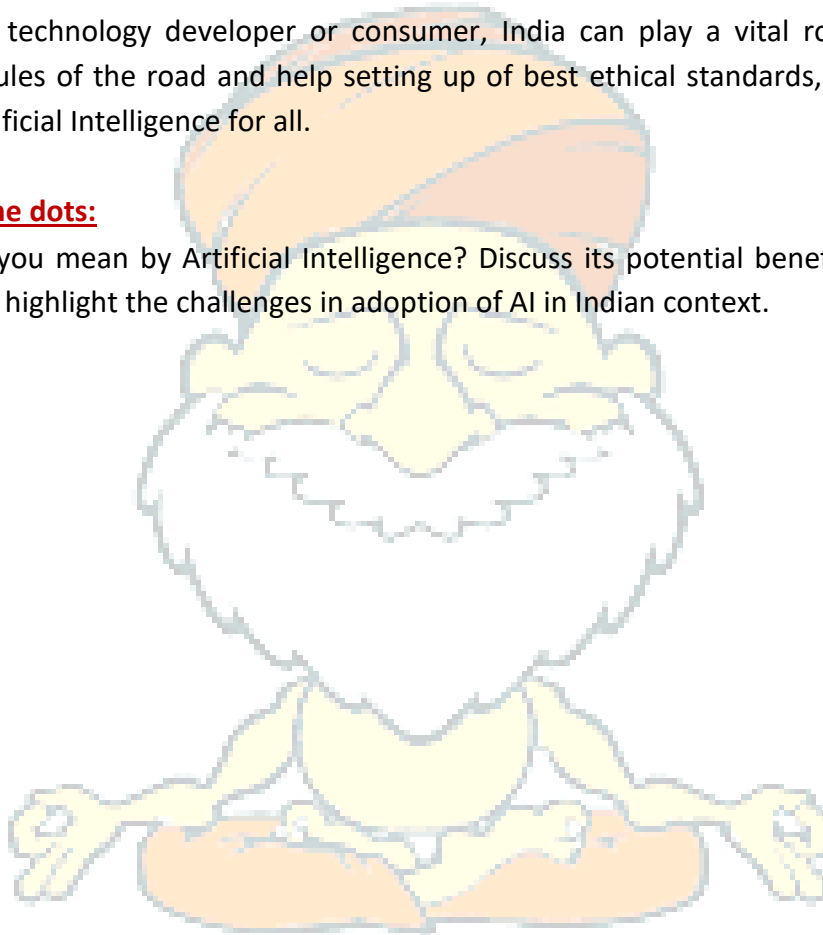
Prelims + Mains Focus

Allahabad High Court judge Shukla to be impeached

Part of: (Mains and Prelims) General Studies- II: Governance and Polity

In News:

Chief Justice of India **Dipak Misra** recommended the removal of Justice **Shri Narayan Shukla** of the Allahabad High Court.

- A three-judge panel examined the role of Justice SN Shukla in the **medical admissions scam**. In their report to the Chief Justice of India, the panel recommended the judge's removal after he refused to step down.

- The role of Justice Shukla came under scanner after he permitted a private medical college to admit students despite a government ban.

Understanding Basics: *(Important for Prelims)*

Removal of High Court Judge

- A judge of a high court can be removed from his office by an order of the President.
- The President can issue the removal order only after an address by the Parliament has been presented to him in the same session for such removal.
- The address must be supported by a special majority of each House of Parliament (i.e., a majority of the total membership of that House and majority of not less than two-thirds of the members of that House present and voting).
- The grounds of removal are two—proved misbehaviour or incapacity.

Thus, a judge of a high court can be removed in the same manner and on the same grounds as a judge of the Supreme Court.

Do you know?

The procedure relating to the removal of a judge of the High Court by the process of impeachment is regulated by **The Judges Enquiry Act (1968).**

1. A removal motion should be signed by 100 members (in the case of Lok Sabha) or 50 members (in the case of Rajya Sabha) and it is to be given to the Speaker/Chairman.
2. The Speaker/Chairman may admit the motion or refuse to admit it.

3. If it is admitted, then the Speaker/Chairman is to constitute a three-member committee to investigate into the charges.

   The committee should consist of

   (a) the chief justice or a judge of the Supreme Court,

   (b) a chief justice of a high court, and

   (c) a distinguished jurist.

4. If the committee finds the judge to be guilty of misbehaviour or suffering from an incapacity, the House can take up the consideration of the motion.

5. After the motion is passed by each House of Parliament by special majority, an address is presented to the president for removal of the judge.

6. Finally, the president passes an order removing the judge.

It is interesting to know that no judge of a high court has been impeached so far.

Things to do:

● Know the appointment of judges of High Court and Supreme Court and related articles (Refer Indian Polity by Laxmikant or D.D.Basu)

Article link: http://www.thehindu.com/news/national/allahabad-high-court-judge-shukla-to-be-impeached/article22598457.ece

'Supermoon Trilogy': Super Blue Blood Moon

Part of: General Studies- I and III: Space; Science and Technology

In News:

● January 31 witnessed a rare three lunar phenomenon: A supermoon, a blue moon and a blood moon.

● This was the first time all three events occurred simultaneously since 1866 - more than 150 years ago.

● This phenomenon was visible in large parts of the US, north-eastern Europe, Russia, Asia, the Indian Ocean, the Pacific, and Australia.

Pic   link:

Do you know?
- The next blue moon total lunar eclipse won't be until December 31, 2028, according to NASA.

Terms explained: *(Important for Prelims and Mains)*
Blue moon, supermoon and blood moon coincided on a total lunar eclipse day, also called "Chandra Grahan".

Lunar eclipse
- The lunar eclipse is a phenomenon that occurs when the Earth, moon and sun are in perfect alignment, blanketing the moon in the Earth's shadow.
- In total lunar eclipse, the direct sunlight is completely blocked by the earth's shadow.

Blue Moon
- "Blue Moon" is the term used when a second full moon in a calendar month. Jan 31 witnessed first lunar eclipse of the year and had second full moon in the month. This is called "Blue Moon". In addition, the moon will appear crimson in colour.

Blood Moon
- During total lunar eclipse, when the moon gets shadowed by earth, the sunlight passes through the earth's atmosphere and breaks down. The red part of the sunlight gets least refracted, giving moon the tinge of orangish red. This is called "Blood Moon".

Supermoon
- When the eclipse happened, the moon was close to earth by 60,000 km against the average distance between the moon and the earth. The moon appeared brighter and bigger. This is called "supermoon".

INS Karanj boosts Navy's firepower

Part of: (Prelims) Defence, Security

Key pointers:

- **INS Karanj,** Navy's third state-of-the-art Scorpene class submarine was launched recently.
- The new submarine is named after the earlier Kalvari class INS Karanj, which was decommissioned in 2003.
- Earlier launches - two Scorpene submarines — **INS Kalavari** and **INS Khanderi**.
- Pending launches - remaining three submarines — **Vela, Vagir** and **Vagsheer**.

Adding muscle

The deal to build six Scorpene submarines at Mazagon Dock Limited, Mumbai, was signed with DCNS, France in October, 2005

TYPE
Scorpene is a conventional diesel-electric attack submarine weighing about **1,600** tonnes

Crew **43**

- The submarine's search periscopes are equipped with Infrared-Low light level cameras and laser range finders

ARMOURY
- SM 39 EXOCET missiles
- Heavyweight wire-guided surface
- Underwater target torpedoes and mines
- Mobile C303/S anti-torpedo decoys

KEY FEATURES
- Overall Length of 67.5 metres
- Height of 12.3 metres
- 360 battery cells (each weighing 750 kg) power the extremely silent permanently magnetised propulsion motor
- The stealth is further enhanced through the mounting of equipment inside the pressure hull on shock absorbing cradles
- Two 1,250 kW MAN diesel engines for rapidly charging batteries

Karanj, the third Scorpene class submarine, being launched in Mumbai on Wednesday.

COMPILED BY DINAKAR PERI

Link:

https://d39gegkjaqduz9.cloudfront.net/TH/2018/02/01/CNI/Chennai/TH/5_09/abb62ae0_1849643_101_mr.jpg

Do you know?

- **Six Scorpene class submarines** are being built under **Project 75** by the Mazagon Dock Shipbuilders Limited (MDSL), Mumbai.
- India and **France** collaboration ($3.75 billion technology transfer)
- Programme has been delayed by four years due to construction delays.
- The Scorpene class is the Navy's first modern conventional submarine series in almost two decades, since INS Sindhushastra was procured from Russia in July 2000.

● The entire project is expected to be completed by 2020.

Things to do:
● Know about Project 75
● Basic specs of all 6 Scorpene class submarines

Article link: http://www.thehindu.com/news/national/ins-karanj-boosts-navys-firepower/article22613449.ece

Budget Breakdown

Part of: Mains GS Paper III- Indian Economy

Pic credit: http://www.thehindu.com/
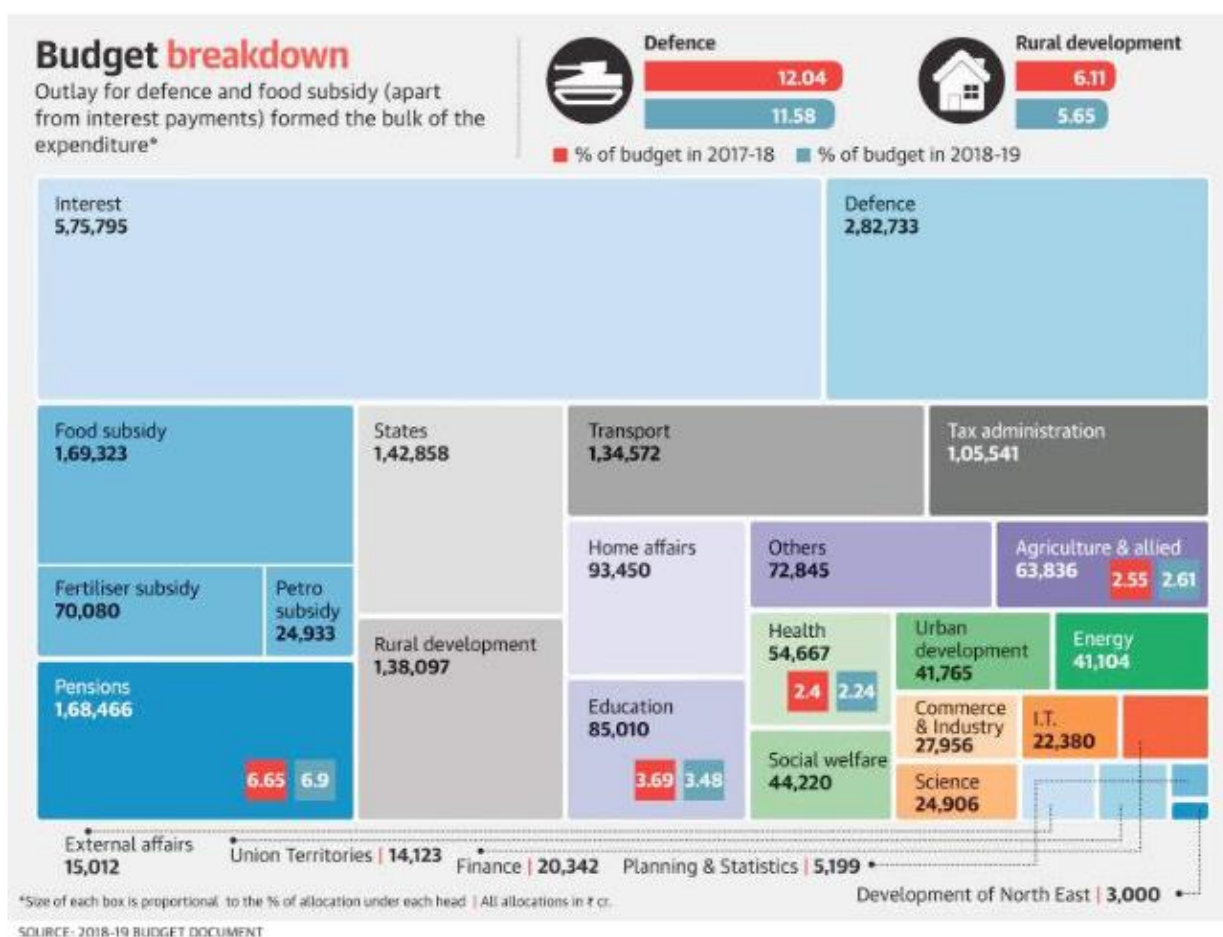
National Health Protection Scheme (NHPS)

Part of: Mains GS Paper II- Government interventions in sectors like Health

Key pointers:

- It has been termed as "the world's largest government-funded health care programme" that will benefit 10 crore households.
- The proposed National Health Protection Scheme (NHPS) will provide coverage of up to ₹5 lakh per family annually to take care of secondary and tertiary care hospitalisation costs.
- The Rashtriya Swasthya Bima Yojana (RSBY) now gives poor families an annual coverage of ₹30,000, while several State governments have implemented their own health insurance schemes with varying coverage levels.
- ₹2,000 crore has been provided for the next financial year under this scheme.
- While the budget allocation for the scheme seems inadequate, an additional ₹11,000 crore is expected to accrue from a new 1% cess added on to the existing 3% education cess levied on all direct tax payers. The cess has been renamed health and education cess and some of it could be directed to the new scheme.

Article link: http://www.thehindu.com/business/budget/a-helping-hand-in-times-of-health-crises/article22626150.ece

Proposals for agriculture sector in the Budget 2017-18

Part of: Mains GS Paper II- Government interventions in important sectors

Key pointers:

- The government would "keep the MSP [minimum support price] for all hitherto unannounced crops of Kharif at least at one-and-a-half times their production cost".
- NITI Aayog, in consultation with Central and State governments, will put in place a foolproof mechanism so that farmers will get adequate price for their produce.
- "Operation Greens" has been proposed to address price volatility of perishable commodities such as potatoes, tomatoes and onions, at an outlay of ₹500 crore. It shall promote farmer producers organisations, agri-logistics, processing facilities and professional management in the sector,,
- A 100% deduction in respect of profits to farmer producer companies, having a turnover up to ₹100 crore, for a period of five years from the financial year 2018-19, in order to encourage professionalism in post-harvest value addition in agriculture.
- To boost organic farming, women self-help groups (SHGs) would be encouraged to take up organic agriculture in clusters under the National Rural Livelihood Programme.

- Fisheries and Aquaculture Infrastructure Development Fund for fisheries sector and an Animal Husbandry Infrastructure Development Fund for financing infrastructure requirement of animal husbandry sector to be set up.
- Announcement of Rs.1290-crore Re-structured National Bamboo Mission, which is based on a cluster based approach to address the complete bamboo value chain and promote bamboo sector in a holistic manner.

Article link: http://www.thehindu.com/business/budget/from-farm-to-fork-a-shower-of-goodies/article22625268.ece

Jallikattu a cultural right or not?

Part of: Mains GS Paper II- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Key pointers:
- The Supreme Court is considering the question of granting constitutional protection to jallikattu as a collective cultural right under Article 29 (1).
- **Article 29(1)** is a fundamental right guaranteed under Part III of the Constitution to protect the educational and cultural rights of citizens.
- Though commonly used to protect the interests of minorities, Article 29(1) mandates that "any section of the citizens residing in the territory of India or any part thereof having a distinct language, script or culture of its own shall have the right to conserve the same".
- People for Ethical Treatment of Animals and activists have filed petitions to strike down the Prevention of Cruelty to Animals (Tamil Nadu Amendment) Act of 2017 and the Prevention of Cruelty to Animals (Conduct of Jallikattu) Rules of 2017. They contended that the amended laws had opened the gates for the conduct of the popular bull-taming sport in the name of culture and tradition despite a 2014 ban by the Supreme Court.
- The PETA petition contends that the 2017 Jallikattu Act and Rules violate the five internationally recognised freedoms — the freedom from hunger, malnutrition and thirst; freedom from fear and distress; freedom from physical and thermal discomfort; freedom from pain, injury and disease; and freedom to express normal patterns of behaviour.
- The Constitution Bench would also look into whether the 2017 jallikattu and bullock-cart races laws would actually sub-serve the objective of "prevention" of cruelty to animals under the Prevention of Cruelty to Animals Act of 1960.

- In 2014, in the A. Nagaraja judgment, the Supreme Court had held jallikattu as cruelty to bulls.

Article link: http://www.thehindu.com/todays-paper/jallikattu-pleas-go-to-constitution-bench/article22639510.ece

KUSUM scheme

Part of: Mains GS Paper III- Inclusive development

Key pointers:
- The Centre has announced a ₹1.4 lakh-crore scheme for promoting decentralised solar power production of up to 28,250 MW to help farmers.
- The Centre will spend ₹48,000 crore on the ten-year scheme which was announced in the Union Budget 2018-19.
- Kisan Urja Suraksha evam Utthaan Mahaabhiyan or KUSUM scheme will provide extra income to farmers, by giving them an option to sell additional power to the grid through solar power projects set up on their barren lands.
- It would help in de-dieselising the sector as also the DISCOMS.
- India had about 30 million farm pumps that include 10 million pumps running on diesel.

The scheme:
The components of the scheme include-
- Building 10,000 MW solar plants on barren lands and providing sops to DISCOMS to purchase the electricity produced.
- 'Solarising' existing pumps of 7250 MW as well as government tube wells with a capacity of 8250 MW and distributing 17.5 lakh solar pumps.
- The 60% subsidy on the solar pumps provided to farmers will be shared between the Centre and the States while 30% would be provided through bank loans. The balance cost has to be borne by the farmers.

Benefits:
- Promotion of decentralised solar power production.
- Reduction of transmission losses as well as providing support to the financial health of DISCOMs by reducing the subsidy burden to the agriculture sector.
- The scheme would also promote energy efficiency and water conservation and provide water security to farmers.

Article link: http://www.thehindu.com/business/agri-business/govt-to-spend-48000-cr-to-help-farmers-go-solar/article22637365.ece

Dust mitigation plan must for firms

Part of: Mains GS Paper III- Environmental conservation

Key pointers:
- The Environment Ministry has made it mandatory for companies seeking environment clearance to ensure that they put in place a dust mitigation plan.
- Requirements   as   notified:
  Roads leading to or at construction sites must be paved and black-topped. There could be no soil excavation without adequate dust mitigation measures in place. No loose soil, sand, construction waste could be left uncovered. A water sprinkling system was mandatory, and the measures taken should be prominently displayed at the construction site. The grinding and cutting of building materials in open area were prohibited and no uncovered vehicles carrying construction material and waste would be permitted.
- The standards were developed by the Central Pollution Control Board as part of the National Ambient Air Quality Standards (NAAQS).
- The organisation is now empowered to fine companies and agencies for not complying with norms.

Background:
- A study by the Indian Institute of Technology, Kanpur and commissioned by the Delhi government reported, in 2015, that road dust, burning of biomass and municipal solid waste, constituted the lion's share of the city's air pollution.
- Road dust contributed 56% of all PM10 pollution, while it was 38% for PM2.5.
- Dust is a generic term for a vast mix of metals and non-metals — silicon, aluminium, titanium, manganese, copper, barium, antimony, selenium and zinc.

Article link: http://www.thehindu.com/news/national/dust-mitigation-plan-must-for-firms/article22637457.ece

SC on Honor Killing

Part of: Mains GS Paper I- Social Issues

A law unto themselves

2007: A Haryana court awarded the death sentence to five persons and one person to life imprisonment for killing a couple on the orders of a self-styled khap panchayat for marrying against societal norms

2014: A community panchayat in U.P. banned girls from wearing jeans and using mobile phones, claiming that these had a "bad" effect on them and were responsible for sexual harassment incidents

2015: The khap of Notara Bhopat village in Rajasthan ordered a woman to live with a man, whose wife eloped with her husband

SOURCE: PTI

Pic credit: http://www.thehindu.com/todays-paper/article22663517.ece/alternates/FREE_660/05inthkabKDR-GAE3CE7IU1jpgjpg

Key pointers:
- Parents, society and khaps have no right to harass them: SC
- Two adults are free to marry and "no third party" has a right to harass or cause harm to them, said Chief Justice of India Dipak Misra, speaking against honour killings.
- A three-judge Bench upheld the fundamental right of two people who wish to marry and live peacefully.
- SC: No one has any individual, group or collective right to harass a couple.

Article link: http://www.thehindu.com/todays-paper/when-2-adults-marry-none-should-interfere/article22663518.ece

[Agni-I ballistic missile](#)

Part of: Mains GS Paper III- Developments in Science & Technology

Key pointers:
- India recently flight-tested the indigenously developed Agni-I ballistic missile that can carry a nuclear payload as part of a user trial by the Army from a test range off the Odisha coast.
- It has a specialised navigation system, which ensures it reaches the target with a high degree of accuracy and precision

- 18th version of Agni-I. The missile was inducted into service in 2004.
- The surface-to-surface, single stage missile, powered by solid propellants, was launched as part of a regular training exercise by the armed forces.
- The missile has a specialised navigation system, which ensures it reaches the target with a high degree of accuracy and precision.
- The 15-metre-long Agni-I, weighing 12 tonnes, can carry payloads up to 1,000 kg.

Article link: http://www.thehindu.com/news/national/nuclear-capable-agni-i-missile-test-fired-successfully/article22665930.ece?homepage=true

SEBI gets more power

Part of: Mains GS Paper III- Indian Economy, Regulatory Bodies

Key pointers:
- As part of the proposed amendments in the Finance Bill 2018, the government has given more power to the Securities and Exchange Board of India (SEBI) to impose monetary penalties on important market intermediaries such as stock exchanges and clearing corporations.
- SEBI can also against newer categories of participants likes investment advisers, research analysts, real estate investment trusts (REITs) and infrastructure investment trusts (InvITs).
- The proposed amendments to the SEBI Act and the Securities Contracts (Regulation) Act now allow the capital markets regulator to impose a monetary penalty of at least ₹5 crore on stock exchanges, clearing corporations and depositories for non-compliance with regulatory norms.
- The amendments also allow SEBI to act against entities that furnish false or incomplete information to the regulator. Earlier, it could act only if the entity did not furnish any information.
- The whole-time members of SEBI have also been given additional powers to act against wrongdoers.

Article link: http://www.thehindu.com/business/markets/sebi-gets-teeth-to-act-against-exchanges-new-market-outfits/article22651393.ece?homepage=true

Bhutan, Nepal & Bangladesh to be part of India's Tiger Census

Part of: Mains GS Paper III- Environmental conservation

Key pointers:
- India's tiger census, which began late last year, will see coordination with Bhutan, Nepal and Bangladesh in estimating the territorial spread of the animal in the subcontinent.
- In a first, all countries will jointly estimate big cat numbers
- While India has engaged with Nepal and Bangladesh in previous tiger counts, this is the first time all countries are uniting in arriving at tiger numbers, particularly in regions with shared borders.
- Since 2006, the WII — a Union Environment Ministry-funded body — has been tasked with coordinating the tiger estimation exercise.
- The once-in-four-years exercise calculated, in 2006, that India had only 1,411 tigers. This rose to 1,706 in 2010 and 2,226 in 2014 in later editions on the back of improved conservation measures and new estimation methods.
- Commissioned by the Union Environment Ministry's National Tiger Conservation Authority, the ₹10 crore exercise this year involves 40,000 forest guards traversing 4,00,000 sq. km. of forests; wildlife biologists independently assessing them; approximately a year's duration of field work; 14,000 camera traps; and coordination with 18 States.
- Along with tigers, the survey also collects information on the prey population of deer and other animals.

Article link: http://www.thehindu.com/sci-tech/energy-and-environment/bhutan-nepal-bangladesh-to-be-part-of-indias-tiger-census/article22670908.ece

India-EU to step up cooperation to counter terrorism

Part of: Mains GS Paper II- Internal Security

Key pointers:
- India and the European Union have vowed to step up cooperation to counter terrorism as both sides seek to exchange information on terrorists organisations and their safe havens.
- Both countires are in close contacts with Indian institutions on counter-terrorism efforts. Under the existing uncertainties and doubts, India and EU have a lot in common. Both are in favour of a rules-based international order.
- The joint statement on cooperation in combating terrorism that was agreed upon during the last India-EU Summit that was held in October.

In the statement, both sides agreed to strengthen cooperation to take decisive and concerted actions against globally proscribed terrorists and terror entities.

- During the summit it was agreed that both India and EU will explore opportunities to develop cooperation between the relevant institutions on both sides, to share information, best practices, including on countering the on-line threat of radicalisation, and to engage in capacity building activities, such as training and workshops.

Article link: http://www.thehindubusinessline.com/todays-paper/tp-news/article22673331.ece

Goliath grouper

Part of: (Mains and Prelims) General Studies- III: Environment and Tourism

In News:

- Efforts are made to establish Visakhapatnam or Vizag as a top scuba diving destination in the world.

- Critically endangered species of Goliath grouper was discovered by a team of divers.

- More than 2,000 dives across the world and it was the first time they had spotted the Goliath grouper.

- A fascinating range of species, including the extremely rare Goliath grouper fish, Feather fish, and jackfish, were found at the site.

Understanding Basics: Goliath grouper fish *(Important for Prelims)*

- Extremely rare species

- Considered the keystone species of an ecosystem

- The fish is entirely protected from harvest in the U.S. and is recognised as a **critically endangered species** by the IUCN (International Union for Conservation of Nature).

- Found in **tropical and subtropical waters** of the Atlantic Ocean, including the Gulf of Mexico and the Caribbean Sea.

- The Goliath Grouper is fished both commercially and for sport, but its slow growth and reproductive rates, and its group spawning behaviour, make it particularly vulnerable to overfishing.

Article link: http://www.thehindu.com/news/national/andhra-pradesh/second-shipwreck-goliath-grouper-fish-found-near-vizag/article22683229.ece

Mahamastakabhisheka

Part of: (Mains and Prelims) General Studies- I: Indian culture and heritage.

In News:

- President Ram Nath Kovind inaugurated the 88th Mahamastakabhisheka of Lord Gomateshwara by unveiling an idol of Bahubali at Shravanabelagola in Hassan district.

Pic   link:
https://upload.wikimedia.org/wikipedia/commons/f/f3/Mahamastakabhisheka_in_2006.jpg

About Mahamastakabhisheka:

- The Mahamastakabhisheka refers to the abhiṣheka (anointment) of the Jain images when held on a large scale.

- The most famous of such consecrations is the anointment (application of oil in a religious ceremony) of the **Bahubali Gommateshwara Statue** located at **Shravanabelagola in Karnataka**, India.

- It is an important **Jain festival** held once in **every 12 years**. It is an integral part of the ancient and composite Jain tradition.

- The ceremony in 2018 is said to be the 88th in the series that commenced in the year 981 A.D. and second Mahamastakabhisheka of the 21st Century.

Things to do:

- Know about the key tenets of Jainism - sacrifice and non-violence.

- About the "ratnatrayas" (the three jewels) of the Jain religion - Samyak Darshana (right faith), Samyak Gyana (right knowledge) and Samyak Charitra (right conduct).

- About Bahubali -- *not Prabhas acted Bahubali movie :D*

Article link: http://www.thehindu.com/news/national/karnataka/president-inaugurates-mahamastakabhisheka/article22677633.ece

India test-fires nuclear capable Prithvi-II

Part of: (Prelims) Defence, Security

Key pointers: About Prithvi-II missile

- Indigenously developed nuclear capable Prithvi-II missile

- Surface-to-surface missile

- Air Force version

- strike range of 350 km

- short-range ballistic missile (SRBM) developed by DRDO under Integrated Guided Missile Development Program (IGMDP)

Things to do:

- About Integrated Guided Missile Development Program (IGMDP) and which missiles are developed under IGMDP

- About different variants - Prithvi-I, II and III

Article link: http://www.thehindu.com/news/national/india-successfully-test-fires-nuclear-capable-prithvi-ii/article22680087.ece

Pradhan Mantri Ujjwala Yojana

Part of: (Mains and Prelims) General Studies- II: Health and Social issue; Government schemes for welfare of people (esp women).

In news:

- Union Cabinet approves the increase in the target for the Pradhan Mantri Ujjwala Yojana.

- Centre to raise allocation for the project to ₹4,800 crore

About Pradhan Mantri Ujjwala Yojana

- Pradhan Mantri Ujjwala Yojana is a scheme of the Ministry of Petroleum & Natural Gas for providing LPG connections to women from Below Poverty Line (BPL) households.

- Under the scheme, **five crore (now 8 crores)** LPG connections are to be provided to BPL households. The identification of eligible BPL families will be made in consultation with the State Governments and the Union Territories.

- Pradhan Mantri Ujjwala Yojana (PMUY) aims to safeguard the health of women & children by providing them with a clean cooking fuel – LPG, so that they don't have to compromise their health in smoky kitchens or wander in unsafe areas collecting firewood.

Do you know?

Important: Budget 2018 Update

- Initially, government target was to provide free LPG connections to about 5 crore poor women. But now the target of providing free connection increased to 8 crore poor women. (Budget announcement)

Things to do:

- Read about the scheme – (Link) http://vikaspedia.in/energy/policy-support/pradhan-mantri-ujjwala-yojana

Article link: http://www.thehindu.com/news/national/ujjwala-yojana-to-benefit-eight-crore-women-now/article22682181.ece

US blocks India's request at WTO for JNNSM related dispute

Part of: Mains GS Paper II-

Key pointers:
- The US has blocked India's first-time request for the establishment of a panel to settle a dispute on whether the country complied with a World Trade Organisation (WTO) ruling against domestic sourcing of solar cells and modules mandated in its national solar power generation programme.
- Canada and the EU supported India's call for a compliance panel.
- The US continued to disagree with India's claims of compliance and reiterated its right to use WTO procedures for retaliation .
- New Delhi is seeking the establishment of a compliance panel again as the WTO rules don't allow any country to block a second request.

Background:
The DSB, in 2016, had ruled in favour of a US complaint against the requirement that power producers under JNNSM should compulsory procure a part of solar panels and modules for their projects from local producers as it argued that the provision discriminated against foreign producers.

Article link: http://www.thehindubusinessline.com/todays-paper/tp-news/article22710284.ece

Health Index Report by NITI Aayog

Part of: Mains GS Paper II- Issues related to health

Key pointers:
- Kerala, Punjab and Tamil Nadu were the top rankers in NITI Aayog's latest Health Index report.
- NITI Aayog has for the first time, attempted to establish an annual systematic tool to measure and understand the heterogeneity and complexity of the nation's performance in the health sector.
- The document has been developed by NITI Aayog with technical assistance from the World Bank and in consultation with the Ministry of Health and Family Welfare.
- The report indicates that Jharkhand, Jammu and Kashmir and Uttar Pradesh showed the maximum improvement in indicators such as Neonatal Mortality Rate, Under-five Mortality Rate, full immunisation coverage, institutional deliveries, and People Living with HIV (PLHIV) on Anti-Retroviral Therapy (ART).
- Common challenges for most States and Union Territories include the need to focus on addressing vacancies in key staff, establishment of functional district cardiac care units, quality accreditation of public health facilities and institutionalisation of human resources management information system.

Article link: http://www.thehindu.com/todays-paper/tp-national/kerala-punjab-tn-in-good-health/article22709699.ece

India and UAE @ World Government Summit (WGS)

Part of: (Prelims+Mains GS Paper II) – India and the World; India and UAE

World Government Summit (WGS) was held in Dubai, UAE.

Understanding basics: About World Government Summit (WGS)

- The World Government Summit is a global platform dedicated to shaping the future of government worldwide.
- World Government Summit (WGS) will be held in Dubai, UAE every year.

- Each year, the Summit sets the agenda for the next generation of governments with a focus on how they can harness innovation and technology to solve universal challenges facing humanity.
- WGS is a knowledge exchange center at the intersection between government, futurism, technology, and innovation.

Just remember – WGS is a global platform, a non-government body, it focuses on focus on the issues of futurism, technology and innovation. It analyzes the future trends, issues, and opportunities facing humanity.

WGS 2018 WGS highlights:

- Efforts to address the misuse of cyberspace by terrorists and hackers.
- Importance of assimilating technology with governance to ensure equitable growth and prosperity for all.
- India is aspiring to assume leadership position in artificial intelligence, nanotechnology, cybersecurity and cloud computing.

"Technology should be used as a means to development, not destruction". **(Can be essay question)**

Other Key Pointers: India and UAE

1. PM Modi inaugurated a project for the construction of the first Hindu temple (Swaminarayan temple) in Abu Dhabi.

2. India and UAE to hold a bilateral naval exercise (to conduct the first bilateral Naval Exercise during 2018).

3. UAE supports India's proposed Comprehensive Convention on International Terrorism in the United Nations.

4. UAE's sovereign wealth fund ADIA (Abu Dhabi Investment Authority) to participate in India's National Infrastructure Investment Fund (NIIF) - a joint investment platform for ports, terminals, transportation and logistics businesses in India.

Article Link: http://www.thehindu.com/todays-paper/let-technology-be-a-tool-for-progress-not-terror-says-pm/article22725554.ece

SpaceX Falcon Heavy (FH)

Part of: (Prelims+Mains) GS Paper III – Science and Technology; Space Missions

Key pointers:

- The privately-funded Falcon Heavy (FH) is now the most powerful working booster on Earth and can lift 64 tonnes of cargo to near-Earth orbits, claims SpaceX (Space Exploration).

- FH, with its reusable rocket stages, dwarfs the power of NASA's Delta IV Heavy by half at a third of its cost.

Where does India stand in rocketry?

- 58-year-old Indian Space Research Organisation is currently perfecting a rocket that can lift four tonnes to higher orbits and about eight tonne loads to lower orbits, the GSLV Mark III.

- ISRO has envisioned developing super-heavy launchers that can one day lift loads as heavy as 50 to 60 tonnes.

- ISRO is currently developing reusable technologies. The re-entry component was demonstrated in 2016.

Article link: http://www.thehindu.com/todays-paper/tp-national/tp-karnataka/isro-too-has-an-eye-on-60-tonne-launchers/article22725613.ece

Three new eel species found in Bay of Bengal

Part of: (Prelims+Mains) GS Paper III – Environment and Biodiversity

Key pointers:

- Scientists have discovered three new species of eel.

- Where? Bay of Bengal (Digha coast of the Bay of Bengal and Visakhapatnam coast)

- With these new discoveries, the Bay of Bengal coast has yielded at least five new species of eel.

- Eels are found mostly at the bottom of rivers and seas. Across the world about 1,000 species of eels have been identified. In India, the number is around 125.

Article Link: http://www.thehindu.com/news/national/other-states/three-new-eel-species-found-in-bay-of-bengal/article22723479.ece

INS Chakra

Part of: (Prelims) Defence; India and Russia

Russian authorities have demanded ₹125 cr. to carry out repairs on INS Chakra

About INS Chakra

- Indian Navy's only nuclear-powered submarine (Akula Class submarine).
- INS Chakra is a nuclear-powered submarine which was taken by India on lease from Russia in 2012 for a period of 10 years at an estimated cost of US$670 million.
- Belongs to Project P71
- Russian name - K-152 Nerpa (Nerpa is the Russian word for the Baikal seal and Chakra is the mythical weapon of the Indian god Vishnu)
- INS Chakra is a Russia-made, nuclear-propelled, hunter-killer submarine. Unlike conventional submarines that India operates which need to surface to charge their batteries often - sometimes as frequently as 24 hours - INS Chakra can stay under as long as it wants. Its ability to stay underwater is restrained only by human endurance to stay underwater.
- Also, another problem that the submarine could face is acidity. This is because of a lack of exercise inside due to prolonged deployments.

Costly affair

India leased the Akula-II class nuclear attack submarine from Russia for a 10-year period in 2011 for over $600 million. It was inducted into service as INS Chakra in April 2012

THE DAMAGE

- INS Chakra suffered damage while entering the harbour in Visakhapatnam

- A large hole was formed in the sonar dome in the forward portion

- Damage to INS Chakra was reported in October 2017

KEY STATS

Weight: **8,140** tonnes

Length: **114** metres (approx.)

Grand entry: The induction of the submarine into the Navy in Visakhapatnam • FILE PHOTO

THE PROBE AND AFTER

- A Russian team visited India for a joint investigation in October 2017
- Russia has quoted $20 million (approximately ₹125 crore) as the repair cost

Link:

https://d39gegkjaqduz9.cloudfront.net/TH/2018/02/13/CNI/Chennai/TH/5_01/12b2948d_187
9079_101_mr.jpg

Things to do:

- Find out which other nations possess nuclear-powered submarines.
- Revise 6 Scorpene class submarines and Project 75 (From 1st Feb DNA Prelims Focus)

Article link: http://www.thehindu.com/news/national/russia-seeks-125-crore-to-carry-out-repairs-on-ins-chakra/article22734847.ece

[Forest Cover: ISFR (India State of Forests 2017 Report)](#)

Part of: (Prelims+Mains) GS Paper III – Environment, Ecology and Biodiversity; Conservation

Highlights of India State of Forests 2017 report:

- India's forest and tree cover has increased by nearly 1% since 2015.

- Forests in most of the biodiversity-rich north-eastern part of the country have been contracting continuously over the last few years. **(Concern)**
- Forest cover in hill districts and tribal districts grew.
- The latest ISFR report includes information about water bodies in forests. **(a new feature) –** There has been increase in the extent of water bodies in forest areas

Do you know?

- India ranks among the top 10 countries of the world in terms of forest area.
- India has shown an increasing trend in forest and tree cover compared to the global trend of decreasing forest cover during the last decade.
- India targets to have 33% of its geographical area (GA) under forest cover. According to the report, at present 15 states and Union territories have more than 33% of their GA under forest cover.
- Among the states, **Madhya Pradesh has the largest forest cover** (77, 414 sq. km), followed by Arunachal Pradesh (66,964 sq. km), Chhattisgarh (55,547 sq. km) Odisha (51, 345 sq. km) and Maharashtra (50,682 sq. km).
- However the forest area in all above states, except Odisha, has decreased since 2015. **(Concern)**
- As per the latest FAO report, India is 8th in the list of top 10 nations reporting the greatest annual net gain in forest area.

Top 5 states where forest cover grew:

1. Andhra Pradesh
2. Karnataka
3. Kerala
4. Odisha
5. Telangana

Top five states where forest cover declined:

1. Mizoram
2. Nagaland
3. Arunachal Pradesh
4. Tripura
5. Meghalaya

Green cover
India has about 7,08,273 square kilometres of forest, which is 21.53% of the geographic area of the country, according to the India State of Forest Report 2017

Scrub **1.4**
Very dense **2.99**
Open forest **9.18**
Forest cover of India (in %)
Non forest **77.05**
Moderately dense **9.38**

Forests as % of geographical area
Uttarakhand **71**
Manipur **78.01**
Sikkim **82.31**

0.0   43.5   86.9

Way forward: A.P., Karnataka and Kerala have topped the States that increased their forest cover. Photo shows the Nagarahole National Park in Karnataka. ▪ M.A.SRIRAM

Pic   link:
https://d39gegkjaqduz9.cloudfront.net/TH/2018/02/13/CNI/Chennai/TH/5_09/f975eef8_1879088_101_mr.jpg

Important: India announced a voluntary target in 2015 of creating additional carbon sink of 2.5 to 3 billion tonnes of CO_2 (carbon dioxide) equivalent through additional forest and tree cover by 2030.

Article link: India's forest, tree cover up by 1% in 2 years: Centre

Kambar to head Sahitya Akademi

Part of: Prelims – Persons in news

Key pointers:

- Kannada litterateur **Chandrashekar Kambar** has been elected as president of the Sahitya Akademi.

- Hindi poet Madhav Koushik has been elected as vice-president.

- Prof. Kambar is the third Kannada writer to head the country's premier literary institution, after Vinayak Krishna Gokak (1983) and U.R. Ananthamurthy (1993).

The Sahitya Akademi is an organisation dedicated to the promotion of literature in the languages of India.

Article link: http://www.thehindu.com/news/national/karnataka/kambar-is-sahitya-akademi-president/article22730795.ece

Defence Acquisition Council (DAC)

Part of: Mains GS Paper 3 – Defence

Key pointers:

Defence Acquisition Council – is often in news.

- DAC recently gave approval for a series of proposals to shore up the Army's infantry firepower and other deals, together estimated at ₹15,935 crore.
- INSAS (Indian Small Arms System rifles rifles) to be replaced by new light machine guns, assault rifles and sniper rifles.
- To enhance the anti-submarine warfare capabilities of Naval Ships, the DAC approved the procurement of the **"Mareech" advanced torpedo decoy systems**.
- The system has been developed by the Defence Research and Development Organisation and has successfully completed extensive trial evaluations.

Do you know?

About Defence Acquisition Council

- DAC – is the government's highest decision-making body on procurement.
- DAC is chaired by Union Defence Minister.
- To counter corruption and speed up decision-making in military procurements.
- The decision flowing from the Defence Acquisition Council are to be implemented by the following 3 Boards –
  1. Defence Procurement Board headed by the Defence Secretary
  2. Defence Production Board headed by the Secretary (Defence Production)
  3. Defence Research & Development Board headed by the Secretary (Defence Research & Development)

Article Link: http://www.thehindu.com/news/national/military-to-get-74-lakh-rifles/article22743330.ece

Reforms to transform informal economy and boost formal economy

Introduction:

Medium, Small and Micro Enterprises (MSMEs) are a major engine of growth and employment in the country.

Formalisation and mainstreaming of MSMEs has been taking place at a rapid place since demonetisation and the introduction of the Goods and Services Tax.

Union Budget 2018 will look to accelerate this process by incentivising formalisation in such a way that it sets off a cycle of easing access to finance, lowering tax incidence, and encouraging job creation.

Big Reforms:

Budget pronouncements seek to change the landscape by triggering three effects:

1. Increase access to formal finance:

- Large corporates are now being mandated to go to the corporate bond market for a quarter of their borrowings. Competition from mutual and pension funds is set to increase in the corporate bond market, therefore making funds available to large companies.

- After recapitalisation, public sector banks will have more money to lend.

  How it will help MSMEs?

  Since, large corporates borrow from corporate bond market, there will be enough money left in the banks and with recapitalization – it is expected that banks will start increasing their exposure to the MSME sector.

- There is also a proposal to link the **Trade Receivables Discounting System (TReDS)** platform with the GST Network, and to revamp the online loan sanctioning facility – this would also improve the MSME sector's access to formal finance.

  How this will help MSMEs?

  Access to relevant financial data on MSMEs has been a challenge for banks, particularly when funding their working capital requirements. Therefore, with the TReDS -GSTN linkage and by onboarding Public Sector Banks and corporates on to the TReDS platform – the above issue will be solved.

So, gradual adoption of TReDs has the potential to significantly ease the liquidity woes of MSMEs.

- Role of digital revolution: New advances in technology will allow lenders to use digital transaction trails and rule-based decision-making to underwrite and offer large number of small-ticket loans.

How?

Technology allows aggregation and analysis of bank statements of MSMEs and helps in analysing cash flows.

2. Tax cuts and incentives

Incentivising sound legal constitution through tax cut:

- Union Budget 2018 has reduced the income tax slab of 25 per cent to companies with a turnover of up to Rs. 250 crore (from Rs. 50 crore announced in the last year's budget).

- Government also aims to boost the investible surplus of MSMEs.

Reduction will benefit macro, small and medium enterprises which account for 99% of companies filing their tax returns.

It is expected that it will incentivise informal firms (partnerships and proprietorships) to adopt a more sound legal constitution — and that's positive for formalisation.

3. Job creations among MSMEs

Incentivising formal enterprises would create new jobs:

- Incentives to formal enterprises extend beyond lower corporate tax rates.

- The Government has increased its contribution to the employees provident fund to 12 per cent of wages from 8.33 per cent earlier in the case of new employees for the next three years.

- Similarly, the benefits under Section 80-JJA of the Income Tax Act have been extended by relaxing the minimum period of employment for new employees to 150 days from 240 days for the footwear and leather sectors as well, besides continuing it for the apparel sector.

All the above three segments have high labour intensity and therefore, these steps will be beneficial to promoting new jobs.

Conclusion:

In sum, using digital trails to improve access to funds, lowering tax rates to increase the investible surplus in the hands of MSMEs, and incentives to employ are just what are needed to ensure faster growth of the formal economy.

Connecting the dots:

- Easing access to finance and lowering tax incidence in MSME sector will accelerate the formalisation process and generate jobs. Do you agree? Comment.

Centre studying plea to ban PFI

Part of: GS Mains III (Internal Security)

(You can skip this article, but recommended to know the issue, especially if you are an IPS aspirant)

In News:

The proposal to ban **Popular Front of India (PFI)**, a Muslim political organisation predominantly operating out of Kerala, has been gaining momentum over the last few months.

Kerala has asked for a ban on PFI and the Centre is collecting more facts and evidence about the activities of the outfit before declaring it an "unlawful association".

The involvement of alleged members of the organisation in political killings, religious conversions and terror activities have been projected as the reason for the ban.

Genesis of PFI:

Even though PFI as an organization came to existence in 2006, the origins of the PFI dates back to 1993.

Following the demolition of the Babri Masjid, a political organization by the name NDF (National Development Front) was created in Kerala - to protect the interests of the Muslim community in the state.

Over the years NDF claimed to be an organization working for the socio-economic welfare of the state's Muslim community. However, the extremist nature of the organization came to light, after some of its members were arrested for rioting and murdering eight Hindus in Kazhikode in 2003.

NDF's activities were limited to Kerala. However, a decision was made to create a unified organization, merging like-minded organizations from Kerala, Karnataka and TN.

Thus in 2006, PFI was formed merging NDF with Karnataka Forum for Dignity and Maintha Neethi Pasarai in TN. Later organizations from other states merged.

Despite the representations from different states, the activities of the PFI remain strongest in Kerala.

There is also criticism and allegations that there has been strong association between PFI and SIMI.

Other organizations which were banned earlier:

- Organizations like **SIMI (Students' Islamic Movement of India)** and **Indian Mujahideen** – have been banned.

SIMI started with the aim of working for the welfare of Muslim youth, there was a radical shift in its ideology in the 1980s.

SIMI functions on three principles -- governing human life on the basis of Quran, propagation of Islam and Jihad for the cause of Islam. It is against 'western ideals' and rejects secularism, democracy and nationalism. Some of its oft-repeated objectives are restoration of the 'khilafat', (caliphate), emphasis on 'ummah' (Muslim brotherhood), and the need for a Jihad to establish the supremacy of Islam.

Things to do:

- Try to know the genesis of Indian Mujahideen (IM) and why it is banned?
- For reference: https://www.thequint.com/explainers/explainer-why-government-wants-pfi-banned-popular-front-of-india

Article link: http://www.thehindu.com/news/national/kerala/kerala-asks-centre-to-ban-pfi/article22754983.ece

Special Category Status

Part of: Prelims and GS Mains II – Indian Polity and Governance; Centre-State Relations

A growing clamour for Special Category Status in Andhra Pradesh has led to State-wide protests, and heated debates in Parliament.

Understanding basics:

What is the special category status?

- The Constitution does not include any provision for categorisation of any State in India as a Special Category Status (SCS) State.

- 'Special category' status is a classification given by Centre to assist in development of those states that face geographical & socio-economic disadvantages. (Given below)

- The classification came into existence in 1969 as per the suggestion given by the Fifth Finance Commission, set up to devise a formula for sharing the funds of Central govt. among all states.

The **National Development Council (NDC)** granted this status based on a number of features of the States which included:

1. hilly and difficult terrain,

2. low population density or the presence of sizeable tribal population,

3. strategic location along international borders,

4. economic and infrastructural backwardness and non-viable nature of State finances.

What kind of assistance do SCS States receive?

The SCS States used to receive **block grants based on the Gadgil-Mukherjee formula**, which effectively allowed for nearly 30 per cent of the Total Central Assistance to be transferred to SCS States as late as 2009-10.

Following the constitution of the NITI Aayog (after the dissolution of the Planning Commission) and the recommendations of the Fourteenth Finance Commission (FFC), Central plan assistance to SCS States has been subsumed in an increased devolution of the divisible pool to all States (from 32% in the 13th FC recommendations to 42%) and do not any longer appear in plan expenditure.

Centre bears 90% of the state expenditure (given as grant) on all centrally-sponsored schemes and external aid while rest 10% is given as loan to state. For general category, the respective grant to loan ratio is 30:70 where as external aid is passed on in the same ratio as received at the centre.

Unspent money does not lapse and gets carry forward.

What other States are seeking SCS status?
- Apart from Andhra Pradesh which is in the news lately, Bihar and Odisha had recently demanded SCS status but they have not been granted the same as they did not meet the criteria.

Things to do:
- Try to find out which states have been accorded SCS status.

India-Iran: India's multi-dimensional engagement with West Asia

Part of: Prelims and Mains GS Paper II: India-Iran relations; India and the World

In News:
- Iranian President Hassan Rouhani will visit India from February 15 to 17.
- Rouhani coming exactly a month after Israel Prime Minister Benjamin Netanyahu (Iran's biggest rival)
- Rouhani visit signals India aims for balance in its ties in West Asia.

India-Iran ties:
1. Will seek to iron out issues on trade, connectivity, banking and energy.
2. **Access to Central Asia:** Iran is not just important for India's energy needs but also its only route for access to Central Asia.
3. **Chabahar Port project:** progress of the $500-million Beheshti port project in Chabahar.
4. **Rupee-Rial Mechanism:** The two sides are now discussing the possibility of a "rupee-rial mechanism", in addition to the current channel through UCO Bank for rupee payments.
5. Discussions on pending negotiations over the **Farzad-B gas and oil fields** that India has expressed its interest in.

FATF meeting

- Iran is likely to seek India's support at the upcoming meeting of the **UN's Financial Action Task Force**, where Iran is hoping to exit a blacklist on money laundering and terror finance, even as India hopes to see Pakistan put on a "grey-list" at the meeting.

Do you know?
- India is already routing a consignment of 1.1 million tonnes of wheat to Afghanistan through the existing facilities at Chabahar.

- European banks have refused to support the trade, given the uncertainty over fresh sanctions from the U.S.

Things to do:

- Know about - Significance of Chabahar port (**Click here**) and UN's Financial Action Task Force (**Click here**)

- Revise 13th Feb DNA (Growing importance of West Asia) – **Click here**

Article link: http://www.thehindu.com/news/national/rouhani-visit-signals-balance-in-ties/article22754943.ece

India-Iraq: India offers support for reconstruction of Iraq

Part of: Prelims and Mains GS Paper II: India-Iraq relations; India and the World

In News:

- India has called for a comprehensive political settlement and reconciliation in Iraq, at the **International Conference for Reconstruction of Iraq** in Kuwait.

- The Conference was attended by major world powers to chalk out a plan of recovery for the country.

India's support to Iraq:

- Iraq is yet to raise the resources for recovery from the destruction from years of foreign invasion and war with the Islamic State.

- Since the outbreak of the war in 2003, India had frequently responded to the humanitarian needs in Iraq and contributed in several ways, including providing $10 million in aid towards the International Reconstruction Fund Facility for Iraq (IRFFI) for investments, reconstruction and development in Iraq.

- India plays crucial part in the reconstruction and called for an end to global terrorism.

- Major projects - petrochemicals, health, education, infrastructure and other sectors.

Do you know?

- Like UAE, Iraq also supports India's proposed Comprehensive Convention on International Terrorism in the United Nations.

Things to do:
- Know about Comprehensive Convention on International Terrorism (CCIT) – **Click here**

Article link: http://www.thehindu.com/news/national/india-offers-support-for-reconstruction-of-iraq/article22754937.ece

Verdict on Cauvery dispute

Part of: Mains GS Paper II- Inter-state water disputes

Key pointers:
- In the much-awaited verdict on Cauvery dispute, the Supreme Court pronounced that Karnataka be given additional 14.75 TMC of the river water while 177.25 TMC of water be released for Tamil Nadu.
- The allocation of Karnataka which used to be 270 TMC has been increased to 284.75 TMC.

Background:
- The verdict was announced on the appeals filed by Karnataka, Tamil Nadu and Kerala against the 2007 order of the Cauvery Water Dispute Tribunal (CWDT) on sharing of water.
- The dispute dates back to the Madras-Mysore agreements of 1924. It was in 1990 when the Centre created a tribunal to examine the conflict and address the water shortage.
- The CWDT had unanimously passed an order on how the water should be shared between the states after determining the total availability of water in the Cauvery basin.

Article link: https://www.aninews.in/news/national/general-news/cauvery-dispute-karnataka-to-get-additional-1475-tmc-says-sc201802161107380002/?utm_source=inshorts&utm_medium=referral&utm_campaign=fullarticle

Plans to launch National Energy Storage Mission

Part of: Mains GS Paper III- Energy Security

Key pointers:

- After a Solar and Wind Mission, the government now plans to launch a National Energy Storage Mission. The government is looking to establish this mission in financial year 2018-19.
- The Ministry of New and Renewable Energy has set up the Energy Storage Expert Committee to propose creation of the National Energy storage Mission for India.
- A viable commercial plan for storing renewable energy is required.
- Energy storage will help us significantly cut down import of fossil fuels once the storage of renewable energy is commercially viable.

Policy push:
- The NITI Aayog has proposed a three-stage solution for promoting battery manufacturing in the country.
- The incentives on offer include land grants for direct awarding of land free of charge or at highly discounted cost to companies to develop manufacturing capacity.
- Sales and use tax exemptions, or tax credits per job created and lowering the number of permits required and lowering bureaucratic hurdles.

Article link: https://www.thehindubusinessline.com/todays-paper/tp-news/article22767970.ece

Dramatic decline in the Orangutan population

Part of: Mains GS Paper III- Environment, conservation

Key pointers:
- Hunting and killing have driven a dramatic decline in the orangutan population on Borneo where nearly 150,000 animals have been lost from the island's forests in 16 years, conservationists warn.
- While the steepest percentage losses occurred in regions where the forest has been cut down to make way for palm oil and acacia plantations, more animals were killed by hunters who ventured into the forest, or by farm workers when the apes encroached on agricultural land, a study found.
- Researchers estimate that the number of orangutans left on Borneo now stands at between 70,000 and 100,000, meaning the population more than halved over the study period which ran from 1999 to 2015.

Reasons behind:
- The forests of Borneo are being fragmented by new plantations and building projects.

- Female orangutans are occasionally killed for their young, which are sold on as pets.
- Far more of the apes die when they venture on to plantations, and into people's gardens, where they are shot or killed with machetes.

Note: *Students can quote this an an example. More relevant for students with Geography as optional paper.*

Article link: https://www.theguardian.com/environment/2018/feb/15/dramatic-decline-in-borneos-orangutan-population-as-150000-lost-in-16-years?utm_source=inshorts&utm_medium=referral&utm_campaign=fullarticle

Decline in sex ratio at birth in 17 states

Part of: Mains GS Paper I- Social issues

Key pointers:
- The sex ratio at birth (SRB) saw a decline in 17 out of 21 large states of the country, with Gujarat recording an alarming dip of 53 points, the 'Healthy States, Progressive India' report released by the Niti Aayog stated.
- According to the report, among the 17 states which recorded substantial drop of 10 points or more, are Gujarat, Haryana, Rajasthan, Uttarakhand, Maharashtra, Himachal Pradesh, Chhattisgarh, and Karnataka.
- According to the report, improvement in SRB was witnessed in Punjab, Uttar Pradesh and Bihar.
- The sex ratio at birth is an important indicator and reflects the extent to which there is a reduction in the number of girl children born by sex-selective abortions.
- There is a clear need for states to effectively implement the Pre-Conception and Pre-Natal Diagnostic Techniques (PCPNDT) Act, 1994 and take appropriate measures to promote the value of the girl child.
- There is a need to check sex-selective abortion.

Article link: http://www.newindianexpress.com/nation/2018/feb/17/sex-ratio-at-birth-dips-in-17-of-21-large-states-gujarat-records-53-points-fall-niti-aayog-report-1774680.html?utm_source=inshorts&utm_medium=referral&utm_campaign=fullarticle

Decline in forest cover in Western Ghats

Part of: Mains GS Paper III- Environment, Conservation

Key pointers:
- The Nilgiris district in Tamil Nadu, Kerala's Idukki and Waynad districts, and the Dang district in Gujarat are the Western Ghats' core revenue-generating districts today.
- These districts had a forest cover of more than 72 per cent of their total geographical area 12 years ago.
- A comparative study – the India State of Forest Report (ISFR) – a biennial publication of the Forest Survey of India (FSI), for 2005, 2015 and 2017, shows a significant decline in the forest cover in the last 12 years.
- The Nilgiris saw a *decline of around 35,000 hectares of forest cover between 2005 and 2017*.

Reasons behind:
- The decline in the forest cover is mainly due to the commercial activities such as resort construction and home stays in the Western Ghats.
- Illegal felling of trees by the timber lobby.
- Development projects in the Western Ghats region, such as Yettinaholey river diversion project, are leading to the erosion of forest wealth.

The Western Ghats region:
- The region, which ranges from Gujarat to Tamil Nadu, is a well-known biodiversity hot spot in the world.
- According to ISFR, the region is spread over 35 revenue districts in the country.
- Out of them, 30 districts share their physiographic zones with west coast, east coast, north deccan and south deccan in different States.
- The forest cover in the 35 districts range from 4 per cent to 77 per cent of their geographical area.

Article link: https://www.thehindubusinessline.com/todays-paper/tp-others/tp-variety/article22780075.ece

State of women in India: Caste and rural-urban divide

Part of: Mains GS Paper I- Social Issues

Key pointers:

- According to a report released by the United Nations, the caste of a women in India can increase her exposure to mortality due to various factors like inadequate healthcare and poor sanitation.
- Caste disparity-
  It has been reported that women belonging to Dalit caste dies 14.6 years younger than women from other castes at an average.
- Rural-Urban disparity-
  The report also brings out how it is more likely for a woman from rural household to get married under the age of 18, and become an adolescent mother as compared to women from urban households. It also points to how it is less likely for a rural household woman to go to school as compared to those from urban areas.

About the report:
- The report released is called *Turning promises into action: gender equality in the 2030 Agenda.*
- The UN report covers 89 countries and has been released two years after the adoption of UN's 2030 Agenda.
- The report examines through a gender lens the progress and challenges in the implementation of all 17 Sustainable Development Goals (SDGs).
- It emphasises on how the progress of a woman is essential for an overall development to be achieved. It focuses on the importance of providing benefits and services to one and all and is complemented with a pledge to leave no one behind on the journey to sustainable development.

The report states that strategies should be built by creating a sense of solidarity through redistribution, risk sharing, and universal services, to ensure no one is left behind on the path of development.

Article link: https://yourstory.com/2018/02/un-report-exposure-mortalitiy-rate/

Geo-tagging of MGNREGS assets in Kerala

Part of: Mains GS Paper III- Infrastructure

Key pointers:
- Kerala is soon to get assets generated under the Mahatma Gandhi National Rural Employment Guarantee Scheme geo-tagged and perhaps become the first State to achieve this distinction.

- Geo-tagging is being done under the GeoMGNREGA, a software solution, to photo geotag all completed assets under the MGNREGS using space technology and to integrate the details of wage and materials into public domain to ensure transparency and accountability, according to the MGNREGS website.
- The objective of GeoMGNREGA is to create Geographical Information System solution to explore the data of assets created under the MGNREGA.
- It essentially enables to view such assets across India on a map.

Article link: http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/kerala-to-get-mgnregs-assets-geo-tagged/article22792825.ece

Hyperloop between Mumbai and Pune

Part of: Mains GS Paper III- Infrastructure

Key pointers:
- The Virgin Group, a British multinational corporation, has signed an 'intent agreement' with the Maharashtra government on to build a hyperloop transportation system between Mumbai and Pune.
- The hyperloop route will be a fully electric system that can travel at up to 1,000 kmph.

Benefits of the hyperloop:
- The hyperloop is expected to reduce travel time between the cities to 20 minutes, from the present three hours.
- With easier access to airport gates, the loop will be able to ferry 15 crore passengers every year.
- The proposed hyperlink system will transform the transportation system and make Maharashtra a global pioneer in the space.
- The socio-economic benefits of the project is $55 billion, and will create thousands of jobs.

Article link: http://www.thehindu.com/todays-paper/tp-business/hyperloop-to-link-pune-mumbai/article22792855.ece

Implementation of the National Nutrition Mission in Rajasthan

Part of: Mains GS Paper II- Government interventions in important sectors

Key pointers:

- Rajasthan is gearing up for implementation of the National Nutrition Mission with a State Vision Document-2022 being formulated.
- The idea is to ensure convergence of work by all stakeholders for improving nutrition levels of women and children and reducing undernutrition and low birth weight by 2% each year.
- The NNM, approved by the Union Cabinet, will be implemented in 24 of the 33 districts in Rajasthan.
- The NNM's guidelines would enable the functionaries to formulate plans of action.
- UNICEF-Rajasthan chief Isabelle Bardem said the UN body would extend help and render assistance at all levels to make NNM a success.

About NNM:
- More than 10 crore people in the country are expected to benefit from the NNM.
- It has set the target to reduce stunting from 38.4% as per the National Family Health Survey-4 to 25% by 2022.
- It will cover 235 districts in 2018-19 and the remaining districts in the next two years.

Article link: http://www.thehindu.com/todays-paper/tp-national/rajasthan-to-come-up-with-vision-document-on-nutrition/article22802340.ece

The World Congress on Information Technology being held in Hyderabad

Part of: Mains GS Paper II, III- Infrastructure, Science & Technology

Key pointers:
- The World Congress on Information Technology (WCIT 2018) or the 'Olympics of IT', is being held for the first time in India at Hyderabad.
- Prime Minister Narendra Modi emphasised on re-skilling of existing workforce in the backdrop of emergence of new technologies. As the nature of jobs are changing in the emerging age of intelligent automation.
- Disruptive technologies such as Blockchain and IoT (Internet of Things) would have "deep impact in the way we live and work. They will require rapid adaptation in our workplaces."
- **FutureSkills platform**, a Nasscom initiative to upskill 2 million technology professionals in India was also launched by the PM.

PM on digital technology in India:
- The country not only has a growing number of innovative entrepreneurs, but is also a growing market for tech innovation.
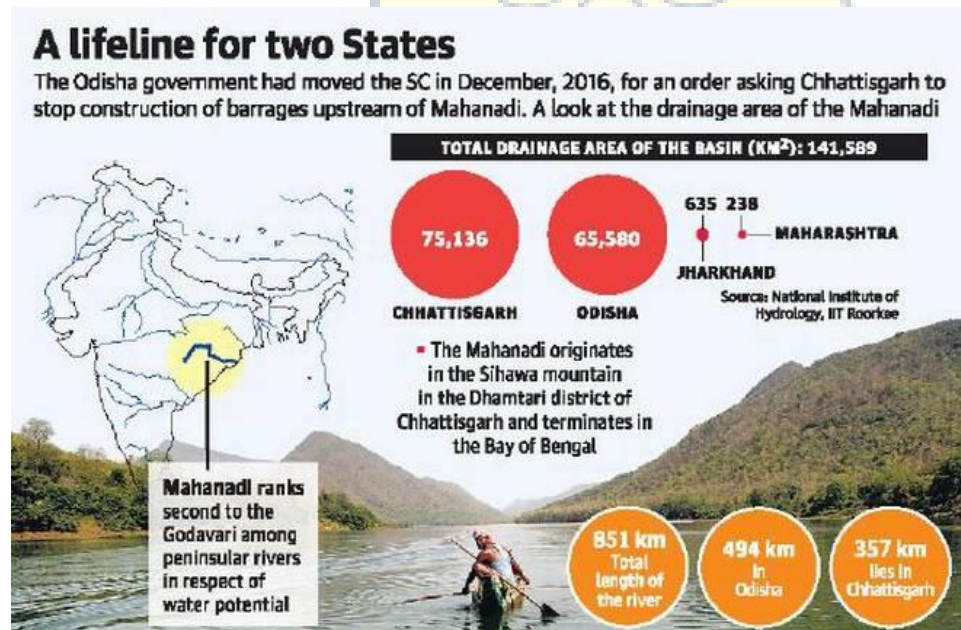
- With over 1 lakh villages linked with optical fibre, 121 crore mobile phones, 120 crore Aadhaar and 50 crore internet users, India is best placed to leverage the power of technology and leap-frog into the future.
- Technology is becoming enabler of the deeply imbibed Indian philosophy of *Vasudhaiva Kutumbakam*, if used well for public good technology can deliver lasting prosperity to mankind and sustainable future for the planet.

Article link: http://www.thehindu.com/news/cities/Hyderabad/pm-calls-for-re-skilling-existing-workforce/article22803307.ece

Mahanadi Tribunal

Part of: Mains GS Paper II- Inter-State Water Disputes

Key pointers:

A lifeline for two States

The Odisha government had moved the SC in December, 2016, for an order asking Chhattisgarh to stop construction of barrages upstream of Mahanadi. A look at the drainage area of the Mahanadi

TOTAL DRAINAGE AREA OF THE BASIN (KM²): 141,589

75,136 — CHHATTISGARH
65,580 — ODISHA
635 — JHARKHAND
238 — MAHARASHTRA

Source: National Institute of Hydrology, IIT Roorkee

- The Mahanadi originates in the Sihawa mountain in the Dhamtari district of Chhattisgarh and terminates in the Bay of Bengal

Mahanadi ranks second to the Godavari among peninsular rivers in respect of water potential

851 km Total length of the river
494 km In Odisha
357 km lies in Chhattisgarh

Pic credits: http://www.thehindu.com/todays-paper/tp-national/article22811042.ece/alternates/FREE_660/TH20-JACOB-KOSHGI53FG1HG1jpgjpg

- The Union Cabinet approved the setting up of a tribunal to settle a row between Odisha and Chhattisgarh on sharing the waters of the Mahanadi river.
- This is in keeping with a Supreme Court order last month directing the Centre to set up a tribunal in response to a plea by the Odisha government to stop the Chhattisgarh government from constructing several weirs on the river.

- The tribunal is expected to determine water sharing among basin States on the basis of the overall availability of water in the complete Mahanadi basin, the contribution of each State, the present utilisation of water resource in each State and the potential for future development, official sources said.

The order on constituting a new tribunal comes even as the government plans to introduce a new bill that would have a single tribunal to replace all existing water tribunals.

Issue with such tribunals:

- According to the provisions of the Inter-State River Water Disputes (ISRWD) Act, 1956, the tribunal is required to submit its report and decision within a period of three years, which can be extended for a period not exceeding two years. Only three out of eight tribunals have given awards accepted by the States. Tribunals for Cauvery and Ravi Beas have been in existence for several decades.

- Delays are on account of there being no time limit for adjudication by a tribunal, no upper age limit for the Chairman or the Members, work stalling due to occurrence of vacancy and no time limit for publishing the report of the tribunal.

Article link: http://www.thehindu.com/todays-paper/tp-national/mahanadi-tribunal-gets-central-nod/article22811043.ece

India-Canada: Agreement to open market access to startups

Part of: Mains GS Paper II, III- International relations, Indian economy

Key pointers:

- Amid Canadian Prime Minister Justin Trudeau's India visit, India and Canada have signed a bilateral agreement to provide market access for startups from both countries.
- The programme has been sanctioned by both the governments and will be launched in India in partnership with Zone Startups India (ZSI), a private accelerator.
- Under the bilateral agreement signed recently, both the governmentswill guide and support potential startups to grow over the next two years.
- Zone Startups India will identify 40 startups that can be eligible for the programme. The programme will focus especially on women entrepreneurs.
- To boost the support for selected startups pertaining to legal and operational aspects, both Canadian and Indian government will invest an undisclosed amount in Zone Startups India.
- The selected startups will be mentored and connected with several corporates and investors while gaining access to the Canadian market along with the rest of the North American startup market, which is worth $19 Tn.

- Ottawa's Carleton University and All India Council for Technical Education (AICTE) announced an international acceleration program to support 100 women led student tech startups.

Article link: https://inc42.com/buzz/bilateral-agreement-canada-india/?utm_source=inshorts&utm_medium=referral&utm_campaign=fullarticle

Blockchain Technology can help check banking frauds

Part of: Mains GS Paper III- Indian economy

Key pointers:
- The adoption of blockchain by India's banks could help avert frauds such as the one at Punjab National Bank.
- The disaggregated and transparent nature of the technology, which updates information across all users simultaneously, would have ensured immediate verification of any transaction.
  Transaction reconciliation systems at present do not result in immediate notification.
- SBI had already implemented it in its reconciliation systems and in several cross-country payment gateways.

Main focus:
- Blockchain, a distributed ledger technology originally developed as an accounting system for the cryptocurrency Bitcoin, is being researched across the banking and financial services industries for the potential benefits it may offer in an increasingly digitised business environment.
- Blockchains are immutable and distributed ledgers, which means that anything recorded on them cannot be changed or deleted and is instantly uploaded to all users on that blockchain.
- Central banks including the U.S. Federal Reserve and the Reserve Bank of India have been examining the technology to understand the regulatory challenges it may pose.

Blockchain is not a panacea for all issues facing the banking system today but is an ideal technology to ensure proof of integrity to the data and reduce incidents of fraud.

Article link: http://www.thehindu.com/business/blockchain-tech-could-help-prevent-frauds-like-at-pnb/article22818844.ece

Making eNAM more inclusive and robust

Part of: Mains GS Paper III- Indian agriculture

Key pointers:
- In a bid to engage more farmers on the electronic National Agriculture Market (eNAM) platform, the government unveiled mobile payment facility BHIM, and other features in regional languages as well.
- The eNAM website is now available in Gujarati, Marathi, Tamil, Telugu, Bengali and Odia besides Hindi and English.
- The eNAM trading facility is available in six languages.
- The eNAM has been strengthened with features like MIS dashboard, BHIM and other mobile payment facilities, enhanced features on mobile app such as gate entry and payment via mobiles.

Article link: http://www.thehindu.com/business/centre-reboots-enam-to-draw-more-farmers/article22818128.ece

Canada on concerns over ''Khalistan'' issue

Part of: Mains GS Paper II- Indian Federalism, International realtions

Key pointers:
- Canada's Prime Minister Justin Trudeau asserted that Canada believes in united India and assured that it did not support any separatist movement in India or elsewhere.
- Punjab CM has raised the issue of concerns over ''Khalistan'' with the Canadian Premier.
- Amarinder raised the issue of Indo-Canadians believed to be involved in targeted killings in Punjab, urging him to take cognizance of the same and initiate stern action against such elements.
- The CM mentioned his government's `**Connect with Your Roots**', which he said could facilitate youth from Punjabi Diaspora in Canada to come and see Punjab, and urged the Canadian government to support the programme.

Article link: http://www.thehindu.com/news/national/canada-wont-support-separatist-movements-trudeau-tells-punjab-cm/article22816851.ece

'Founding Conference' of International Solar Alliance

Part of: Mains GS Paper III- Energy Security

Key pointers:
- As as many as 50 solar projects are expected to be committed at the 'founding conference' of the International Solar Alliance.
- The conference will be held at the Rashtrapati Bhavan, New Delhi, where heads of States of most of the member countries of the alliance will meet for the first time ever.

About ISA:
- The ISA was India's idea, joined in by France, and was first announced by Prime Minister Narendra Modi at the 21st Conference of Parties (COP21) meeting held in Paris in December 2015.
- The Alliance is to be a coalition of 121 countries whose territories lie between the Tropic of Cancer and the Tropic of Capricorn — the '**sunshine countries**'.
- So far, 21 governments have ratified the Alliance and the others are expected to do so in the coming months.
- ISA intends to reuse degraded land by putting up solar plants on them
- The Alliance is also helping member-countries develop their own solar policies.

Article link: https://www.thehindubusinessline.com/todays-paper/tp-news/article22830861.ece

India's rank slips in corruption index

Part of: Mains GS Paper II- Important aspects of governance, transparency and accountability

Key pointers:
- Despite numerous measures taken by the government to clean the system, India's ranking in the global Corruption Perceptions Index, released by Transparency International, slipped two places to the 81st rank in 2017.
- The report also terms India as one of the "**worst offenders**" in the Asia-Pacific region in terms of corruption and press freedom.
- In 2016, it was ranked 79 among 176 countries in the index. In 2017, India's ranking stood at 81 with a score of 40 among 180 countries.
- This year, New Zealand and Denmark were ranked least corrupt with scores of 89 and 88, respectively.

About **the** **index:**
The index, which ranks countries and regions on their perceived levels of public sector corruption, uses a scale of 0 to 100, where 0 is highly corrupt and 100 is very clean.

Article link: https://www.thehindubusinessline.com/todays-paper/article22830833.ece

Scrutiny of H-1B visa tightened

Part of: Mains GS Paper II- International relations

Key pointers:
- The U.S announced fresh measures to tighten the scrutiny of H-1B visa petitions, mandating fresh documentary requirements for workers at third-party worksites.
- The companies filing H-1B petitions for their employers will have to associate a particular project to the individual visa, which could be approved only for the duration of the project.
- The measures are intended to bring the client-vendor-employee relations in business models based on bringing high-skilled H-1B workers to America under closer scrutiny.
- The new move will mean H-1B visas may be issued only for the period for which an employee has work at a third-party worksite.
- The move will impact Indian IT companies that place H-1B employees at American companies that contract them, by imposing more paperwork and processing hurdles.

Article link: http://www.thehindu.com/news/international/trump-announces-new-h1-b-visa-approval-policy-indian-firms-to-be-hit/article22833672.ece

India's policy towards Rohingya

Part of: Mains GS Paper II- International relations

Key pointers:
- India is planning to expand the scope of assistance to pave the way for return of nearly seven lakh Rohingya (Arakanese Muslims) refugees from Bangladesh to Myanmar.
- The project is expected to help Bangladesh significantly, which is desperately seeking India's support in ensuring safe return of the refugees.

Indian plan

- India was prompt in sending 7,000 tonne of relief assistance for Rohingya refugees in Bangladesh beginning in last year.
- This was followed by a $25-million development programme to help Myanmar build the necessary infrastructure to rehabilitate Rohingyas in the troubled Rakhine State.
- India has taken a long-term view of the problem, avoiding quick-fix solutions.
- The project was spread over five years and refugee rehabilitation plan includes two layers of transit camps before ensuring safe rehabilitation in their villages in Rakhine.

Security threat:
- Security experts in Bangladesh and India are unanimous that Rohingya refugees are adding to the security threat to the region.
- The Chittagong area, bordering Myanmar, where refugees are camped has been a hotbed of Islamic fundamentalism and provided shelter to the secessionist forces in the North Eastern India, in the past.
- The militant activities (in the North East) have come down after the Sheikh Hasina government clamped down on Islamists. However, the situation turned for the worse after the arrival of the Rohingyas.
- Bangladesh is afraid that disturbance in Chittagong may impact its growth potential. Chittagong has the country's only sea port and is a destination of major investments from India, Japan and China.
- Both China and India are heavily investing in port and allied infrastructure in Rakhine State and are keen to invest in deep sea port in Chittagong.

Given China's influence in Bangladesh and Myanmar; the stakes are high for India. While China is keen to keep international forces out of the Rakhine dispute; India is trying to walk the tightrope of taking along both Bangladesh and Myanmar governments towards a viable solution for the Rohingya crisis.

Article link: https://www.thehindubusinessline.com/todays-paper/tp-news/article22841195.ece

India and Germany: Pact for smart city coopertion

Part of: Mains GS Paper III- Infrastructure

Key pointers:
- India has signed a MoU with Germany to develop modules for providing urban basic services and housing for smart cities.

- The MoU signed between Union Ministry for Housing and Urban Affairs and the German development agency GIZ would develop and apply concepts for sustainable urban development providing urban basic services and housing in select cities as well as smart cities in India.
- GIZ would contribute up to €8 million for the project which would run for a period of three years.

Article link: https://www.thehindubusinessline.com/todays-paper/tp-news/article22841197.ece

Ombudsman scheme for NBFCs

Part of: Mains GS Paper II- Government interventions, schemes by central government

Key pointers:
- The Reserve Bank of India (RBI) issued an ombudsman scheme for non-banking finance companies (NBFCs), offering a grievance redressal mechanism for their customers.
- An officer at the RBI not below the rank of general manager will be appointed by the regulator as the ombudsman with territorial jurisdiction being specified by the central bank.
- Any customer or person can file a compliant with the ombudsman on various grounds like non-payment or inordinate delay in payment of interest, non-repayment of deposits, lack of transparency in loan agreement et.
- The NBFC shall, unless it has preferred an appeal, within one month of the award by the complainant, comply with the award and intimate compliance to the complainant and the ombudsman.
- The ombudsman will be required to send a report to the RBI governor annually on 30 June containing general review of the activities of his office during the preceding financial year.

Article link: http://www.livemint.com/Industry/BG7ua6a49aPlvQojwmIBnM/RBI-releases-ombudsman-scheme-for-NBFCs.html

Waste to wealth: In rural areas

Part of: Mains GS Paper II- Government interventions, schemes by central government

Key pointers:

- The government plans to set up an online platform for trading in cow dung and agricultural waste under its recently announced waste-to-wealth scheme.
- The Gobar-Dhan (galvanising organic bio agro resources) scheme announced in the Budget, has the potential to create new jobs linked to waste collection, transportation, biogas sales, etc.
- India's cattle population numbering 300 million produce 3 million tonnes of dung every day. This together with agricultural waste and kitchen waste could be used for producing biogas. The Gobar-Dhan scheme would not only keep the villages clean and sanitised, but also help generate additional income for people.

Reference article: Generating energy and wealth from waste
https://iasbaba.com/2018/02/iasbabas-daily-current-affairs-prelims-mains-focus-23rd-february-2018/

Article link: https://www.thehindubusinessline.com/todays-paper/tp-news/article22854125.ece

Social media executives for each district in India

Part of: Mains GS Paper II- Key issues related to Governance

Key pointers:
- For sharper delivery of the government's message to the citizens, the Ministry of Information & Broadcasting (I&B) has approved the hiring of 716 social media executives, one for each district of the country.
- Their primary responsibility will be to analyse local news media and help the government adapt the message according to the responses to it.
- The responsibility of these executives will be to "monitor local editions of newspapers, local cable channels, local audio channels and important local social media handles for important local developments".
  They will also have to analyse the news to assess whether the government's message was received positively or negatively.
- This hiring is part of the Ministry's outreach programme for smaller cities and rural areas. Till now, the government has largely reacted to opinions based out of the capital, giving a very lopsided view.

Article link: http://www.thehindu.com/todays-paper/tp-national/social-media-executives-to-monitor-local-news/article22861496.ece

Mass nesting by Olive ridley turtles

Part of: Mains GS Paper III- Environment

Key pointers:
- Olive ridley turtles, the endangered species has created an all-time record of mass nesting at the Rushikulya rookery coast in the Ganjam district of Odisha this year.
- Major nesting sites in Odisha:
  The Gahirmatha beach
  The mouth of the Debi river
  The Rushikulya rookery coast in the Ganjam district
- The Gahirmatha beach is the largest mass nesting site for olive ridley turtles along the Indian coastline, followed by the rookery at the mouth of the Rushikulya river.
- Reason behind more nesting-
  This year, sea waves and winds have widened a portion of the beach near the Rushikulya rookery. A sandbar was eroded entirely, and its sand was deposited on the coast, widening a stretch of the beach and increasing its height. This is the region where a large number of nestings took place this year.

Article link: http://www.thehindu.com/todays-paper/tp-national/in-a-record-over-4-lakh-olive-ridleys-nest-at-rushikulya/article22861468.ece

Developments in Transportation Sector

Part of: Mains GS Paper III- Infrastucture

Key pointers:
- A significant transformation is expected in the transportation sector in the next couple of years as the economic benefits of electric vehicles and alternative fuels like ethanol become apparent, said Nitin Gadkari, Minister for Road Transport and Highways.
- States like Maharashtra have already passed a law for the establishment of charging stations to support the electric vehicle ecosystem.
- The move towards electric vehicles and those that run on alternative fuels has gathered pace.

- Price of Li-ion batteries, meant for electric vehicles, had dropped about 50 per cent in the past one year and would continue to decline.

Push for ethanol:
- The government was working on policies to encourage ethanol, which can be easily produced from wheat straw, rice straw, bagasse, and municipal waste, among others.
- By encouraging the use of ethanol in the transportation sector, the import bill (crude oil) can be cut at least by Rs. 2 lakh crore.
- Ethanol will not only be an import substitute, but it will be cost-effective, pollution-free and will help create an industry in rural areas, thereby helping the farmers.

Article link: https://www.thehindubusinessline.com/todays-paper/article22862136.ece

Changes made to Contract farming Bill

Part of: Mains GS Paper III- Indian agriculture

Key pointers:
- The Agriculture Ministry has broadened the scope of the proposed Contract Farming Bill by bringing marketing and services into its ambit.
- The States' role in regulating the sector has been reduced. The State's role will be limited to protecting the interests of farmers and others who enter into contract with sponsors.
- Similarly, the modified Bill doesn't call for notification of commodities for which farmers and contract sponsors can get into a contract as envisaged in the previous draft.

Major objectives of the Bill:
- Giving price protection to farmers.
- Setting up a Board to promote contract farming at the State level, and
- Creating a mechanism at district and taluka levels to legally record all contracts.

Main focus:
- The Act needs to be passed by State Assemblies to become law in those States.
- The bill was drafted by a committee led by Ashok Dalwai, CEO of the National Rainfed Agricultural Authority.

- The Act is trying to create a competitive market and level playing field for both the public and private sector.

Article link: https://www.thehindubusinessline.com/todays-paper/article22873168.ece

FATF places Pakistan on its watch list

Part of: Mains GS Paper II- Internal Security

Key pointers:
- The Financial Action Task Force (**FATF**) that monitors countries on action taken against terror-financing and money-laundering has decided to place Pakistan back on its watch list, or "**greylist**", from June.
- The decision is both appropriate and overdue, given Pakistan's blatant violation of its obligations to crack down on groups banned by the **Security Council 1267 sanctions committee**.
  Their leaders like Hafiz Saeed and Masood Azhar continue to hold public rallies and freely garner support and donations.
- Under the 1267 sanctions ruling, banned entities can get no funds, yet Lakhvi received the bail amount, and the authorities have since lost track of him.

Cause   of   concern:
The initial support for Pakistan came from China, Saudi Arabia, Turkey and the Gulf Cooperation Council countries is cause for concern in New Delhi, given the recent diplomatic outreach by India.

Way ahead:
- Pressure needs to be build up with financial strictures on Pakistan's banks and businesses.
- Targeted sanctions must be imposed against specific law enforcement and intelligence officials.
Such sanctions will persuade Pakistan to stop state support for these terror groups and become a responsible player on the global stage and a responsive neighbour.

Article link: http://www.thehindu.com/opinion/editorial/going-grey/article22870607.ece