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EPW - MAY 2018

1. Feeding Hungry Children

What is the issue?

- Minister for Women and Child Development has been pushing “energy-dense, factory-made nutrient packets” to replace all kinds of take-home rations (THRs).
- For the moment, the Niti Aayog rejected this proposal.

What has been proposed by Niti Aayog?

- It has stressed the need to follow the National Food Security Act (NFSA), 2013 and the Supplementary Nutrition Rules, 2017.
- It has also recommended involving mothers in preparation of meals.
- The NFSA provides for one free meal a day for all children in the age group of six months to six years, and to pregnant and lactating mothers, through anganwadi centres.
- This can be in the form of THRs or hot cooked meals depending on the category of beneficiaries.
- The Rules for ICDS under NFSA also mention delivering food supplements under the Supplementary Nutrition Programme (SNP) through self-help groups (SHGs).

What are the existing problems?

- For long, the ICDS had big private contractors supplying THRs in a number of states.
- This system has been rife with corruption and leakages. Recognising this, in 2004, the Supreme Court passed an order banning private contractors from being suppliers for the ICDS and encouraging the governments to employ local village organisations, mahila mandals or SHGs instead.
- Despite this, by using various legal loopholes, a number of states continue to depend on these central contracts with the contractors now operating as “original manufacturers” and even as mahila mandals sometimes.

How to improve the condition?

- It is estimated that over ₹15,000 crore is spent under the ICDS on supplementary nutrition each year.
- On the other hand, this amount could be better spent on decentralising the supply.
- This would also have externalities such as creating demand for local crops as well as creating some local employment for women who could cook and prepare these foods.



- Further, serving local and diverse foods through the anganwadi would have greater acceptability among the community and demonstrate improved Infant and Young Child Feeding (IYCF) practices.
- The latest National Family Health Survey (NFHS) data show that only 9.6% of children under two years of age have an adequate diet.
- It is time to end this debate of packaged foods versus fresh foods in favour of moving towards provision of diverse diets based on local foods. The NFSA must be fully implemented in a manner that empowers local communities as well as ensures that young children have access to adequate diets.
- The NFP 1988 incorporated an evolving understanding of the role of natural forests for a country's environment and ecological balance.
- It recognised that forests were not a sum total of the wood contained in the trees but that they were a repository of biodiversity, protected soil cover and water sources, and provided many other forms of forest produce used by forest-dwelling communities.
- It also held that diverting forests for non-forest purposes needed to be strictly monitored and only under specific conditions.
- The significance of the NFP, 1988 was that it made an important break with the past.
- This change in the direction of forest policy eventually contributed to accepting that forest-dwelling communities had rights and could play an important role in protecting forests.
- The path-breaking Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 has cemented these rights, and its impact has already been felt as illustrated by the way the tribals of the Niyamgiri Hills in Odisha voted against bauxite mining in their forests.

2. Selling India's Natural Wealth

What is the issue?

The government cares less for India's forests and more for forest-based industries.

What are the features of NFP 1988?

- The Ministry of Environment, Forest and Climate Change is currently looking at suggestions and objections raised to the draft National Forest Policy (NFP), 2018.
- While the draft does address issues like climate change, its real intent has alarmed many environmentalists and civil society groups.

How is NFP 2018 different?



- It goes back to the approach of looking at forests as an economic resource.
- It speaks of “climate-smart value chains” for forest products, and expresses concern at the low productivity of forests.
- To resolve this it suggests setting up public–private partnerships to regenerate “degraded” forests with less than 40% tree cover.
- But the past experience has shown us that such partnerships eventually lead to monocultures, to planting fast-growing exotic species that replace indigenous varieties and that the end result is an industrial plantation and not a natural forest.
- Furthermore, they will drive away forest dwellers and nomadic communities that are entitled to the resources.
- The policy also fails to address other issues affecting forest loss. For instance, a major problem is the loss of forests to developmental and other projects.
- There is also little discussion on the fragmentation of forests by diversions to developmental projects.
- Contiguous forests have some chance of being conserved if policies are strictly enforced. But, when they are parcelled off into smaller pieces, it is easier to encroach on them and slowly whittle them down.
- If accepted, almost 40% of India’s natural forests could become a virtual timber extraction factory for the private sector.
- Neither the environment, nor the over 300 million people dependent on forests will benefit from such a retrograde measure.

3. Farmer Suicides in Punjab

What is the issue?

- There remain misconceptions regarding farmer suicides.
- There is a need to set right these erroneous ideas and to devise solutions to address the prevailing crisis of the peasantry in Punjab.

What is the situation in Punjab?

- Despite being a benchmark of agricultural growth during the green revolution since the mid-1960s, agriculture in Punjab in particular is undergoing a phase of decline.
- The existing situation is quite grave as the farmers are burdened by about ₹ 80,000 crore.
- 6,926 farmers and agricultural labourers committed suicide in the state during 2000–10.
- The high debt burden was the primary reason behind 75% of farmer suicides. According to a report of seven districts in the state, the debt-related suicide



cases have increased at an alarming rate of 90.23% during 2010–16.

- Surprisingly, still some people attribute this scenario of suicide cases to socio-psychological behaviour of the affected farmers.

What are the misconceptions?

- There is a common misconception that farmers in Punjab are not working by choice, since migrant labourers are coming to the state and constitute a major proportion of the farm workforce.
- If the sowing of the wheat crop is delayed by a week, it directly decreases productivity to the extent of 3.5 quintal/ha.
- Thus, it makes the window of opportunity rigid and necessitates the hiring of labour for 10–12 days/year especially during the peak season. In contrast, with the onset of the lean period (which is about 260 days/annum) the problem of unemployment comes to the fore.
- Further, with the prevalent use of farm machinery and chemicals (weedicides), the overall requirement for labour has gone down.
- The farmers are also blamed for their lavish spending habits and consumer behaviour.

- But the actual status of farm income and magnitude of debt is generally ignored.
- That farm mechanisation, especially ownership of tractors (often considered unviable for smaller farmers), leads to debt, is another misconception.
- The average size of landholdings is 3.94 ha in the state. According to estimates of Punjab Agricultural University, Ludhiana, the ownership of tractors is economically viable for farming on a land size of 8 ha.
- Therefore, it would make sense only for large farmers to own tractors.
- However, due to a short span of time during which harvesting and sowing of crops is undertaken, the whole farming community requires tractors.
- In such a situation, the tractors of larger farmers are seldom free for hiring out to smaller farmers. The alternative to tractor farming, bullock farming, is more expensive than tractor farming.
- Another popular discourse profess a very strong linkage between drug addiction and suicides. Despite drug addiction being a menace in Punjab, this factor is not the sole determinant of the mass agrarian crisis.



What is the root Cause of Crisis?

- Declining farm profitability is a stark reality faced by Punjab's economy.
- The mismatch between farm inputs and output prices, crop failures, and unfavourable terms of trade between prices paid and received by the farmers has contributed fairly to declining farm incomes.
- The MSP of wheat and paddy increased at the rate of 2% per annum while the cost of cultivation increased at the rate of 7.9% during the last one and a half decades.
- Plummeting incomes, mounting debt, and high interest rates (particularly of non-institutional sources) have pushed the peasantry towards deprivation.
- Farming, particularly small farming, is no longer a viable occupation as incomes are not sufficient to meet the basic expenses of domestic consumption, healthcare, and education.

What should be done?

- Adequate and immediate compensation is imperative to ameliorate the financial stress on the deceased families.
- The children of the victim families must be provided free education.

- As the Punjab government has promised to provide jobs to one member in each family in the state, this may be started with the next of kin of the victim of farmer suicides.
- Also, the MSP as per the Swaminathan report (cost plus 50%) needs to be honoured and implemented.
- The AMSCs should be set up at every village to provide custom-hiring services to small farmers on a priority basis.
- Quality farm inputs like seed, fertilisers, and pesticides must be supplied to the farmers at subsidised prices.

4. Forecasting Crude Oil Prices

What is the issue?

- The history of oil forecasting has shown that no oil expert has been successful in predicting oil prices.
- This is due to the inability to either anticipate or accurately predict geopolitical scenarios, world oil supply/demand, and the impact of the spare capacity of oil exporters.

What are the limitations in forecasting oil prices?

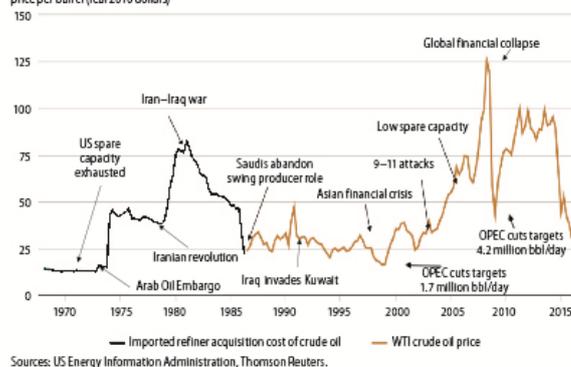
- In the early 1970s, though there was some expectation of oil price increase, no one had expected such a massive

increase that precipitated a world economic recession.

- Since then, oil prices have been uncertain and highly volatile.
- Many attempts have been made to develop different types of statistical models to forecast oil prices. But, none have succeeded.
- The five models used most often are oil futures prices, regression-based structural models, time-series analysis, Bayesian autoregressive models and dynamic stochastic general equilibrium graphs.
- Since no single model gives reliable forecasts, economists use a weighted combination of them to get the most accurate answer.
- A study of the movement of oil prices between 1970 and 2016, reveals the complexity of price forecasting.
- Often, it is the geopolitical forces and not just world oil supply/demand which has influenced the oil price movement.
- Till the early 1970s, oil prices were relatively stable and mostly controlled by the so-called seven sister oil companies—Exxon, Mobil (now part of Exxon), Shell, BP, Chevron (formerly Standard Oil Company of California),

Texaco (now part of Chevron) and Gulf Oil (now part of Chevron).

Figure 1: Crude Oil Price Movement and Geopolitical Factors
price per barrel (real 2010 dollars)



- However, after the first oil shock in 1973, the Organization of the Petroleum Exporting Countries (OPEC) got into the driver's seat and started to influence the oil price movement.
- As oil price volatility increased, the futures market was born in the early 1980s.
- According to economic theory, the futures market is expected to result in reducing volatility.
- However, when one compares the oil price movement before and after the introduction of the futures market in the early 1980s, price volatility seems to have increased.

5. Technologies to Alleviate Pollution

What is the issue?

- Two of the most prominent types of purifiers used at the household level



to alleviate the influence of pollution are air and water purifiers.

- Hence it becomes imperative to understand their usability as a solution to the pollution hazard.

How efficient are the purifiers?

- Since they are used at the household level, they are incapable of alleviating the influence of pollution.
- Rather, they shift the pollutants from inside the house to the outside, contributing to overall pollution.
- **Air Purifiers** - The utility of air purifiers to asthma patients, children, and the elderly cannot be denied, even when they might not serve well to prevent pollution or saving people from the harmful effects of pollution.
- The most recent version of air purifiers called the HEPA (high efficiency particulate air) purifier seeks to remove all the particulate matter below three micron in size, which includes most of the air pollutants, bacteria, fungi, volatile organic compounds (VOCs), etc.
- Yet air purifiers still cannot solve the problem of air pollution because of the following reasons.
- First, purifiers have a threshold of clearing the air depending on their size, size of the room, pollutant levels, etc, leading to their usage being restricted to specific environs.

- Second, there may also be certain contaminants, dangerous, but not being removed by the purifier that one uses.
- Third, the purifier might also not work efficiently all the time leading to contamination.
- In such a case, there is no way for the user to know if the purifier is working properly or not, other than the clarity of the air around them. Fourth, one cannot remain indoors all the time. Therefore, one is bound to get infected by harmful contaminants that one is trying to save oneself from
- Finally, being in an overly purifier environment might lead to reduction in the adaptability to endure one's outside environment.
- **Water Purifiers** - Purifiers have evolved gradually towards RO as it is a better solution for water treatment.
- Most of the innovations are directed towards increasing the efficiency of RO in terms of energy use or life of the membrane.
- Not much has taken place to reduce the rejection of water from RO, which is a serious environmental threat—because it wastes water (scarce resource) and this rejected water is highly concentrated with impurities.
- Indeed, rejection of water amounts to around 30%–40% of feed water in



industrial units, and up to 80% in household systems.

- Despite these shortcomings, it is highly popular among the households in India. RO is the optimum choice in cases where households do not get water from municipal sources, which supplies already treated water, or when their supply is intermittent, which is true for most of India. But, the adoption of RO in Indian cities is not influenced by what their source of water is.
- The BIS has specified certain limits to the presence of contaminants in drinking water to ensure the quality of drinking water.
- There are standards for ensuring the quality of packaged drinking water as well, but no such standards are available for purification devices.
- The use of these technologies are context specific; they do not help when alleviation of environmental issues is a concern, but may help to give immediate and localised benefits in some cases.
- Governmental regulation for purifiers is required to ensure the quality of product as well as prevent their misuse.