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PAPER - II

1. INDIAN CONSTITUTION

1.1 Media Ban

Why in news?

- NDTV – India had been asked go off air on November 9, 2016 in a decision taken by the inter-ministerial committee formed to look into the channel's reporting of terrorist attack on Pathankot air base.
- The channel has been censured for revealing strategic details of Government's offensive strategy.

What is the legality?

- Rule 6 (1)(p) of the Cable TV Network Rules 1994 which says that "no programme should be carried which contains live coverage of any anti-terrorist operation by security forces and that media coverage should be restricted to periodic briefing by an officer designated by the government."
- The provisions were added after questions were raised about the media reporting of 2008 Mumbai terrorist attacks.

What is the media's role during emergency?

- Media plays a vital role in dissemination information to the people, regarding the developments on a real time basis.
- This helps in ensuring their security of the people.
- But this reporting should be done in a sensitive and responsible manner by protecting the strategic details of the operations of the security forces.
- This also includes, not revealing the video coverage of operations that are still going on, among other things.

What was NDTV's defence?

- It did not reveal any "strategically sensitive" details of arms, ammunition or the location of vital installations that were not already in the public domain on other media platforms, or available, in high resolution, on Google Maps and other online sites.
- They have not reported anything, that gravely threatened the operations and that other TV channels have not reported.
- The charge that the news channel 'disclosed' that the air force base contained MiG warplanes, ammunition and mortars is a well-known fact. It would not amount to putting the "Strategic offensive actions" of the Government in jeopardy.
- There was no reporting of the plan, that the Government had to tackle terrorists, nor was anything pertaining to operation of security forces revealed.

Why is the ban detrimental?

- Violates the Art. 19 of the Constitution provides freedom of speech and expression which includes freedom of media to report in a non-coercive environment and also freedom against censorship.
- The reasonable restrictions was examined in S.Rangarajan case and stated that "the anticipated danger should not be remote, conjectural or far-fetched".
- The rules do not mention who determines whether there was a breach of security.
- When many other channels also broadcasted the same content, picking on NDTV was not properly justified.
- Creates a bad precedent.

- Programme code of Cable TV act is vague.
- Onus lies on TV channel.
- State censorship though permissible under extraordinary circumstances, has to be used very selectively by the Government. And what constitutes “extraordinary circumstances”, must be defined in an objective manner with absolute clarity. Else, it would threaten the freedom of press which is a very essential facet of a vibrant democracy

What should be done?

- The media should report security threat incidents in a responsible manner taking into consideration the interests of the security forces and agencies.
- Standard operating procedure should be formulated. This should also include provisions for warning, before taking the hard call to ban media as a punitive action.
- Judiciary should decide on the question of “national security”, not executive.

1.2 Sabarimala Temple Entry Issue

What is the issue?

- The custom in Sabarimala prohibits women of a certain age group, from visiting the shrine - claims its sanctity from the conception of the deity, Lord Ayyappa, as a celibate and notions of ritual pollution.

What is the temple management’s stand?

- It states that the issue is purely a matter concerning the unique custom and tradition followed in a pilgrimage center and hence a logical analysis has no relevance.
- Sabarimala governing board has cited that the “Kerala Hindu places of public worship rules”, permits prohibition of entry of women where custom requires to do so.

Why it is detrimental?

- Though Article 26 provides for freedom of religious institutions to manage their religious affairs, restricting entry of women into temple, is a direct violation of the fundamental rights that guarantee gender equality.
- This custom is site specific and is not followed in other Ayyappa temples.
- There is limited historical evidence to tell us when the custom came into being and opinion is divided over whether the custom is central to the worship of the deity.

What is SC’s observation?

- Supreme Court said that only “essential practices of a religion” are immune from intervention of state. Therefore in case the Sabarimala board fails to prove that prohibiting entry of women is an essential practice of religion, then the board cannot claim immunity under Article 26.
- The bench fixed the matter for hearing on February 2017 and will analyse various aspects including the constitutional provisions with regard to gender equality.

1.3 Is Prohibition the Right Option?

Why in news?

- Few state governments in India, have resorted to complete prohibition of alcohol sales to reduce consumption of alcohol in their respective states. Ex. Kerala and Bihar.

What are the negatives of prohibition?

- In the absence of legitimate alcohol, locally-produced illegal alcohol sales increase.
- The government does not have any regulation over these illicit liquor manufacturers. Hence, they do not contribute to the tax revenue of the state.

- Illicit liquor is manufactured in an unregulated and crude manner. Fatal methanol poisoning is common in illicit liquor. Methanol poisoning is also associated with loss vision among those who consume them.
- Liquor smuggling from adjacent states is also seen to increase in states which impose prohibition. By putting citizens in the line of needing to break the rules, the government is nurturing a culture of disrespect towards the law.
- Prohibition leads to increase in crime related to illegal marketing of liquor. For Example - Morarji Desai's likely well-intentioned but unwise decision to ban alcohol in the Bombay Presidency in the early 1950s was the chief cause of the growth of the smuggling syndicates and the likes of Haji Mastan.
- Though well intentioned, it is against the personal liberty and in way creates inequality where the rich has access to liquor and poor doesn't.

What are the difficulties in enforcing the prohibition?

- Smuggling - It is difficult to enforce prohibition in any state, when adjacent states permit liquor sales. Liquor from adjacent states will be smuggled. In case of Bihar it becomes even more difficult as it shares a long boundary with Nepal.
- Stigma - It is consumed by the youth and the middle and upper middle classes without any associated stigmas.
- Finance - The implementation of the law has also had an adverse impact on the state's finances as well as on economic activity. More than Rs.4000 Crore of tax revenues are being lost by the Bihar commercial taxes department annually because of the ban on liquor.
- Tourism - The hotel and hospitality industry has been hit. Big weddings, seminars and

conferences are no longer taking place in the state. Delegates and businessmen prefer to fly in, in the morning, and leave in the evening rather than stay overnight.

What is the alternate?

- Create awareness to bring about behavioural change.
- Liquor ban during working hours to ensure productivity and law and order.
- Rehabilitation centres have to be established to help people willing to quit the habit.

1.4 Decriminalizing Defamation

What is defamation?

- Defamation is the communication of a false statement that harms the reputation of an individual person, business, product, group, government, religion, or nation.

How is it dealt in India?

- In India, defamation can both be a civil wrong and a criminal offence.
- While a civil wrong tends to provide for a redressal of wrongs by awarding compensation, a criminal law seeks to punish a wrongdoer and send a message to others not to commit such acts.
- In Indian laws, criminal defamation has been specifically defined as an offence under the Indian Penal Code (IPC) whereas the civil defamation is based on tort law – an area of law which does not rely on statutes to define wrongs but takes from ever-increasing body of case laws to define what would constitute a wrong.
- Moreover, in a criminal case, defamation has to be established beyond reasonable doubt but in a civil defamation suit, damages can be awarded based on probabilities.
- Section 499 and 500 of Indian Penal Code, 1860 deals with Criminal defamation.

- It prescribes two years' imprisonment with or without fine for a person found guilty of defamation.
- The ruling noted that "the right to freedom of speech and expression is not an absolute right" and has to be "balanced with the right to reputation" which is protected under Article 21 of the Constitution".

What was Pre-colonial scenario?

- The criminal provisions have often been used to pursue political vendettas. In the colonial era, the law was used, along with sedition, to jail freedom fighters.
- So-called SLAPP (or strategic lawsuit against public participation) suits have been used in the recent past to muzzle investigative journalists and prevent critical analysis of the financial information of listed companies.
- The court held that criminalisation of defamation to protect individual dignity of life and reputation is a "reasonable restriction" on the fundamental right of free speech and expression.
- The judgment holds far-reaching implications for political dissent and a free press.
- In August 2016, the court also passed strictures on Tamil Nadu Chief Minister J Jayalalithaa for misusing the criminal defamation law to "suffocate democracy" and, the court said, "public figures must face criticism".

What are the criticisms?

- Activists against criminal defamation argue that the possibility of being arrested by the police, held in detention and subjected to a criminal trial will be in the back of the mind of a journalist when he or she is deciding whether to expose, for example, a case of high-level corruption.
- The criminal provisions have often been used purely as a means of harassment.
- Given the cumbersome nature of Indian legal procedures, the process itself turns into punishment, regardless of the merits of the case.
- However, it also underscored that criticism was not defamation, the bench accepted their plea that a trial court must be "very careful" in scrutinising a complaint before issuing summons in a criminal defamation case.

What was government's response?

What are Supreme Court's directives?

- Defamation is one of the recognised exceptions to the fundamental right to free speech and expression under Article 19(1)(a) of the Constitution.
- The government has sought a report from the Law Commission of India (LCI) on the issue.
- A joint consultation paper published by the LCI in September 2014 notes that the respondents "overwhelmingly expressed dissatisfaction with the present state of defamation law".
- In Subramanian Swamy vs Union of India case, a bench of Justices Dipak Misra and P C Pant approved the Constitutional validity of sections 499 and 500 (criminal defamation) in the Indian Penal Code, underlining that an individual's fundamental right to live with dignity and reputation "cannot be ruined solely because another individual can have his freedom".
- Considering the need to repeal Section 499, it acknowledged that criminal defamation laws violated international norms, and that the penalty of imprisonment up to two years was clearly disproportionate.
- International bodies such as the UN had recognised the threat posed by criminal defamation laws and have recommended that they should be abolished.

- Tathagata Satpathy, a member of Parliament belonging to the Biju Janata Dal, is drafting a private member's Bill entitled "The Protection of Speech and Reputation Bill, 2016".
- The Bill seeks to decriminalise defamation and remove the "chilling effect" of old provisions that throttle free speech and encourage censorship.
- The Bill seeks to remove the criminal provisions while guarding the right to reputation with stronger, more effective remedies for civil relief, including apologies, corrections and retractions, and the award of reasonable damages.
- The Bill will also attempt to set the maximum claim limits and to bar governments, local bodies and other institutions, exercising statutory functions, from filing suits for defamation.

What should be done?

- Criminal complaints should not be entertained unless the damage to reputation is prima facie, a serious one.
- Unnecessary complaints should be dismissed at the threshold. That apart, complaints cannot be entertained except on behalf of the "person aggrieved".
- Such a restriction must not be arbitrary or excessive, and the impairment of freedom must be 'as little as possible'.
- This is not to say that defamation must not be discouraged.
- But decriminalising it will bring the IPC in accord with Article 19(2), ensuring that the means used to discourage defamation do not end up damping legitimate criticism.
- Criminal defamation laws have been repealed in most democracies and it is high time India modernised its law to take cognisance of new modes of communication.

2. UNION AND STATE LEGISLATURE, EXECUTIVE AND JUDICIARY

2.1 Sutlej Yamuna Link (SYL) Canal

Why in news?

- The Supreme Court on Thursday passed a verdict saying that it is unconstitutional for the Punjab state government to terminate a water sharing agreement with other states.

What is SYL canal and its controversies?

- **1960:** Indus water treaty was signed between India and Pakistan for sharing of Indus-basin rivers. This treaty gave India, absolute and unhindered access to Satlej, Ravi and Beas.
- **1966:** Erstwhile Punjab was reorganised into Haryana & Punjab (remaining state after carving out Haryana) came into existence.
- Differences arose between the two states over their share of the surplus Ravi and Beas waters.
- There was a need to share the river waters among the newly created states and it was decided to construct SYL canal to extend irrigation facility to Haryana and Rajasthan.
- **1981:** agreement between Punjab and Haryana to complete SYL within 2 years.
- Haryana constructed its part of SYL canal in 1980s.
- The construction was stopped when Sikh militants gunned down two senior engineers and 35 labourers working on the canal. A decision was taken to rope in the Border Roads Organisation, but not a brick has been laid since.
- **1996:** Haryana approached SC over delay.

What was SC's judgment?

- **Supreme Court in 2002** - Directed Punjab to complete its part of SYL canal in one year.

- **Supreme Court in 2004** - Directed Punjab to ensure unhindered construction of the canal. This was to provide for Haryana share of it water.

What was Punjab's reaction?

- But within a month of the Supreme Court order in 2004, the Punjab assembly enacted the Punjab termination of agreements act, annulling all inter-state agreements on sharing Ravi and Beas waters.
- The Centre on July 22, 2004 sought the opinion of the apex court on the validity of the Punjab law through a presidential reference. The court heard the matter the next month without any outcome.

How did the controversy develop further in 2016?

- In March 2016, Punjab came out with another law, de-notifying the land acquired for the canal and for it to be returned it to its owners. Haryana challenged the law in the Supreme Court, which ordered status quo.
- Supreme Court has ruled that Punjab state government's law to terminate a water sharing agreement with other states as unconstitutional.
- The court's reasoning draws from previous verdicts relating to the Cauvery and Mullaperiyar disputes, reiterating the principle that "a State cannot, through legislation, do an act in conflict with the judgment of the highest court which has attained finality."
- The verdict is a timely reminder that it would be destructive of the rule of law and federalism, if a State were to be allowed to usurp judicial powers, by nullifying a verdict that has rendered findings on both fact and law.
- There is a scope for negotiation and conciliation even now.

2.2 Citizenship Amendment Bill, 2016

Why in news?

- The Citizenship (Amendment) Bill, 2016, which was introduced in Lok Sabha on July is now before a Joint Parliamentary Committee.

Who are illegal migrants?

- One, if a foreigner comes into India without valid travel documents, like a visa and passport, or two, having come in legally, they stay beyond the time period permitted to them under their travel documents.
- Illegal migrants may be imprisoned or deported.
- The largest number among the illegal migrants are from Pakistan (15%), followed by Sri Lanka (14%), South Korea (6%) and Iraq (6%).

What are the new amendments?

- Illegal migrants and their children are ineligible for Indian citizenship under the Citizenship Act of 1955.
- The amendment Bill provides that illegal migrants belonging to the specified six minority communities i.e Hindu, Sikh, Buddhist, Jain, Parsi or Christian from Afghanistan, Bangladesh or Pakistan will not be treated as illegal migrants and will, therefore, be eligible for Indian citizenship.
- The Bill also relaxes the eligibility criteria for citizenship for persons from these six minority communities of the three neighbouring countries.
- As of now, a person must have resided in India for 12 of the 15 years preceding the date of application; the Bill relaxes the 12-year requirement to 7 years for this particular group of individuals.
- The Bill seeks to add a new ground for cancelling OCI registration — violation of any

law in force in the country. OCI cardholders are foreigners who are persons of Indian origin. An OCI enjoys benefits compared to other foreigners, such as the right to travel to India without a visa, or to work and study here.

What are the issues?

- This amendment makes it easy to obtain India citizenship, for those fleeing religious persecution in mentioned three countries (Afghanistan, Pakistan and Bangladesh). But it has lot of negatives.
- The Bill does not cover illegal migrants who are Muslim, or who belong to other minority communities such as Jews and Bahais from Afghanistan, Bangladesh and Pakistan.
- The Bill makes illegal migrants eligible for citizenship on the basis of religion. This is in violation of Article 14 of the Constitution which guarantees right to equality and Article 15 of the Constitution which prevents the state from discriminating.
- This would mean, for instance, that the sizeable population of Hindu migrants from Bangladesh living in Assam would become citizens while Muslims who migrated to Assam from East Bengal, half a century ago would continue to be harassed as 'illegal migrants' from Bangladesh.
- India is not like Israel, which is a Jewish state, offering the "right to return" to Jews anywhere in the world. Since India is constitutionally secular, this amendment against its spirit.
- The Bill allows cancellation of OCI registration for violation of any law. This is a wide ground that may cover a range of violations, including minor offences like parking in a no parking zone.
- This Bill does not actually give citizenship to anybody. It only proposes to enable the post-1971 stream of non-Muslim migrants

to apply for Indian citizenship via the route of naturalisation.

How it violates Assam accord of 1985?

- As per the Citizenship Act, a person whose name or whose ancestors name was registered as a citizen in the National Register of Citizens of India in 1951, is considered an Indian citizen.
- But in Assam, the rule is different. As per the Assam Accord, signed in 1985, people whose names were not registered as citizens till the year 1951 but are registered after that till 24 March, 1971, are also considered as Indian citizens.
- The proposed piece of new legislation seeks to extend this to December 31, 2014. There is a huge number of Bengali Hindu population living in Assam, who have migrated to Assam illegally.
- The new amendment of the Citizenship Act seeks to provide them with Indian citizenship. If that is done the demographic pattern of the state will transform. The natives will lose their political say in their own land.

2.3 Uniform Asylum Law

Why in news?

- Baloch leader Brahamdagh Bugti's request for asylum in India has prompted calls for a uniform and apolitical asylum law.

Who are Asylum seekers and Refugees?

- According to the UNHCR, the UN refugee agency, asylum seekers are individuals who have sought international protection and whose claims for refugee status have not yet been determined.
- Asylum has no defining criteria other than the willingness of a state to grant it.
- Refugees are individuals recognised under

1. The 1951 Convention relating to the Status of Refugees, its 1967 Protocol,
 2. The 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa,
 3. In accordance with the UNHCR Statute, individuals granted complementary forms of protection, or those enjoying temporary protection
 4. The UN's Refugee Convention of 1951 links refuge to persecution on racial, religious, national, social, or political grounds. Therefore refugee status is narrowly defined.
- In 1969, Africa recognised that during war, people do not wait to be individually persecuted, they flee en masse, and they are all refugees.
 - During the Balkan conflicts of the 1990s, many of those displaced were not technically refugees. Therefore the European Union treated a new form of asylum distinct from refugee status.
 - The United Nations High Commissioner for Refugees (UNHCR) followed suit. The distinction between asylum and refugee status has been recognised by the EU Court of Justice and several countries.

What is the significance of Asylum?

- The duty to protect refugees is a widely accepted, binding norm of international law.
- But the refugee convention refuses protection to people accused of "serious non-political crimes" such as terrorism.
- Therefore governments routinely slap fabricated terror accusations against their political dissidents, to prevent them to seek refugee status.
- For such people Asylum is the last resort.
- Asylum need not be tied to national territory. It can be granted by diplomatic missions abroad e.g Asylum to Julian Assange by Ecuador's embassy in London.

What is the practice around the world?

- As asylum is undefined, it has been widely interpreted by states to result in multiple forms of protection.
- Latin America has been protecting political dissidents who are excluded from refugee status. In 1954, Latin American states recognised each other's sovereignty to grant asylum.
- This conception of asylum travelled to Africa too. Black liberationist leaders and Anti-apartheid fighters were protected through asylum.

What is the misconception?

- It is generally believed that political versus humanitarian conflict affects the heart of asylum but there is actually no conflict at all.
- Asylum can be granted for political reasons and refuge for humanitarian reasons and it does not have to be mixed up.
- But asylum and extradition are related concepts. Extradition law exempts a country from handing over a criminal if the offence committed is of a political character. This is known as the 'political offence exception.' It enables political asylum.
- It is recognised in the Extradition Act 1962, that it is the government's discretion to allow people like Mr. Bugti to shelter in India.

Is the uniform law necessary?

- If Mr. Bugti is accepted, it would not be the first time that Indian asylum has been politicised. e.g Welcoming Dalai Lama in 1959 continue to be politicised.
- But the law need not be uniform.
- Indeed it should vary so that victims of targeted persecution are individually protected, large groups fleeing war are protected as a group, and people displaced by natural disasters are given transient protection.

- The principle that governments have wide discretionary powers regarding foreigners is as old as the concept of sovereignty. It has been reiterated by the Supreme Court several times.
- Protecting refugees in line with international law is a duty which India must meet. But denying the government the ability to make sovereign decisions about who can receive India's asylum is counterproductive.
- Therefore what is desirable for India is a law which recognises that asylum and refugee need not overlap.
- It should enable India to provide discretionary political asylum regime for people like Mr. Bugti as well as a mandatory refugee regime to ensure humanitarian protection.

2.4 Land Acquisition Law - Central's Attempt to Dilute

Why in news?

- The centre encouraged States to draft and pass their own laws for land acquisition and get them approved.

What is the issue?

- The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Bill, 2015 was introduced in the Lok Sabha February, 2015 amends LARR Act, 2013. It was passed only in Lok Sabha but not in Rajya Sabha.
- Therefore Finance Minister, in an attempt to bypass Parliament, encouraged States to draft and pass their own laws for land acquisition and get them approved by the Centre.
- Following this, Tamil Nadu and Gujarat have moved ahead with their amendments, Rajasthan has a Bill ready and Telangana is working on its version.

What is its legality?

- Though land is a state subject, "acquisition and requisitioning of property" is in the concurrent list.
- Article 254(1) of the Constitution states that if there exists a Central law on a concurrent subject, then a State law cannot override it.
- However, Article 254(2) provides that if a State law receives presidential assent after due consideration, then it can apply in contravention to the Central law in that particular State.

What are the concerns?

- These laws now passed by states allow for the acquisition has no safeguards present in the 2013 Central law, like right to consent, social impact assessment and, in the case of Tamil Nadu, even rehabilitation and resettlement.
- Apart from these, there are also grave jurisprudential concerns as follows
- Undermining Parliament - A hard-fought consensus that held the larger public interest cannot be diluted by misuse of a constitutional provision. The move to amend LARR Act 2013 was followed by a massive nationwide backlash which unified opposition and the Supreme Court refused to entertain challenges to various provisions of the 2013 law. Thus it clearly suggests that the existing law was constitutionally sound and the public mandate was overwhelmingly against such amendments.
- Wrong precedence - Wherever a Central government lacks the numbers to pass a law (on a concurrent subject) in Parliament or is faced with public opposition, it will repeat the same tactics.
- Wrong interpretation - Article 254(2) was never intended to weaken Central laws merely because they were found to be inconvenient. It was intended to bring in changes to Central laws if there was a genuine hurdle in implementing them in a particular State due to challenges peculiar to that region.

- Legality - Also Supreme Court of India had earlier struck down the attempts of the government to pass off what is known as “colourable legislation. What the government cannot do directly, it cannot do indirectly.
- President’s assent - The Supreme Court in Kaiser-I-Hind case(2002) held that the words “reserved for consideration” in Article 254(2) would “definitely indicate that there should be active application of mind by the President to the repugnancy... and the necessity of having such a law, in facts and circumstances of the matter... and cannot be done without consideration of the relevant material.”
- Therefore it is clear that the President must act deliberately and consciously and not merely on the advice of the Council of Ministers.
- SC also held that granting of assent under Article 254(2) is not exercise of legislative power of President as under Article 123 (Ordinance Power) but is part of legislative procedure. Therefore the procedure is subjected to judicial review.
- Repeated enforcement of the Model Code of Conduct (MCC) can be avoided. MCC is a set of legally binding dos and don’ts for the Union/State governments, political parties and candidates, which on repeated enforcement impacts effective governance.

Why it is against democratic values?

- The idea of holding simultaneous state and central elections is not practical without constricting democratic space.
- India started off with simultaneous elections to state assemblies and Parliament. They diverged as a result of political developments that terminated the life of certain state legislatures before their full term.
- Sometimes, a government could lose the confidence of the House because of serious differences of opinion within the ruling party or a realignment of political forces. Such developments, though disruptive, reflect political conflicts that are integral to democracy.

Why separate elections are desirable?

- Apart from issues of funding and logistics, simultaneous elections would give governments immunity from the everyday pressures of public opinion.
- The present practice of an election in some state or the other every year or so often forces governments to reconsider their plans and policies.
- Given the federal nature of the Indian union and the diversity of the country, this is desirable.
- Electoral reforms are crucial to combating corruption but these also need to be done in a manner that does not tamper with the basic structure of India’s parliamentary democracy.

2.5 Simultaneous Elections

Why in news?

- The prime minister has suggested that the nation hold all elections to state and central legislatures all together, once every five years.

What are the advantages?

- Simultaneous elections would save resources, both of the government and of political parties.
- It will keep alive the enthusiasm of voters.
- Business of governance at the Centre could improve by not having to worry about how a measure proposed by the Centre would affect the outcome of upcoming state election.

2.6 State Funding of Elections

Why in news?

- The Prime Minister wants a debate on transparency in political funding, as part of the drive to clean up black money.

How black money plays a role in elections?

- Indian elections cost huge sums of money.
- These moneys can hardly come from retail contributions of political-party sympathisers. It has to come from big corporate houses.
- But, contributions from corporate houses are largely from undeclared income and, hence the contribution is not recorded.

Why transparency in political funding is needed?

- This is a prerequisite for any sustained and effective cure for black money.
- As long as India's politics is systemically dependent on unaccounted money for its finances, there can be no decisive political will to eradicate black money.
- It compromises the integrity of governance, corrupts the civil service, promotes crony capitalism and makes managing the government a decisive core competence of entrepreneurship.
- All this will change only if the sources of political funding are made fully transparent.

What is state funding?

- The idea of state funding of elections is a concept designed to reduce corruption by funding elections with government money as opposed to individual campaign contributions.
- Many recommend that state funding of elections can be the best way to achieve transparency in political funding.
- It is also believed that state funding is a natural and necessary cost of democracy.

- It brings new and growing parties in par with the established parties, thus ensuring fair elections.

- If parties and candidates are financed with only private funds, economical inequalities in the society might translate into political inequalities in government.

Is the state funding a good idea?

- In theory, State funding would provide a level playing field for political parties and cut out money power from the equation, but in practice things may not work out so linearly.
- India collects only about 16% of GDP as tax. The state expenditure on many essential public goods such as primary healthcare and public health engineering is very small.
- Given this situation, the public resources have to be channelled towards and not diverted from such essential services, and that too to finance something that already gets abundantly financed.
- Further, it will not prevent parties from lobbying and getting undisclosed supplementary private funding, with associated implications.

What is the solution?

- In India, the main reason for the prevalence of black money in election spending is the unrealistically low limits set by the Election Commission of India on campaign spending by political parties and candidates. A more realistic campaign spending limits should be set.
- Part-public funding of election campaigns is a practice in some countries. e.g United States and Britain. We could have our own version.
- The strict monitoring of expenditure by political parties and their functionaries at every level, starting with the panchayat, polling booth area and municipal ward should be done.

- Every party should disclose its expenditure every month at every level.
- This should be open to challenge by rival parties, media, etc.
- The Election Commission could determine the actual expenditure and ask the parties to show source of income.
- Parties will have to collect money in the open.
- These steps will ensure transparency.
- Qualitative as well as quantitative -> These include the rate of disposal of cases by a judge, the quality of judgments and legal reasoning, knowledge of the law, behaviour towards lawyers in court proceedings, independence and transparency. Initially used objective criteria to evaluate - eventually moving towards more qualitative criteria when systems have evolved sufficiently to reduce likelihood of bias and subjectivity in assessment processes.

2.7 Judging the Performance of Judges

Why in news?

- The law department of Gujarat, on the recommendation of the Gujarat High Court, cracked the whip on 17 judges from various cadres in lower courts, ordering their retirement for unsatisfactory performance.

What is the need for evaluation?

- To ensure greater accountability, transparency and better and efficient functioning of judges.

What is the existing system?

- By system of Annual Confidential Reports (ACRs), which are completed by the senior-most judges of the lower court, and reviewed by the State High Court.
- **Problems in ACR** - ACR is not filled up regularly - Not done in a transparent manner - Lack of uniformity in judicial appraisal across the states - Not applicable for higher judiciary.

What is the practise in U.S?

- “Judicial Performance Evaluation” (JPE), the system of periodic assessment of judicial performance originated in the U.S. Sitting judges were evaluated to inform voters about a judge’s performance record for ‘retention elections’. Retention elections allow the public to vote for or against the continuing tenure of judges.

What is the solution?

- The first step should be the clarifying the objectives of such evaluation - improving quality of justice, pendency rates, and so on.
- Joint consultation with stakeholders, including judges, lawyers, academics and members of civil society to understand how best to initiate such a system in India.
- Any codified system that emerges, in the form of guidelines or regulations, must be reviewed to ensure minimum bias and maximum transparency.
- The Madras High Court - first time - has come out with qualitative as well as quantitative performance assessment of its judges. Mixed reactions from lawyers, some of whom felt that this could unduly pressurise judges to dispose of cases, and encourage indiscriminate disposal rather than delivering justice.

2.8 Judicial Overreach

What is the issue?

- There is a strong debate over the reach of judicial review power exercised by the Supreme Court.
- Given the weak relationship between the executive and judiciary, the subject is increasingly relevant to the functioning of our constitutional democracy.

What is a judicial review?

- Judicial review is the power of the courts of a country to examine the actions of the legislative, executive, and administrative arms of the government and to determine whether such actions are consistent with the constitution.
- The decline of Parliament as the highest forum of our democracy, the perceived insensitivity of the bureaucracy, a general distrust of executive power and loss of faith in the moral and ideological integrity of the political class collectively account for an expanded remit of judicial review.

How judicial review evolved?

- Some of the court's judgments can be recalled to indicate the evolution of judicial review, introduced on protection against the arbitrary exercise of power, non-discrimination and "constitutionalization of socio-economic rights".
- In Maneka Gandhi case (1978) it established the procedural fairness and reasonableness test to determine the constitutionality of the exercise of executive power.
- In M. Nagaraj (2006) the court declared that Articles 14 (right to equality), 19 (right to fundamental freedoms) and 21 (right to life) "stand at the pinnacle of the hierarchy of constitutional values" and the court recognised that the human dignity, equality and freedom were "conjoined, reciprocal and covalent values" and they are not to be read in isolation.
- The court in an expansive interpretation in V. Markendeya case (1989) recognised the Directive Principles of State Policy as "the conscience of the Constitution" which give shape and meaning to fundamental rights.
- It also expanded human rights jurisprudence and recognised the citizens' right to food, health, education and clean environment as fundamental rights.

- By these judgments, court established the foundational principles for the exercise of a wider judicial review jurisdiction traceable to
 1. Articles 13 (Definition of laws)
 2. 32 (Constitutional remedies),
 3. 136 (Special Leave Petition),
 4. 142 (Enforcement of decrees and orders of SC),
 5. 147 (Interpretation of this Constitution) and
 6. 226 (High Court Writ Jurisdiction) of the Constitution.
- Thus the court declared that judicial review was a "constituent power" and an integral component of the unalterable basic structure of the Constitution (KesavanandaBharati, 1973).

How is the judicial review moving beyond its reach?

- But in recent times the court moved beyond the socio-economic rights and the review has been invoked in "public interest" to question major decisions of the government concerning policy choices. e.g 2G spectrum and coal mine allocations cases.
- Challenge to proceedings of legislative assemblies and decisions of the Speaker have also been entertained by the court.
- In recent decisions like the voiding of NJAC Act, has extended the courts' review jurisdiction to domains till then regarded as the exclusive preserve of the executive and legislatures.

How judicial overreach could be beneficial?

- Supporters of a wide judicial review jurisdiction argue that it sub serves the rule of law, advances the cause of justice, is consistent with democracy and rules out only those choices that are obviously unreasonable and inconsistent with democracy.

Why judicial overreach is detrimental?

- Parliamentary democracy is premised on the assumption that people exercise their sovereignty through elected representatives and not through the unelected judges.
- “Judicial supremacy”, “judicial excessivism” or “judicial despotism” is seen as antithetical to democracy and contrary to its first principles.
- It is argued that representative democracy is as much a part of the basic structure of the Constitution as that of the judicial review.
- In some of its recent judgments, the Supreme Court has itself cautioned against ever increasing expectations from it. e.g In Santosh Singh case (2016), the court declined to entertain a PIL seeking a mandamus for the inclusion of moral science as a compulsory subject.
- In the NJAC case, Justice J. Chelameswar in his minority judgment stated that “To assume or assert that judiciary alone is concerned with the preservation of liberties and does that job well is an assumption that is dogmatic, bereft of evidentiary basis and historically disproved.”
- A Constitution Bench of the Supreme Court had earlier opined that “Parliament and the legislatures, composed as they are of the representatives of the people, are supposed to know and be aware of the needs of the people and what is good and bad for them. The Court cannot sit in judgment over their wisdom”.

2.9 Judicial Appointments**What are the provisions in the constitution?**

- Judges of the Supreme Court and High Courts are appointed by the President under Articles 124(2) and 217 of the Constitution.
- Article 124(2) says: “Every Judge of the Supreme Court shall be appointed by the President by warrant under his hand and seal after consultation with such of the

Judges of the Supreme Court and of the High Courts in the States as the President may deem necessary for the purpose and shall hold office until he attains the age of sixty-five years. Provided that in the case of appointment of a Judge other than the Chief Justice, the CJI shall always be consulted.”

- Article 217: “Every Judge of a High Court shall be appointed by the President.. after consultation with the CJI, the Governor of the State, and, in the case of appointment of a Judge other than the Chief Justice, the Chief Justice of the High Court.”

What is the collegium system?

- It is the system of appointment and transfer of judges that has evolved through judgments of the Supreme Court, and not by an Act of Parliament or by a provision of the Constitution.
- It is headed by the Chief Justice of India and comprises four other senior most judges of the court.
- A High Court collegium is led by its Chief Justice and four other senior most judges of that court.
- Names recommended for appointment by a High Court collegium reaches the government only after approval by the CJI and the Supreme Court collegium.
- Judges of the higher judiciary are appointed only through the collegium.
- The government’s role is limited to getting an inquiry conducted by the Intelligence Bureau (IB) if a lawyer is to be elevated as a judge.
- It can also raise objections but if the collegium reiterates the same names, the government is bound by it.

How did the Collegium system evolve?**First Judges Case**

- In S P Gupta Vs UOI, 1981, held that the concept of primacy of the Chief Justice of India was not really to be found in the Constitution.

- It held that the proposal for appointment to a High Court can emanate from any of the constitutional functionaries mentioned in Article 217 and not necessarily from the Chief Justice of the High Court.
- The Constitution Bench also held that the term “consultation” used in Articles 124 and means that although the President will consult these functionaries, his decision was not bound to be in concurrence with all of them.
- The judgment tilted the balance of power in appointments of judges of High Courts in favour of the executive.

Second Judges Case

- In the Supreme Court Advocates-on-Record Association Vs UOI, 1993 overruled the earlier decision and devised a specific procedure called ‘Collegium System’.
- The majority verdict accorded primacy to the CJI in matters of appointment and transfers.
- The court said that the recommendation should be made by the CJI in consultation with his two senior most colleagues.
- It added that although it was open to the executive to ask the collegium to reconsider, the executive was bound to make the appointment.

Third Judges Case

- In 1998, President K R Narayanan issued a Presidential Reference to the Supreme Court over the meaning of the term “consultation” under Article 143 of the Constitution (advisory jurisdiction).
 - The question was whether “consultation” required consultation with a number of judges in forming the CJI’s opinion, or whether the sole opinion of CJI could by itself constitute a “consultation”.
 - In response, the Supreme Court laid down guidelines which have come to be the present form of the collegium.
- It stated that the recommendation should be made by the CJI and his four senior most colleagues.
 - It also held that Supreme Court judges who hailed from the High Court for which the proposed name came, should also be consulted.
 - It was also held that even if two judges gave an adverse opinion, the CJI should not send the recommendation to the government.

Why has the collegium system been criticised?

- The system is non-transparent.
- It does not involve any official mechanism or secretariat.
- It has no prescribed norms regarding eligibility criteria or even the selection procedure.
- There is no public knowledge of how and when a collegium meets, and how it takes its decisions.

What happened to the NJAC?

- The government has tried twice to replace the collegium system with a National Judicial Appointments Commission (NJAC) unsuccessfully both times.
- The constitutional amendment that sought to create the NJAC, which had envisioned a significant role for the executive in appointing judges in the higher judiciary was declared as unconstitutional in 2015.
- The Bench that held that judges’ appointments shall continue to be made by the collegium system in which the CJI will have “the last word”.

How are appointments being made now?

- The collegium has been making recommendations for appointments and transfer of judges.

- In the 2015 ruling, the Bench had asked the government to draft a new Memorandum of Procedure (MoP) after consultation with the CJI.
- A year later, the MoP is still to be finalised owing to lack of consensus on several fronts between the judiciary and the government.
- The Collegium's counter-argument is that recordings of reasons for overlooking a Chief Justice or a senior judge will be counter-productive as the reasons specified may mar his/her prospects of being elevated to the Supreme Court at a "future point of time".
- Judiciary also said that the "upto three" judges from bar is equivalent to either restricting the intake from the bar or fixing a quota of the bar. And in neither case does it fall within the framework of the Constitutional provisions.

What is Memorandum of Procedure?

- The court recommended to include eligibility criteria, transparency in the appointment process, secretariat and complaints while preparing the MoP.

The proposed MoP had following provisions:

- **Seniority & Merit** – The criteria of seniority, merit and integrity would be followed. Preference should be given to Chief Justices of the High Courts keeping in view their "inter-se seniority".
- **Reasons in writing** – In case a senior Chief Justice being overlooked for elevation to the Supreme Court, the reasons for the same be recorded in writing".
- **Three-judge quota** – The government proposed that up to three judges may be appointed from the Bar or from distinguished jurists with proven track records.
- **Committee & Secretariat** – To set up an institutional mechanism and a secretariat that maintains a database of judges, schedules Collegium meetings, maintains records and receives recommendations and complaints related to judges' postings.
- **National Security** – The government also insists on adding a criteria of "national security" and "larger public interests" for rejection of recommendation by the Collegium.

What are the issues?

- The government is of the view that the "reason in writing" is necessary for the sake of "transparency" and to ensure there is no "favouritism".

- The Parliamentary Standing Committee on law and justice apprehends that the government may reject any name duly approved by the Supreme Court collegium under the veil of those national security and larger public interests.

2.10 Addressing Backlog Cases in Supreme Court

Why in news?

- Prime Minister called to create an All India Judicial Service to expand the judiciary
- What is the current scenario?
- As of March 2016, 27.7 million cases are pending in district and subordinate courts.
- 3.9 million cases are pending in different for high courts.
- Almost 60000 cases are pending in the Supreme Court.
- These three tiers of judiciary alone account for around 33 million pending cases.
- Adding pending cases in Tribunals, the total number will be somewhere close to 40 million.

What are the reasons for pending cases?

- No of judges has not been increased to keep pace with increasing number of cases being filed in SC.

- Vacancies have not been filled in a timely manner, due to tussle between Judiciary and Executive to gain upper hand in judicial appointments.
- Number of cases going to Supreme Court using regular appeal provision, has been increasing.
- Absence of Alternate Dispute Resolution mechanisms have resulted in heavy burden on Judiciary.
- Apathy of Government officers: Many cases that can be sorted out by simple and innovative executive action, are not resolved due to apathy of Government offices and they end up in Courts. This is attested by the fact that, Government is the major litigant in courts.
- The Indian Supreme Court accepts between 15 per cent and 26 per cent of petitions. This is too high and represents a hollowing out of the lower judiciary.
- Thus, strengthening of the lower Judiciary (computerisation and better case management), improving the quality of judgments being given in lower judiciary & High courts, establishing institutions like National Court of Appeal and being more selective on accepting cases, will enable the Supreme Court to reduce its pending cases and to truly serve its role of a Constitutional court.

What are the recommendations?

- The recommendations can be broadly placed under the following 3 headings:
- Supply-side (more courts/judges) - A rigorous recruitment process, similar to the All India Civil Services Examination, which will ensure a gradual supply of talent for elevation to the high court's and the Supreme Court.
- Productivity (better procedures, work norms, shift systems); and
- Demand-side (alternative dispute resolution, curb on government litigation).
- First, despite six vacancies, the number of Supreme Court judges has steadily increased since 1950. There doesn't seem to be a great supply-side issue, at least in SC level.
- Since backlog reduction in the Supreme Court is probably primarily a function of demand management, should it hear so many original and appellate petitions?
- The US Supreme Court receives 7,000 to 8,000 petitions a year and hears (for oral evidence) 80. This is around one per cent.

3. STATUTORY, REGULATORY AND QUASI-JUDICIAL BODIES

3.1 BCCI Reforms

What was the issue?

- In May 2013, the Delhi Police arrested three players, S Sreesanth, Ankeet Chavan and Ajit Chandila of the Rajasthan Royals on charges of spot-fixing.
- Gurusath Meiyappan, Team Principal of the Chennai Super Kings and son-in-law of BCCI Chief N Srinivasan was subsequently arrested.
- The case unraveled a nexus between players, bookies, team owners and administrators involved in financial misappropriation.

What is BCCI?

- The Board of Control for Cricket in India (BCCI) is the national governing body for cricket in India.
- The board was formed in December 1928 as a society, registered under the Tamil Nadu Societies Registration Act.
- It is a consortium of state cricket associations and the state associations select their representatives who in turn elect the BCCI officials.

- BCCI covertly manages its annual revenue of ₹ 2,000 crore, about half of which is earned by way of broadcast fees of ₹ 43 crore per match, with the rest accruing from the International Cricket Council's fund, gate fees and miscellaneous sponsorships.
- It don't receive funds from the Government of India.

What were Mudgal Committee's findings?

- The Supreme Court appointed a special committee under Mukul Mudgal to investigate irregularities in the IPL and BCCI following the spot-fixing scandal.
- In November 2014, the Committee found IPL COO, Sundar Raman, CSK Team Principal Gurunath Meiyappan and Rajasthan Royals owner Raj Kundra guilty of betting.
- The report found BCCI Chief N Srinivasan guilty of not acting against the accused despite knowing their violations.

What were Lodha Committee's recommendations?

- In January 2015, the SC appointed a committee headed by Justice (Retd) RM Lodha to determine punishments for those named in the Mudgal Committee report and to recommend reforms for cricket in India particularly suggesting amendments to the processes followed by BCCI.
- The Lodha Committee report banned the owners of CSK and RR for life, from taking part in any BCCI related cricket activities in India.
- The CSK and the RR franchises have been barred in the IPL for 2 years.
- Eligibility - As regards the office bearers of BCCI – president, VP, secretary, joint secretary and treasurer – certain eligibility criteria has been fixed. i.e

- He must be an Indian
- Not be above age of 70
- Not be a minister or government servant, and
- Who has not held office in the BCCI for a cumulative period for nine years.

- Tenure: Each office bearer will have a tenure of three years and no office bearer can hold the office for more than three terms. No office bearer can hold two terms consecutively.
- Bringing BCCI under of the purview of RTI Act.
- It legalized betting. The panel felt that the move would help curb corruption in the game and recommended that except for players and officials, people should be allowed to place bets on registered sites.
- Further, each state is to have only one official cricket association registered with the BCCI.
- IPL and BCCI are to have separate governing bodies.
- Three authorities, an ombudsman for internal disputes, an ethics officer and an electoral officer are to be appointed to oversee BCCI activities.
- The Lodha committee stated that politicians and government officials may not hold posts in the BCCI.

What was BCCI's response?

- The BCCI, in a Special General Meeting, unanimously decided to file an affidavit in the Supreme Court opposing the Lodha Committee's recommendations.
- As the Supreme Court finds that the BCCI impedes and delays the progress of implementing the Lodha Panel recommendations, it has ordered to stop funding from BCCI to State Associations.
- In an interim order it directed the board, and the banks, to not allocate funds to those

state units which hadn't accepted the Lodha committee recommendations in totality.

- This step is to make the BCCI fall in line.
- Without money, the states will not be able to function in the manner that they do and will have to give up their unprecedented defiance of the last few months.
- The apex court also said that contracts above a certain sum will require the Lodha panel's approval and that an independent auditor will scrutinise the BCCI's accounts and fix this ceiling.
- It directed the Lodha panel to "fix a limit on the value of contracts the board can enter."
- An independent auditor will be appointed, whose clearance is required for all the high-profile contracts, besides fixing the financial upper limit for every contract.
- The court's basic contention behind appointing the Lodha Committee in January 2015 to revamp the administration cannot be faulted: that the BCCI may be registered under the Tamil Nadu Societies Registration Act, but given the enormous following of the game and the public money it manages, it cannot be run like any other club or trust.
- The Union cabinet has proposed an agency to collect and maintain water data including those pertaining to rainfall, irrigation and inter-basin flows.
- The new agency will ensure that water data is regularly updated and this will obviate the haste to collect data every time there is a water dispute.
- Tribunal to adjudicate dispute - The cabinet has also decided to constitute a permanent tribunal to adjudicate on all inter-state water disputes over river waters.
- This will mean doing away with the current practice of having a separate tribunal for every inter-state river dispute.
- In recent times, the practice of creating a tribunal every time an inter-state water dispute crops up, has been subject to criticism.
- These tribunals take inordinate amount of time and do not resolve the problem satisfactorily. The Cauvery Tribunal, for example, took 17 years to give its final award and the dispute is by no means resolved.
- The cabinet's decision to constitute a permanent tribunal is in consonance with the National Water Policy 2012, which had pointed out that a multiplicity of tribunals militates against the early resolution of water conflicts and tribunals often work at cross purposes.

3.2 Amendments to the Inter-State Water Disputes Act

Why in News?

- Recently, the Union cabinet announced wide-ranging amendments to the Inter-State Water Disputes Act, 1956.

What are the amendments proposed?

- Agency to collect water data - For a country beset with numerous water conflicts, the salience of this move cannot be overstated.
- Collection of data is the first step towards resolving water disputes. The country has lacked a specialised agency for the purpose.
- The shortcomings stems from their Constitutional status.
- The Constitution attaches a special status to inter-state water disputes, whereby they neither fall under the Supreme Court's nor any other court's jurisdiction.
- The courts can, at best, interpret a tribunal's award. The award is binding, but legal

What are the shortcomings of ad hoc tribunals?

anomalies have meant that a tribunal's decision is not enforceable — one reason inter-state river disputes have become virtually irresolvable.

- Non-compliance of tribunal awards by states remains a weak link in dispute resolution.
- That might persist even when there is a permanent tribunal.

What should be done?

- In recent times, scholars and administrators have recognised the limitations of the litigation-centred approach to resolving water disputes.
- Rights of lower riparian states or regions — and concomitantly duties of upper riparian regions — are finding their way into water management discourses, globally.
- An agency to collect water data can aid the development of such a discourse in the country.
- A permanent water tribunal too can facilitate the just sharing of water resources.
- But it should be free of the legal anomalies of its ad hoc predecessors and also try to work around the changing discourse of water management.

4. GOVERNMENT POLICIES AND INTERVENTIONS

4.1 National Capital Goods Policy 2016

What is National Capital Goods Policy?

- The Union Cabinet has given its approval for National Capital Goods Policy.
- This is first ever policy for Capital Goods sector.
- 'National Capital Goods Policy' was first presented by the Department of Heavy Industry to the Prime Minister in the 'Make in India' workshop held in December, 2014.

- The aim of the policy is create game changing strategies for the capital goods sector.
- The key recommendations and elements of the policy have been formulated to support and boost development of this crucial sector.
- The policy has been finalized after extensive stakeholder consultations with industry, academia, different ministries etc.
- Some of the key issues addressed include availability of finance, raw material, innovation and technology, productivity, quality and environment friendly manufacturing practices, promoting exports and creating domestic demand.

What are its objectives?

- To increase production of capital goods from ₹ 2,30,000 crore in 2014-15 to ₹ 7,50,000 crore in 2025 and raising direct and indirect employment from the current 8.4 million to 30 million.
- The policy envisages increasing exports from the current 27 percent to 40 percent of production.
- It will increase the share of domestic production in India's demand from 60 percent to 80 percent thus making India a net exporter of capital goods.
- The policy also aims to facilitate improvement in technology depth across sub-sectors, increase skill availability, ensure mandatory standards and promote growth and capacity building of MSMEs.
- The objectives of the policy will be met by the Department of Heavy Industry, Ministry of Heavy Industry and Public Enterprises in a time bound manner through obtaining approval for schemes as per the roadmap of policy interventions.

Why we need such a policy?

- India's manufacturing contributes approximately 2 percent of the world's

gross value added and 17 percent for its own economy. To sustain its economic growth over the coming decades, manufacturing is identified as critical and also a prerequisite to employ millions of youth entering its labour market every year.

- In a draft submitted in 2015, capital goods sector was reported to contribute 12 percent of India's manufacturing output, in turn translating into 2 percent of India's gross domestic product (GDP).
- Its multiplier effect on overall economic growth, by way of providing the durable secondary consumption goods, was noted as significant.
- A globally competitive and dynamic capital goods sector is to bear a similar effect on India's manufacturing.

What are the advantages?

- The Policy will help in realising the vision of 'Building India as the World class hub for Capital Goods'.
- It will also play a pivotal role in overall manufacturing as the pillar of strength to the vision of 'Make in India'.
- It also advocates adoption of a uniform Goods and Services Tax (GST) regime ensuring effective GST rate across all capital goods sub-sectors competitive with import duty after set-off with a view to ensure a level-playing field.

4.2 The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006

Why FRA?

- The aim of the act was to ensure recognition of the rights of the forest dwellers and also involve the traditional forest dwellers in conservation of forests and biodiversity.

What are the eligibility criteria?

- Eligibility to get rights under the Act is confined to those who "primarily reside in forests" and who depend on forests and forest land for a livelihood.
- Further, either the claimant must be a member of the Scheduled Tribes scheduled in that area or must have been residing in the forest for 75 years.

What are the rights conferred?

- Right to hold and live in the forest land under the individual or common occupation for habitation or for self-cultivation for livelihood by a member or members of a forest dwelling Scheduled Tribe or other traditional forest dwellers.
- Community rights such as nistar.
- Right of ownership, access to collect, use, and dispose of minor forest produce (includes all non-timber forest produce of plant origin).
- Right to protect, regenerate or conserve or manage any community forest resource which they have been traditionally protecting.
- Right of access to biodiversity and community right to intellectual property and traditional knowledge related to biodiversity and cultural diversity.

What is the process of recognition?

- The Act provides that the gram sabha, or village assembly, will initially pass a resolution recommending whose rights to which resources should be recognised.
- This resolution is then screened and approved at the level of the sub-division and subsequently at the district level.
- The screening committees consist of three government officials (Forest, Revenue and Tribal Welfare departments) and three elected members of the local body at that level. They also hear appeals.

What are the provisions for resettlement?

- People can be resettled from areas if it is found to be necessary for wildlife conservation.
- The first step is to show that relocation is scientifically necessary and no other alternative is available.
- The second step is that the local community must consent to the resettlement.
- Finally, the resettlement must provide not only compensation but a secure livelihood.

What are the issues?

- Inclusion of “Other Traditional Forest Dwellers” diluted the law by taking the focus away from the “Scheduled Tribes” who have a symbiotic relationship of the tribals with forest, which was the original intent of the 2005 Bill. Tribals have emotional, psychological and cultural attachments with the forest and they always lived in the forest and cannot be separated from forests. The same is not to be said of the “other traditional forest dwellers” i.e. non tribals, who turn to forests only for livelihood.
- The cut-off date to qualify for holding of rights was initially prescribed as 25 October 1980. It was changed to 13 December 2005. Tribal activists feel that it was meant to benefit the other traditional forest dwellers, who are required to prove that they have been occupying the forestland for three generations as laid down in the Act.
- The cap of 4 hectares in the land entitlement of actual occupation. This provision hurts those Scheduled Tribe families who have ancestral land in excess of 4 hectares. There is no provision of compensation for surrendering extra land.
- The Forest Act overlooked the thousands of pending cases against the forest dwellers for minor offences. Although the Act confers them the right over minor forest produce, it has no provision for dropping the cases against the poor tribals.

- The individual rights trumped over community rights. According to these statistics from the report on FRA, people are predictably keen to claim individual rights as this enables them to encash real estate and other financial opportunities.
- The effectiveness of the act lies in the implementation, which largely depends on the inclination of the forest officials to implement the act in its spirit.

4.3 One Rank One Pension

Why in News?

- The ex-servicemen groups demanding unconditional One Rank One Pension (OROP) have resumed their protest at Delhi's JantarMantar. It had been called off six months ago after assurances from Defence Minister ManoharParrikar.

What is OROP?

- It seeks to ensure that a uniform pension is paid to the defence personnel retiring in the same rank with the same length of service, irrespective of their date of retirement.

What are the current issues?

- As for the implementation status, about Rs.5,500crore had been disbursed; of the roughly 20.6 lakh pensioners, only one lakh are still to get the money.

These are the following difficulties

- **Financial** - The scheme is effective July 1, 2014, with 2013 as the base year. The veterans wanted OROP from April 1, 2014 and 2015 as the base year.
- The veterans wanted to take the highest pay scale of 2013 for revising pension and not the average of the maximum and minimum as intended by the government and not to link the OROP with the Seventh Pay Commission.
- Implementing OROP will cost the government at least an estimated Rs. 8,300 crore

annually and the Finance Ministry has to take the final call on it now.

- **Administrative** – The records going back further than 25 years were no longer available which is a major administrative “difficulty in introducing the concept”.
- If today’s pension and emoluments are passed automatically to someone who retired 30 years ago, there will be inherent discrimination against terms and conditions of service which would lead to discrimination under the Constitution.
- **Setting precedent** - There is also the likelihood of civilian employees raising the demand for OROP.
- The government has proposed a review of every five years. The veterans want an annual review.
- There is still no clarity on the criteria of premature retirement. Around 40% opt to take premature retirement because they are not promoted and have to work on the same rank till their compulsory retirement.
- The another issue is that the long delay in the implementation of the OROP. Around 2 million military personnel covered under the OROP scheme. The arrears are to be paid in four half-yearly instalments. Only first instalment has been completely paid so far.

4.4 Child Abduction Draft Bill

Why in news?

- The ministry of women and child development (WCD) has been working on an Act to bring Indian law in line with the Hague Convention on the Civil Aspects of International Child Abduction, 1980.

What is Hague Convention?

- Hague Abduction Convention is a multilateral treaty that provides an expeditious procedure to return a child internationally abducted by a parent from one member country to another.

- The contracting states will have to cooperate with each other in expeditiously sending back the runaway parent and the child to the country of the child’s ‘habitual residence’.
- However, a return order would not decide the issue of custody but would only ensure that the custody battle is settled in the jurisdiction of the country where the child has lived for most part of his life.

What is the need for the bill in India?

- In the absence of a domestic law on “inter-parental child abduction” in India, very often children of NRI’s who have grown up abroad become silent victims of their parents’ marital dispute when they are forcibly brought back by one of the parents.

What are the provisions of the Draft Bill?

- The draft Bill would be applicable to all such cases of inter-country “parental abductions” where a child, less than 16 years old, is taken away from India by one of the parents without the consent of the other.
- The draft law mandates setting up of a central authority, to be headed by a joint secretary level officer, where an aggrieved parent can approach for the return of a child.
- The authority would have the power to decide all such cases.
- Makes an exception only in cases where the child has been taken away with consent or where returning the child poses some kind of grave risk to him or her.

What are the factors to be considered?

- In a majority of the cases, such children who have adapted to the culture of the country they are residing, find it difficult to cope up, when brought to India.
- Signing the convention will ensure enforcement of custody orders of foreign courts. Presently, a parent takes advantage of the absence of a domestic law and knows

if he/she brings the child to India it will be difficult to enforce the custody order of a foreign court.

- The draft Bill proposes to have a central authority to decide all child removal cases and present before the high court, with its recommendations. But to find the child, the coordination mechanism between law enforcement, the legal process and this new body is not clear.
- A 2014 Berkeley University study for the US Justice Department, records that a lot of women are fleeing unfavourable conditions. Forcing them to go back is not the solution.

What are the recommendations by Law Commission?

- Recommends adding jail sentence (1 year jail term) and making the absconding parent pay for related proceedings - including the cost of search, if the child is found to have been wrongfully removed from her habitual location.
- The Law Commission only makes an exception in cases where the parent, involved in the alleged wrongful removal or retention, did so in an attempt to escape from any act of domestic violence. This provision is specifically aimed at protecting women fleeing domestic violence.

What are its shortcomings?

- Majority of those fleeing with children are women, it is not clear whether the penalisation, if findings of violence or abuse are inconclusive.
- A subsection allows for refusal to return the child to 'non-conducive' situations - But no further explanation is given of what these might be.
- The recommendations do not safeguard the rights of the weaker party — a person unable to cover costs of litigation abroad.

5. SOCIAL JUSTICE

5.1 State of Jails

Why in news?

- The eight alleged SIMI terrorists who were killed by Madhya Pradesh Police on Monday hours after they had broken out of Bhopal Central Jail.

What is the status according to NCRB?

- Jail staff vacancies severely compromise jail security.
- According to the latest data on prisons, published by the National Crime Records Bureau (NCRB) for 2015, there is a vacancy of 33% among prison guards, and 36% among officers.
- As many as 200 inmates escaped — both in jailbreaks and from custody while outside prison premises — across the country in 2015.
- Prisons across the country are facing a severe staff crunch — with over 27,000 vacancies against the sanctioned strength of a little over 80,000.
- Bihar and Jharkhand, have the most poorly guarded jails. Both states have over 65% vacancy among officers, staff and jail guards. Bihar, along with Rajasthan, also has the highest vacancy among officers, at 71%.
- Madhya Pradesh, which also witnessed a similar jailbreak by three alleged SIMI activists of the same group in 2013, has a vacancy of 28%.
- Delhi has some of the most overcrowded jails in the country, housing over 220 inmates for every 100 that it should be having.
- UP, which has the highest number of prisoners and sanctioned strength of jail staff and officers, faces a vacancy of 33%.

What is the State of Muslims?

- Muslims make up 15.8% of all convicts and 20.9% of all undertrials in jails across the country. This is higher than their share in the country's population, which is 14.2%.
- In some states, this gap is even far wider.
- In Maharashtra and Tamil Nadu, the percentage of Muslims in the incarcerated population was almost thrice the percentage of Muslims in the overall population.
- In states such as West Bengal, Gujarat and Rajasthan, Muslims have almost double the share of undertrial populations in prisons than their share in the populations of the states.
- It is also important to compare these figures with those of Muslim convicts languishing in jails across states. A bigger gap between the two figures would show that while more Muslims are being booked in such states, they are not being convicted for lack of evidence.
- Caste-based analysis shows that 34% of the convicts belong to the general category, while 31.2% belong to the OBC category. Also, 21% belong to the scheduled castes, while 14% belonged to the schedule tribes. Almost similar is the case for undertrial prisoners.
- Tamil Nadu also tops in use of preventive detention law with 1,268 detainees held across the State in 2015.

5.2 A Duty of Tolerance

What is tolerance?

- It refers to the conditional acceptance of or non-interference with beliefs, actions or practices that one considers to be wrong but still "tolerable," such that they should not be prohibited or constrained.
- Disagreement with the belief and ideology of others is no reason for their suppression, because there can be more than one path for the attainment of truth and salvation.

- Even if there is only one truth, it may have a hundred facets.

What is its significance?

- An unmistakable feature of any nation which professes to be democratic is the prevalence of tolerance.
- Tolerance is vital because it promotes the receiving or acknowledging of new ideas and this helps to break the status quo mentality.
- It is particularly needed in large and complex societies comprising people with varied beliefs, as in India. This is because readiness to tolerate views other than one's own facilitates harmonious coexistence.

What are the ill effects of intolerance?

- Intolerance stems from a strong assumption of the infallibility and truth of one's beliefs, the rigid conviction about the rightness of one's beliefs and their superiority over others.
- With the passage of time, this leads to forcible imposition of one's ideology on others, often resulting in violence.
- At present, the virus of intolerance has acquired global dimensions. Religious and political persecution has become rampant and curiously that too sometimes in the name of God Almighty or some Divine Power.
- Intolerance has a chilling, inhibiting effect on freedom of thought and discussion.
- Galileo suffered for his theory that the sun was the centre of the solar system and not the earth. Darwin was a victim of intolerance and was lampooned and considered an enemy of religion for his seminal work, The Origin of Species.
- Nearer home we have the example of Raja Ram Mohan Roy, whose efforts for reform, especially for the abolition of Sati, evoked fierce opposition because of intolerance.

- We must not revert to those dark days because when that happens democracy is under siege.
- An intolerant society does not brook dissent. Suppression of dissent by censorship is an indispensable instrument for an intolerant authoritarian regime.

What are the legal backings for tolerance?

- The necessity for tolerance has been internationally recognised.
- The Preamble to the Charter of the United Nations proclaims that to achieve the goals of the Charter we need to “practice tolerance and live together in peace with one another as good neighbours”.
- Another significant UN instrument is the Declaration of November 25, 1981 on the Elimination of All Forms of Intolerance and of Discrimination Based on Religion or Belief which emphasises that it is essential to promote tolerance and requires states to adopt all necessary measures for the speedy elimination of intolerance in all its forms and manifestations.
- The Supreme Court promptly in a landmark decision in the case regarding the screening of the film Ore Oru Gramathiley, laid down an extremely important principle: “Freedom of expression protects not merely ideas that are accepted but those that offend, shock or disturb the state or any sector of the population. Such are the demands of the pluralism, tolerance and broad mindedness without which there is no democratic society”.
- Supreme Court’s judgment in another case - Bijoe Emmanuel vs. State of Kerala is also significant. Students belonging to the faith, Jehovah’s Witnesses, stood up when the national anthem was sung to show their respect but declined to sing along. The students were expelled. The Supreme Court reversed the decision and observed that the

students did not hold their beliefs idly or out of any unpatriotic sentiment but because they truly believed that their religion forbade singing the national anthem of any country. It concluded: “Our tradition teaches tolerance; our philosophy preaches tolerance; our Constitution practices tolerance. Let none dilute it”.

- Fundamental duty calls “to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities”

What is the way ahead?

- At present, the virus of intolerance has acquired global dimensions. Religious and political persecution has become rampant and curiously that too sometimes in the name of God Almighty or some Divine Power.
- A liberal democracy accepts the fact that in a free country, one can have different opinions and should have equal rights in voicing them. This is pluralism, and tolerance is its ultimate rationale.
- Therefore the practice of tolerance should be the most fundamental duty of every citizen to curb the growing menace of intolerance.

5.3 Transgender Option in Railway Reservation

Why in news?

- The Railways and Indian Railways Catering and Tourism Corporation Limited (IRCTC) have included “transgender/third gender” as a gender option alongside males and females in the Railway Ticket Reservation Forms.
- The inclusion is in compliance with a April 2014 judgment of the Supreme Court of India in the case of National Legal Services Authority (NALSA) vs. Union of India.

What was the case about?

- The Lawyers Collective, a NGO had filed an intervention, on behalf of Ms. Laxmi Narayan Tripathy, a Hijra/transgender activist.

- They sought recognition of self-identified gender of persons, either as male/female/third gender, based on their choice.
- The petitioner alleged violation of Article 14, 15, 19 and 21 of the Constitution of India by the IRCTC, by non-inclusion of “transgender/third gender” as a gender option in its reservation forms.
- They also demanded special coaches and reserved seats for the transgender community in all trains, for their “care and protection”.
- The NALSA in its petition had also sought several directions from the Supreme Court. It includes
 1. Granting of equal rights and protection to transgender persons
 2. Inclusion of a third category in recording one’s sex/gender in identity documents
 3. Admission in educational institutions, hospitals, among others.

What was the judgment?

- The apex court directed the Centre and the State governments to recognise transgender as the third sex.
- It also directed to provide them with the benefits accorded to socially and economically backward classes.
- The Bench observed that the non-existence of law recognising transgender as the third gender could not be continued to be relied on as a ground to discriminate them in availing equal opportunities in education and employment.
- It said the Centre and the State governments should
 1. Develop social welfare schemes for the transgender community.
 2. Run public awareness campaigns to erase the social stigma attached to them, apart from considering carving out job reservations for them.

5.4 National e- Health Authority

Why in news?

- The Government of India is now scheduled to launch the National e-Health Authority (NeHA).
- A regulatory body, tasked with overseeing the digitisation of health information, NeHA holds great promise.
- Our location, phone book, camera, voice, fingerprints, and even our habits and movements are all being tracked.
- This is facilitated through so-called application programming interfaces or APIs that allow sets of databases or software to communicate with each other.

What are the advantages?

- Healthcare APIs would allow the doctor’s iPad to talk to the chemist’s cash register, and lab tests to communicate with the hospital’s database.
- With selected access to healthcare data, thousands of apps could be developed for patients, doctors, researchers, and policy makers
- An app to remind mothers to vaccinate their children, push notifications to remind you to take your medication, or
- An alert that you are traveling to an epidemic belt.
- Scientists could search through hundreds of millions of records to find cures and validate current practices,
- Policymakers would be able to conduct disease surveillance and formulate public health interventions, clinicians and patients would have timely access to their records.

What are the challenges?

- This seemingly utopian health information ecosystem is not without rather obvious challenges

- The poor uptake of electronic records by doctors in India
- The lack of inter-operability between systems and devices, and
- The legitimate concern for privacy, security and safety of medical data are all formidable barriers.
- Any health information architecture proposed by NeHA must therefore hardwire technical or legal solutions to these challenges.

What should be done?

- First, to get doctors to adopt electronic medical records (EMRs), any proposed systems must be easy to use and affordable.
- Careful attention must be paid to human-centered design and data minimisation (collecting only the data you need).
- The very lack of entrenched legacy EMRs in India provides a unique greenfield to mandate an API-based ecosystem incorporating inter-operability and standardisation at inception.
- But the easier the data flow between entities, the greater the potential for abuse. Inter-operability will need more than law and mandates.
- Substantial intellectual rigour must be devoted to building safeguards to protect the most vulnerable — the patients.
- The new law accompanying NeHA is expected to explicitly rest data ownership with the patients.

5.5 Pradhan Mantri Surakshit Matritva Abhiyan

Why in news?

- Ministry of Health and Family Welfare recently launched Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA) scheme which aims to reduce IMR and MMR.

What is the current scenario?

- In India, one pregnant woman dies every 12 minutes, with 45,000 dying each year. Of them, less than one in five (19.7%) undergo pre-natal health checks.
- India is committed to work towards achieving the Sustainable Development Goals (SDGs) in maternal and child healthcare.
- With the implementation of several schemes, significant progress was observed in the maternal health care service indicators like institutional deliveries and Ante Natal Care (ANC) coverage.
- As per latest data of the Rapid Survey on Children (2013 – 14), the institutional deliveries in India are 78.7%.
- With the objective to provide quality ANC to every pregnant woman the Government has launched the PMSMA, a fixed day ANCs given every month across the country which in turn can avoid many preventable deaths.

What is PMSMA?

- The primary objective of the programme is to identify and initiate follow-up actions on high-risk pregnancies to reduce maternal mortality rate (MMR) and infant mortality rate (IMR).
- Under the campaign, a minimum package of antenatal care services is to be provided to the beneficiaries on the 9th day of every month under PMSMA Clinics to ensure that every pregnant woman receives at least one checkup in the 2nd/ 3rd trimester of pregnancy.
- The scheme also encourages obstetricians-gynaecologists (OBGY) and physicians from the private sector and retired OBGY specialists to provide voluntary services at designated public health facilities.
- It also launched the PSMA Web Portal & a Mobile Application along with the 360 degree communication package to raise awareness about the campaign.

- The programme will provide special free antenatal care to pregnant women.
- This will ensure identification of high risk status like anemia, gestational diabetes, hypertension and infection etc.
- These services including ultrasound, blood and urine tests will be provided in addition to the routine antenatal check-ups at the identified health facility in both rural and urban areas.
- Those pregnant women with unwanted pregnancies need to be provided with safe abortion care services after proper counselling.
- A Mother and Child Protection cards has been provided with a sticker indicating the condition and risk factor of the pregnant women.(eg: Green Sticker – no risk factor detected, Red Sticker –high risk pregnancy)
- Scheme targets women who have not received or dropped out of ANC check-ups and a minimum package of medicines such as IFA (Iron and folic acid)and calcium supplements would be provided to all pregnant women attending the PMSMA clinics.
- Before leaving the facility every pregnant women to be counselled, may be individually or in groups, on nutrition, rest, safety, birth preparedness, identification of danger signs, institutional delivery and Post – partum Family Planning (PFPF) .
- Awareness about cleanliness of domestic surroundings and environment.
- Provide medical aid/incidental support in the adopted Colonies/villages.
- Documentation of demographic information, food habits, hygiene conditions, seasons, lifestyle etc., incidence/prevalence of disease and their relation to the incidence of disease.
- Assessment of health status and propagation of Ayurvedic concept of pathya-apathya and extension of health care services.

What are the initiatives taken so far?

- Developed banners, hoardings, posters, handouts in Hindi, English and 07 regional languages.
- SwasthyaRakshan OPDs organized in each village on weekly basis for providing treatment for various disease conditions.
- SwasthyaParikshan Camps organized on weekly basis.
- Survey is undertaken in the identified villages to identify prevalent diseases.
- Individual Health screening of people have been done.
- For Health Promotion and health education, mass campaigning through rallies, NukkadNataks focussing on personal, environmental and social hygiene are being for creating awareness about hygiene.

5.6 Swasthya Raksha Programme

Why in news?

- ‘Swasthya Raksha Programme’ was launched by the AYUSH Ministry to promote health and health education in selected districts/villages.

What are the objectives of the program?

- To organize Swasthya Rakshan Out Patient Departments (OPD), SwasthyaParikshan Camps and Health/Hygiene awareness programme.

5.7 India’s Response to Global Health Challenges

What are the reasons for new health challenges?

- Changing weather conditions, shifting agricultural patterns and ever-increasing man-animal conflicts.
- Increasingly interconnected world, with frequent and easy movement of people and goods among the global nations is largely aiding the spread of diseases.

What are the instances?

- Japanese encephalitis (JE) outbreak in Malkangiri district: While JE is not uncommon in this part of the world, it is not endemic to Odisha either. The first outbreak in Odisha was in 1989 in Rourkela city. Sporadic cases were reported between 1992 and 1995, and in 2012, there was another major outbreak in Malkangiri.
- Dengue epidemics have become so common that they barely raise an eyebrow. Until 1970, it was limited to about half-a-dozen countries. Today, severe dengue outbreaks have been reported by more than 100 countries.
- Chikungunya, which was first isolated in Tanzania in the early 1950s, has in the past decade spread across Africa and Asia. In India, chikungunya was initially reported in 1973 and then it disappeared for the next 30 years. In 2006, India suffered a major chikungunya outbreak. This year, India had a Chikungunya outbreak with more than 12,250 cases from across the country.
- Zika Virus: The virus was first isolated in Uganda in 1947 and for many years after that, only sporadic human infections were reported. In 2007, the virus caused an epidemic in Micronesia, followed by another epidemic in French Polynesia in 2013-14. 2015 saw a Zika virus epidemic in South American countries.

What is the role of International organisations?

- Traditionally, the World Health Organization has been the leader in global public health issues but a funding crunch has tied its hands for many years now.
- Steadily, the US' Center for Disease Control (among a few other organizations) is rising to the challenge. A good example here is the US government-funded HIV prevention programme, the world's largest state-sponsored global health programme.

What is India's role?

- India has played its part in the global fight against HIV by providing cheap antiretroviral treatment.
- India been contributing greatly in making cheap generic medicines available globally.
- We have been a major contributor to global pool of talented medical professionals.
- India has had some major successes such as containing HIV infections and leprosy and eradicating polio, which offer valuable lessons in public health management, particularly to poor countries with inadequate healthcare infrastructure.
- At the same time, there are also limitations—particularly with the vertical model for disease control (specific programmes for specific diseases)—which do not allow for an integrated approach.
- Only the anti-malaria programme has been converted into a more broad-based National Vector Borne Disease Control Programme, which includes interventions against other vector-borne infectious diseases such as dengue and chikungunya.
- These steps must be followed by comprehensive review and restructuring of the healthcare system with a focus on upgrading primary healthcare centres, manned by a well-trained cadre of health professionals.

5.8 New Litigation Policy**Why in news?**

- On the occasion of the Delhi High Court's golden jubilee in October, the Prime Minister broached the problem of excessive government litigation.
- The Supreme Court, since the 1970s, has berated successive governments for being callous and mechanical in pursuing litigation.

What is the need for a litigation policy?

- Government litigation reportedly constitutes nearly half of all litigation in the Indian judiciary.
- Government litigation entails huge sum from the public exchequer every year.
- It has contributed to judicial backlog, thus affecting justice delivery in India.
- A litigation policy can have a profound effect on how the government thinks about itself as a litigant, and can help curb the problem, provided it is constructed with a thorough understanding of the problem and offers solutions based on evidence rather than conjecture.

What are NLP 2010's shortcomings?

- Government had launched a "National Litigation Policy" (NLP) in 2010 to transform the government into a "responsible and efficient" litigant.
- The NLP 2010 fails to provide a yardstick for determining responsibility and efficiency.
- The policy states that there should be greater accountability regarding governmental litigation, and mandates "suitable action" against officials violating this policy.
- However, the text does not define this "suitable action", or prescribe any method to conduct any disciplinary proceedings.
- The policy creates "Empowered Committees" at the national and regional levels, to regulate the implementation of the policy. But there is ambiguity about their role and powers, resulting in lack of transparency in their functioning.
- The NLP 2010 also lacks any form of impact assessment to evaluate actual impact on reducing government litigation.

5.9 Child Abuse

What constitutes Child Abuse?

- Child abuse has many forms: physical, emotional, sexual, neglect, and exploitation. Any of these that are potentially or actually harmful to a child's health, survival, dignity and development are abuse.
- Violence may take place in homes, schools, orphanages, residential care facilities, on the streets, in the workplace, in prisons and in places of detention."
- It affects the normal development of a child impairing their mental, physical and social being. In extreme cases abuse of a child can result in death.

What are its manifestations?

- Physical abuse: When a child has been physically harmed due to action or lack of action (bystanders not helping) by another person.
- Emotional abuse: Failure to provide a supportive environment for a child, so that they may develop a full and healthy range of emotional abilities.
- Sexual abuse is engaging a child in any sexual activity that he/she does not understand or cannot give informed consent for or is not physically, mentally or emotionally prepared for.
- Neglect or negligent treatment is purposeful omission of some or all developmental needs of the child by a caregiver with the intention of harming the child.
- Exploitation can be commercial or otherwise, where by the child is used for some form of labour, or other activity that is beneficial for others. Example: child labour or child prostitution.

What are the problems with Child Abuse in India?

- It is largely a hidden problem. Numbers of cases of child abuse in the home are hard to attain because most of these crimes go unreported.
- Focus with regards to abuse has generally been in the more public domain such as child labour, prostitution, marriage, etc. Intra-family abuse or abuse that takes place in institutions such as schools or government homes has received minimal attention.
- In most cases, the families themselves are not supportive to the child on account of misplaced notions of family honour or that they have not taught the child to understand and then express any violations.

What should be the approach to protect?

- Community approach: Increase awareness and promote participation of community including civil society in protecting children from abuse.
- Empowerment approach: Empowerment of Children through provision of Healthcare (including psychological support), education coupled with skills.
- Legal approach: Provide protection from abuse through legal provisions.

What are the legal protections available?

- The Juvenile Justice (Care and Protection) Act 2000 established a framework for protection of, both children in need of care and protection and for children in contact with the law.
- National Commission for Protection of Child Rights (NCPCR) was established by the Government of India in March 2007 by an Act of Parliament.
- Integrated Child Protection Scheme (ICPS) – 2008 - The guiding principles recognize that

child protection is a primary responsibility of the family, supported by community, government and civil society

- Prevention of children from Sexual Offences (POCSO Act 2012): specifically address the issue of sexual offences committed against children.
- Thus, a comprehensive approach has to be developed and implemented in letter and spirit to protect the children from abuse and uphold their rights.

6. GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

6.1 Ways to Measure Governance

Why in news?

- A recent study adopts the statist interpretation of governance and develops a measure of the quality of governance as service delivery.

What are the conceptions of Governance?

- The idea of governance range from a simple, statist interpretation that governance is what governments do, to a much wider interpretation of governance as the way in which individuals, groups and institutions, both public and private, manage their affairs and resolve conflicts of interest in an orderly manner.

What are the findings of the study?

- The quality of governance as service delivery is measured using the overall Governance Performance Index (GPI).
- The GPI is used to rate and rank the governance performance of major states in India in 2001-02 and 2011-12.
- It uses a common scaling technique to aggregate a set of 14 indicators that are based exclusively on official factual data, not perceptions or opinions drawn from samples of respondents.

- The literature points out the strong correlation between the level of development and quality of service delivery, which biases the GPI towards more developed states.
- We correct for this bias by using an alternative Development Adjusted Governance Index (DAGI).
- Two main features that stand out from composite GPI and DAGI ranks are the relative stability of the composition of the best- and the worst-performing states, and the sharp changes that appear when the rankings are adjusted to control for the impact of development.
- Five of the six best-performing states in 2001 remained the best performing in 2011: Gujarat, Tamil Nadu, Andhra Pradesh, Kerala and Punjab
- At the other end, four of the six worst-performing states in 2001 remained the worst performing in 2011: Odisha, Jharkhand, Uttar Pradesh and Bihar.
- Adjusting the rankings for development impact (DAGI) results in some sharp changes in relative ranks. Madhya Pradesh, Bihar and Chhattisgarh are the biggest gainers, going up by 11, eight and seven ranks respectively.
- Conversely, Gujarat and Kerala drop by five ranks each, and Uttarakhand and Assam, by four ranks each.
- Thus, in addition to the quality of administrative inputs, a positive or negative development legacy seems to have a strong cumulative impact on the quality of service delivery.

What are the paths to development?

- This has led to the emergence of two quite distinct paths of development in the more and less developed states.
- In the former, state governments mainly play an enabling role, providing good

infrastructure, efficient administrative processes, etc, for private enterprise-led development.

- In the other path, seen in less developed states such as Bihar, governments play the dominant role in development since private enterprise is quite weak.
- Governments need to drive both public investment-led growth as well as social development. It is a moot question whether this government-led path of development will enable these less developed states to “catch up” with the developed states; whether there will be convergence or divergence across Indian states in the years ahead.
- The central government and Finance Commissions have a key equalising role in this context. But whether such equalising interventions will be sufficient for catch-up is not clear.
- If not, regional disparities will continue to widen, with potentially severe political consequences.

6.2 Protection for RTI Activists

Why in news?

- Recently RTI activist Bhupendra Vira, who used the Right to Information (RTI) Act to unearth information about illegal construction, was shot after the information led the police to file charges against a politician and his son.

What are the objectives of the RTI?

- The basic object of the Right to Information Act is to empower the citizens, promote transparency and accountability in the working of the Government, contain corruption, and make our democracy work for the people in real sense.
- It goes without saying that an informed citizen is better equipped to keep necessary vigil on the instruments of governance and make the government more accountable to the governed.

- The Act is a big step towards making the citizens informed about the activities of the Government.
- The right to information is considered a basic human right in international law.
- The UN Commission on Human Rights says: “Access to information is basic to the democratic way of life. The tendency to withhold information from people at large is to be strongly checked.”
- The RTI Act was enacted in 2005. Over four million RTI applications are filed every year.
- Despite under-staffed information commissions, and delays, the RTI Act has empowered citizens to hold officials and politicians accountable.
- It has exposed many scams such as the Adarsh Housing scam in Mumbai.
- The information has often exposed the nexus among politicians, bureaucrats and businessmen.
- India does not have a specific privacy law, or a data protection Act.

What is the situation of RTI activists?

- Since the Act came into force in 2005, at least 51 individuals, including 17 women, have been murdered and another five persons allegedly driven to suicide by harassment in assaults linked to seeking information under the RTI Act.
- This is in addition to the hundreds of cases where applicants and their families have been assaulted, harassed and threatened.
- Maharashtra, with 10 such murders, and Gujarat, with eight, lead the states where such incidents have occurred, but there has been violence against RTI activists all over India.

What is the issue?

- The murders and assaults make it evident that people seeking information under the RTI Act are not adequately protected by the government even though several remedies have been suggested.
- These range from keeping the names and personal details of applicants confidential to putting the requested information directly in the public domain, assuming, of course, that the request is considered fair.
- There is also merit in putting information directly in the public domain as it obviates duplication of applications, at the same time protecting applicants who need not expose themselves as targets while publicising the information. Direct publication would also prevent the misuse of the RTI Act as a tool for blackmail.
- As things stand, the RTI format requires the applicant to provide his complete name and postal address. There is legal ambiguity about the need to keep personal details confidential.
- In practice, the RTI request is often passed around among relevant government departments with all the applicants’ details becoming public.

- In the analogous UK’s Freedom of Information Act, applicants’ names are always blanked out, even in communications between government departments and in public uploads of responses to queries.

What is the view of Judiciary?

- The Calcutta High Court has suggested that RTI applicants need not disclose any personal details, other than, say, a post office box number, or an anonymous email id, as a point of contact.
- The court said: “It would be the solemn duty of the authorities to hide such information so that people at large would not know of the applicant’s personal details.”

- However, this suggestion is not binding in law.

What are the provisions of Whistleblowers Protection Act?

- Whistle Blowers Protection Act, 2011 is an Act of the Parliament of India which provides a mechanism to investigate alleged corruption and misuse of power by public servants and also protect anyone who exposes alleged wrongdoing in government bodies, projects and offices.
- Whistle blowers Protection Act pending in the Rajya Sabha has many amendments that prohibit the reporting of corruption-related disclosures under 10 different categories.
- This would dilute the RTI Act in scope. Moreover, the Whistleblowers Act does not provide explicit privacy and protection to RTI applicants.
- This is one of many areas where the need for a specific privacy law and data protection law is acute. The RTI Act was a huge improvement in transparency of governance.
- But instead of following through to strengthen the RTI Act and protect applicants, successive governments have tried to dilute its provisions.

6.3 Open Data Policy

Why in news?

- The Centre is going to notify a policy on 'open data' to put more data in the public domain, allowing individuals to build apps or services for commercial purposes.

What has been done earlier?

- The government had notified the National Data Sharing and Accessibility Policy (NDSAP) in March 2012 and under its mandate IT ministry and the National Informatics Centre (NIC) developed and run the data.gov.in platform for open data sharing.

- NPDSA is being brought out with a view to empowering the citizens to secure access to information (non-strategic data) under the control of public authority which further leads to the transparency and accountability in the every public authority.

What is Open-data policy?

- The government generates a lot of data, which many people can use for various purposes.
- Centre's open data platform which comprises over 42,000 databases which are currently available on a web platform includes those such as revenue realised by Centre from road transport released by the Ministry of Road Transport & Highway, annual crime databases released by the Ministry of Home Affairs.
- India is among the top 10 countries in the world in terms of putting out its data on the open data platform. So, people can conceive a large number of applications and services from this data.
- Till now the data available on the platform data.gov.in was permitted for use only by academics and government institution.
- Under the new policy Commercial entities including start-ups will be allowed to create commercial value added services based on this data.
- For an example of a value-added service that could be offered using one of the databases. Some private entity could offer a list of past owners for someone wanting to buy a used car for a fee, based on the vehicle registration data available on the portal.
- For the service, Government will not charge anything from the developer/user but the developer of the services may charge.
- Ministry of IT is responsible for taking a decision on what data would be uploaded to the platform, depending on the data's strategic interest and of national importance.

6.4 Internet Corporation of Assigned Names and Numbers

Why in news?

- Internet Corporation of Assigned Names and Numbers (ICANN) recently met in Hyderabad

What is ICANN?

- It is an international non-profit corporation that has responsibility for Internet Protocol (IP) address space allocation, protocol identifier assignment, generic (gTLD) and country code (ccTLD) Top-Level Domain name system management, and root server system management functions.
- These services were originally performed under U.S. Government contract by the Internet Assigned Numbers Authority (IANA) and other entities. ICANN now performs the IANA function.

What are the Criticisms of ICANN?

- ICANN was under the oversight of US Department of Commerce. Thus, US had unilateral control over the functioning of ICANN whose mandate was to oversee the functioning of internet which is a global resource.
- Following the criticism, US Government gave up its hold over ICANN and now an “operational framework” for ICANN is being developed by taking inputs from all countries.
- This new multi stakeholder approach that will be put in place will ensure accountability to the global internet user community as a whole and not just any particular country.

What is the significance of Hyderabad meet?

- The meeting is important because this is the first time the global community will come together post the US Department of Commerce giving up oversight of the internet.

- The internet will now operate in a multi-stakeholder model, which India also agreed to support last year.
- India has, over the past two years, increased participation at internet governance forums as the number of internet users are steadily increasing – on track to touch 500 million by 2017. As a result, India has asked for a greater say in running the internet’s order of things. This ICANN meet in India is a global recognition for India’s role in internet governance.

What are India’s demands?

- Multi stake holder model of internet governance to ensure the governing body’s accountability to all member nations.
- Setting up a root server in the country. Root servers essentially manage top level domains (TLDs) such as .com, .org, .net, and so on, as well as country-specific domains such as like .in, .au, and .cn. There are only 13 such servers, of which 10 are in the US, two in Europe and one in Japan. Setting up a root server in India is largely seen as the country having more bargaining power at internet governance forums.

7. INDIA AND ITS NEIGHBOURHOOD

7.1 Trade with Neighbors

Why in news?

- There have been calls in India for an embargo on trade with both Pakistan and China in the wake of political tensions with both countries.
- This article examines whether such an embargo would be an economically sound option to pursue.

India China trade

- Chinese media has been deprecating India’s dependence on Chinese imports and questioning its ability to live without such imports.

- Import - Imports from China account for 16.2 per cent of India's total imports.
 - Trade deficit - India had its largest trade deficit of \$53 billion with China in 2015-16.
 - India's overall trade deficit has been declining, its trade deficit with China — accounting for about 44 per cent of India's total trade deficit — has been increasing over the last five years, driven by declining exports and increasing imports.
 - Intermediaries - Indian imports from China comprise mainly of intermediates. India imported chiefly telecom instruments, computer hardware and peripherals, fertilisers, electronic components, project goods, chemicals and drug intermediaries from China in 2015-16.
 - A ban on these imports will affect India's manufacturing capability.
 - Revenue - Also, all these goods attract a countervailing duty (CVD) and special CVD of 12 and 4 per cent respectively, while some of these goods attract a basic duty of 10 per cent additionally. A ban will mean a loss of tariff revenues for the Indian government.
 - Price rise - A rise in the costs of manufacturing the final products using these intermediate inputs would make our exports costlier, thereby reducing our export competitiveness.
 - It may also give rise to black marketing and smuggling.
 - For China - China, in turn, will have to bear the consequences of lower imports from India.
 - China currently has 206 import partners and the network effect of this trade, implies that what happens in China doesn't remain in China.
 - India's size and its openness makes it a prime candidate to transmit any initial trade shocks that it experiences to the rest of the world.
 - According to the IMF, India has the potential to amplify initial import shocks by 30% and transmit to the rest of the world.
 - Thus, any unilateral action by both the nations to suspend trade ties might adversely affect not only them, but also the global economy at large.
- India Pakistan trade**
- Pakistan accounted for only 0.74 per cent of India's total exports, and 0.12 per cent of imports in 2015-16.
 - These figures mask the large volume of informal trade between the two neighbouring countries.
 - According to certain studies, the volume of informal trade between these countries is twice that of the formal trade.
 - A proper understanding of the benefits of trade and attempts to redirect trade towards formal trade channels will result in a substantial reduction in transaction costs, given the long circuitous routes that such trade takes, chiefly the Delhi-Mumbai-Dubai-Karachi-Lahore route.
- Gravity model of trade in South Asia**
- The Gravity Model, posits that the value of trade between any two countries, other things being equal, is proportional to the product of the two countries' GDPs, and diminishes with the distance between the two countries.
 - Example: the US carries out a lot more trade with Canada and Mexico than with the entire EU.
 - It has been estimated that a 1 per cent increase in distance shrinks trade by 0.7 to 1 per cent and vice versa.
 - Political factors have, however, impeded India's trade with its closest neighbours in South Asia, including China and Pakistan.

- In fact, South Asia ranks almost at the bottom among India's trading partners by region.
- The media in the respective countries need to wake up to the economic reality of trade and act responsibly. While political rapprochement may take time, a knee-jerk reaction by disrupting trade may exacerbate the respective countries' problems, as also those of the global economy.
- One way of preventing boundary transgression and bottom trawling is to find a livelihood alternative for Tamil Nadu fishermen and equipping them for deep sea fishing against bottom trawling.

What has been done?

7.2 Bottom Trawling

Why in news?

- Recently Sri Lanka urged India to expeditiously end unsustainable industrial-scale fishing in the coastal waters between the two countries.

What is bottom trawling?

- Bottom trawl nets are generally used to catch shrimp and fish living on the seafloor from shallow coastal waters).
- When the weighted nets and trawl doors are dragged along the seafloor, everything in their path is disturbed or destroyed, including seagrasses, coral reefs or rock gardens where fish hide from predators.
- This will completely collapse the marine ecosystem.
- In addition to the shrimp and fishes, many other animals are also captured and later discarded, including small fishes.
- This overfishing happens because the gear is not selective and discards a lot of dead fish. Overfishing is a direct threat to local fishing communities and to tourism from sports
- Fish that are discarded by the bottom trawler are often juveniles of valuable species caught by other fishermen later.
- Bottom trawling has been banned in many countries like Indonesia, US and New Zealand worldwide.

- Both sides made significant progress in the recent talks which led to the agreement of the Joint Working Group (JWG).
- The agreement on the three-point agenda of the JWG would help end the long-standing issue of fishing in the coastal waters between the two countries.
- Both sides agreed that the JWG would meet every three months.
- Meeting between the Ministers for Fisheries would be held every six months.
- They also agreed that there should be no military attacks by the Navies/the coast guards of the two countries in dealing with the fishermen and to set up a hotline between the coast guards.
- **Three-point agenda:** JWG would have three tasks of expeditiously working to end bottom trawling, facilitating joint patrolling of the coastal waters and working towards the release of arrested fishermen who entered into each other's waters.

What should be done?

- A livelihood alternative for Tamil Nadu fishermen should be provided to prevent boundary transgression.
- Tamil Nadu fishermen had asked for a three-year phase-out period for their trawlers. They should show greater understanding of the plight of the Sri Lankan Tamil fishermen, who are economically weaker and yet to fully recover from a devastating war. A more reasonable phase-out period should be formulated.

- Equipping them for deep sea fishing should be done.
- A licensing system under which fishermen from both sides can fish on specified days using sustainable methods and permissible equipment should be formulated.
- India started the electricity trade through the West Bengal border in 2013, but delayed allowing similar trade through Tripura despite a strong recommendation from the State government.
- The issue was touchy because, Bangladesh went out of its way in allowing transport of equipment for setting up a large power station in Tripura in the hope of getting a share of the electricity. This flared up Anti India sentiments which prevented Bangladesh Government from allowing transit route to North East India.

7.3 India on Infrastructure Projects in Bangladesh

What is the issue?

- In 2010, World Bank pulled out of the \$3 billion Padma Bridge project. Bangladesh expected India to come in and finance the project, but India delayed on replying and China jumped in and financed the project.

What is the inference?

- Recently, Japan has offered an assistance of \$6 billion for Bangladesh.
- China has offered a Government assistance of \$24 billion for 27 projects and another \$14 billion in the form of private investment promises.
- Asian Development Bank (ADB) recently granted \$8 billion for infrastructure creation in Bangladesh to promote sub-regional cooperation.
- Therefore there is a feeling among the Bangladeshi public that, assistance from India is too little and too late.
- The \$1 billion assistance, announced by India in 2010, took five long years to be utilised. Such delays cause resentment among the Bangladeshi public.
- India has not been able to create a transparent visa system in Bangladesh. India grants visas for free. But, intermediaries charge ₹ 5,000 for generating the e-token for appointment with the visa officer.
- In the past, India has failed to take West Bengal along, in negotiations with Bangladesh.

What should be done?

- As a democracy India is at a disadvantage when compared to a single-party ruled China, in decision making. But we cannot use it as an excuse any more.
- Identify projects in Bangladesh, that can be beneficial to both Bangladesh and India and at the same the projects should be capable of earning public goodwill in Bangladesh.
- Adequate officers at the ministry of external affairs should be appointed to handle such responsibilities.
- While concluding deals with Bangladesh, India must take into consideration the domestic aspirations of Bangladeshis and act accordingly.

7.4 BIMSTEC - Free Trade Agreement

What is BIMSTEC?

- Stands for Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).
- Members from both South Asia and South East Asia - Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal. Thus the association in an inter-regional one.
- Was formed in 1997 in Bangkok.
- Headquartered in Dhaka, Bangladesh.

Why India is focussing on BIMSTEC?

- BIMSTEC is India's lynchpin in its Act East Policy. Member countries Myanmar and Thailand are India's gateway to reach South East Asia for trade and economic opportunities.
- Lack of significant positive outcomes in SAARC due to hostility with Pakistan, has guided India to look outside the South Asian region.
- India's Act East policy and Thailand's Look west policy can complement each other, for improving inter-regional ties.

What are the strengths of BIMSTEC?

- The most positive thing in BIMSTEC is, there are no political conflicts or disagreements.
- Also, the South Asian countries (India, Bangladesh, Bhutan, Nepal, Sri Lanka) don't have bilateral problems with the two South-east Asian (Myanmar, Thailand) ones.
- Historically, these nations were linked through trade ties over centuries.
- Huge market: The region brings together 1.5 billion people or 21% of the world population
- Accounts for almost 3.7% of global trade and a combined gross domestic product (GDP) of over \$2.5 trillion.
- But, Intra-regional trade is currently very low at 2.8% of the total trade conducted by the countries.

What are the reasons for poor Intra-Regional trade?

- Poor connectivity among nations in the region owing to tough terrain, under-developed border areas and the issue of funding.
- The BIMSTEC nations being also engaged under other groupings such as South Asian Free Trade Area, the Association of Southeast Asian Nations and the Regional Comprehensive Economic Partnership have also made talks slow.

- The secretariat itself was set up only in 2014, almost 20 years after talks started, and it is still in the process of studying and creating feasibility reports on the various sectoral issues.

What are the issues in talks?

- FTA talks were initiated in 2004 and almost concluded in 2014. But by that time, the initial agreements became almost redundant as the Global economic situation had drastically changed in the post 2008 financial crisis phase.
- All nations have concerns on services. Especially on how to liberalise services or to what extent it can be done, as well as the categories of services.

What has been done to improve connectivity?

- Motor Vehicles Agreement in 2015: Connectivity project involving the sub-group of Bangladesh, Bhutan, India and Nepal. It enables vehicles to enter any of the four nations without the need for trans-shipment of goods from one country's truck to another's at the border.
- Kaladan project envisages connecting Kolkata port to Sittwe port in Myanmar via sea route and then Mizoram by river and road.
- Asian Trilateral Highway, is set to run from Moreh in Manipur to Mae Sot in Thailand via Myanmar. The project is expected to be completed this year.

7.5 BBIN's Motor Vehicle Agreement**Why in news?**

- Bhutan's National Council has decided not to ratify the 'Motor Vehicles Agreement' (MVA).

What is MVA?

- The MVA was first proposed by Prime Minister Narendra Modi at the SAARC summit in

Kathmandu in 2014, but Pakistan refused to ratify it, as a consequence of which land-locked Afghanistan had to stay out as well.

- India instead pursued a similar motor vehicle agreement with the BBIN. The Bangladesh-Bhutan-India-Nepal (BBIN) Motor Vehicles Agreement was signed on 15 June 2015.
- It enables vehicles to enter any of the four nations without the need for trans-shipment of goods from one country's truck to another's at the border.
- India, Bangladesh and Nepal have already ratified the MVA, after Foreign Ministers of the BBIN nations signed an agreement to allow ease of motor vehicular traffic on June 15, 2015 and diplomats did a trial run among the countries.
- Along with its potential as a road link that will extend to rail and waterways reducing circuitous shipping routes by 1,000 km, the BBIN grouping is also seen as India's way of countering Pakistan in the SAARC grouping.

What is Bhutan's scenario?

- Bhutan's National Assembly or Lower House had cleared the Motor Vehicle Agreement Bill and forwarded it to the National Council or Upper House in July 2016.
- However, protests from the Opposition, mainly over environmental concerns of vehicular pollution increasing have derailed the process.
- In the 25-member National Council, the government faced sharp questions on the number of vehicles that would be allowed into the country via the Southern trading point of Phuentsholing and road capacities.

What is the way ahead?

- Despite excellent relations between the two countries, India has been wary of leaning too heavily on the Bhutanese government to speed up the BBIN ratification as it could offend the sensitivities of the smaller neighbour.

- Officials say if the Bhutanese government decides to give the agreement another chance, it could ask for a joint sitting of both Houses to clear the MVA, or to bring it back to the National Council after a year, according to the rules of procedure.
- In the meanwhile, the BIN (Bangladesh-India-Nepal) countries could go ahead with building their logistics.

7.6 Market Economy Status for China

Why in news?

- India is not inclined to automatically grant the coveted 'Market Economy Status' (MES) to China this December under World Trade Organisation (WTO) norms.

What is MES?

- Market Economy Status will ensure that there should not be any no entry or exit barrier for the country.

- No government can impose any tariff barrier or quantitative restriction to protect domestic industries to the country with MES.

What is China's viewpoint?

- China has argued that it should automatically be granted Market Economy Status after the 15th anniversary of its accession to the WTO in December 2016.
- Citing the provisions in the 'Protocol on the accession of China to the WTO' in 2001, Beijing has said WTO member countries must fulfill their promise to deem China as a 'market economy' from December 2016.
- Several nations including in Africa and Latin America, dependent on Chinese investments to boost manufacturing are inclined to grant Market Economy Status to China.

What is dumping?

- Dumping is an unfair trade practice of exporting goods to another country at a price lesser than what is paid in the exporting nation or their normal production cost, thereby distorting international trade and causing injury to the domestic manufacturers of the goods in the importing country.

Why some countries oppose China's MES?

- But granting MES to China will severely curb the ability of nations including India to impose anti-dumping duties on unfairly priced Chinese imports.
- Although China has made a number of economic reforms in recent years, the Chinese economy remains fundamentally a non-market economic system dominated by its government.
- The Government still plays a major role in the economy, including the financial system, resource and energy sectors, through ownership and control of many strategic industries.
- Continued government support is encouraging overproduction, distorting prices and flooding the global market.
- When Chinese producers do not have to bear the full cost of production, they can sell products overseas at prices that are less than the fair value which creates an unfair price advantage and displaces other countries production.
- This non-market economic system and China's state-intervention in the economy hurts other countries trade interest.

What is India's stand?

- Of the 535 cases where anti-dumping duties were imposed by India during 1994 to 2014, a maximum of 134 has been on goods from China.

- India argues that unlike in market economies where prices of items are market determined (based on demand & supply conditions), there is still a significant government influence in the Chinese market.
- Countries like India and US have referred to the Chinese government subsidies for various sectors, currency manipulation & the related price fixing, absence of transparency in lending rates and the lack of proper business accounting standards in turn cause distortions in global trade.
- Thus, India has taken sides with the U.S. and the European Union to refuse China the 'MES'.
- The intention will be to ensure India's manufacturing sector is not hit by unfairly priced Chinese goods.

8. BILATERAL AND INTERNATIONAL RELATIONS**8.1 India Japan Nuclear Deal****Why in news?**

- The India-Japan nuclear agreement will probably be signed during Indian PM's Tokyo visit for the annual bilateral summit.

What are the procedures of signing the deal?

- Negotiations between the Japan and India for a civil nuclear deal began in 2010.
- Talks were suspended after the March 2011 accident at Fukushima plant and the talks resumed in 2013.
- India and Japan have signed a memorandum on cooperating in nuclear energy in December 2015.
- However, certain technical and legal issues must be resolved before a final agreement can be signed.

- For the process to be completed the deal has to be ratified by the Diet, the Japanese parliament. This has been a matter of concern since the matter has not been taken up for discussion since the beginning of this year due to historical deep sensitivities in Japan on nuclear proliferation and political instability in their parliament.
- The signing of such an accord would enable India to import Japanese nuclear technology and service.
- **NSG membership** -Japan is the only country affected by nuclear weapon during Second World War. Signing of CNA with India, signifies global acceptance of India as a responsible nuclear power and strengthen the India's claim in NSG membership .

What is the problem in the deal?

- The “nullification clause” in the deal has been the source of contention between two countries. It means that the nuclear supplies to India would be cut off if India tests a nuclear weapon. Japan wants India to accept the clause but India has been reluctant so far.
- **Funding** - India is also keen on Japanese funding for its clean energy projects. Signing this deal will fasten the process.
- India also demands that it be allowed to reprocess nuclear fuel from Japan, as long as India submits to inspections by the UN nuclear watchdog IAEA. No decision has been finalized regarding this yet.
- **Clean Energy** - India's ambitious carbon emission targets under the Paris agreement have brought nuclear power back into the energy equation. Solar and wind cannot provide base-load power and they are prone for fluctuations. Nuclear is the only carbon-free way to satisfy that all important need.
- **Japan's Gain** - Japan is looking to shed its post-war pacificism and become an autonomous diplomatic and military power in Asia. However, Japan faces strong opposition from China and other victims of Japan's imperial aggression. Japan sees signing of Civil Nuclear Agreement as India's acceptance of this new expanding Japanese role.

What are the advantages?

- India was excluded from nuclear trade for over three decades because of its position of being outside the Nuclear Non-proliferation Treaty.
- **Japan's Gain** - Japan is looking to shed its post-war pacificism and become an autonomous diplomatic and military power in Asia. However, Japan faces strong opposition from China and other victims of Japan's imperial aggression. Japan sees signing of Civil Nuclear Agreement as India's acceptance of this new expanding Japanese role.
- Special agreements ended its isolation in 2009.
- India can now engage in nuclear trade with those countries with which it has since signed cooperation agreements, like Australia, Canada, France, Kazakhstan, Russia, the UK and the USA.
- **Technology** -Japan holds an important position in international nuclear commerce. It holds a monopoly on several critical reactor components of high quality.
- Among the major players, only Russia's Rosatom and China's two major state-run nuclear are independent of Japanese components. Hence this deal is important to enhance India's nuclear capacity.

9. INTERNATIONAL INSTITUTIONS

9.1 New Zealand's Role in India's NSG Entry

Why in news?

- On New Zealand Prime Minister John Key visit to India, major issues under discussion are India's membership to Nuclear Supplier's Group (NSG) and permanent membership to United Nations Security Council (UNSC).

Why India opposes NPT?

- India views NPT to be a discriminatory agreement, the governing rules are favourably biased towards the P5 members of UNO.

- India has opposed NPT, because there are two types of members in the NPT - Nuclear Weapons State and Non-Nuclear Weapons State. Only five countries that had tested a nuclear device before 1970 were given the status of Nuclear Weapons State. Any other nation that wished to sign the NPT had to do so as a Non-Nuclear Weapons State.
- India tested its first nuclear device in 1974 which implies that the only option by which India could sign the NPT is being a Non-Nuclear Weapons State.

What is New Zealand's stand?

- New Zealand endorses India's membership to UNSC as a permanent member.
- But on NSG membership, New Zealand holds a hard line stance that, signing Nuclear Non Proliferation Treaty (NPT) is a prerequisite to NSG membership.
- New Zealand showed an understanding of India's clean energy needs and the importance of predictability in global rules on nuclear commerce in enabling the expansion of nuclear energy in India.
- This stand indicates that, India's NSG membership would gain consensus among NSG members, if it is able to bargain entry based on its need to meet Global Climate change commitments.
- Also, the success of Make in India programme largely hinges on India's ability to fulfil the energy requirements of growing industrial base.

9.2 Maldives Left Commonwealth

Why in news?

- The Maldives on Thursday pulled out of the Commonwealth calling as "unjust" the grouping's decision to penalise the island nation over the circumstances that led to then President Mohamed Nasheed's ouster in 2012

What is Commonwealth?

- The Commonwealth of Nations or the Commonwealth, is an intergovernmental organisation of 52 member states that were mostly territories of the former British Empire.
- It was formally constituted by the London Declaration in 1949.
- The Queen of Britain is the head of Commonwealth.
- Member states have no legal obligation to one another.
- They are united by "language, history, culture and their shared values of democracy, human rights, and the rule of law".

What was crisis in Maldives?

- In January 2012, the then Maldives' President Mohamed Nasheed, ordered the detention of Criminal Court judge Abdulla Mohamed for allegedly obstructing the police and accepting bribes to release certain criminals.
- Protests erupted in 2012 in Maldives, over claims of mismanagement of the economy and intervention in the Independence of Judiciary by the President.
- The protests led to ouster of Nasheed in 2012 and the then Vice President was sworn in as President until elections.
- On 23 February 2012, the Commonwealth suspended the Maldives from its democracy and human rights watchdog and backed Nasheed's call for elections before the end of 2012.
- In the Presidential election held in 2013, Nasheed lost to current President Abdulla Yameen Abdul Gayyoom.
- In March 2015, Nasheed was convicted under the Anti-Terrorism Act of Maldives for arresting Criminal Court Judge Abdulla Mohamed.

- Amnesty International has described the conviction as “politically motivated”, and the United States Department of State expressed concern at “apparent lack of appropriate criminal procedures during the trial”.

What was Maldives’ rationale to quit?

- Maldives is an evolving democracy. Rather than supporting the efforts, the Commonwealth Ministerial Action Group (CMAG) has intervened in the internal affairs of the nation.
- The questions and uncertainties that the CMAG generated in the political environment resulted in the loss of several investments and project financing opportunities.
- Commonwealth turned a deaf ear to several requests for help with technical assistance.
- Commonwealth has not been supportive of the new elected Government.
- Since November 2013, the present government has enacted 110 articles of legislation. Of these 94 are directly related to the core values of the Commonwealth Charter yet Commonwealth has censured Maldives.

9.3 TPP and India

Why in news?

- With Donald Trump as President, the US could see a renegotiation of some of its existing trade deals with other countries, especially TPP.

What is TPP?

- The Trans-Pacific Partnership (TPP) is a trade and investment agreement between the US, Japan, Malaysia, Vietnam, Singapore, Brunei, Australia, New Zealand, Canada, Mexico, Chile and Peru.
- India is not part of the TPP.
- The deal, which was negotiated under Barack

Obama’s presidency and agreed last year, is yet to be ratified.

- The aim is to ease the flow of goods, services and investments among them, and to strengthen the rules on labour standards, environmental issues, origin criteria and intellectual property.
- It is seen as the most ambitious of trade deals between these countries that have about 800 million people and account for 40 per cent of the global trade.
- It will create uniform IPR rules will lead to an overall growth of 1.1%.
- It will crackdown on wildlife trafficking and environmental abuses.

What are its disadvantages?

- Due to already existing NAFTA’s low tariffs, around 700,000 jobs were lost to cheap labor in other countries, most of which on manufacturing industries. These additional tariff cuts will lead movement of more jobs away from US.
- It has provisions like protection of 10 years for trademark, to enforce copyright until 70 years after the death of the creator, etc. These provisions may be abused to censor online content thereby hurting free expression.
- A company could sue any signatory country’s government, if it believed the country’s law harmed its copyright interests. This brings the corporate on equal footing with the government.
- IPR provisions like extensions of patent to 25 years, allowing simple changes for re-patenting will delay the availability of generic drugs.
- It may interfere in the necessary regulatory laws like food safety, banking regulations etc.
- These are the reasons why India did not want to be a part of it.

How will TPP affect India?

- The US is India's second biggest trade partner and the single biggest export destination. India exported goods worth Rs. 2.6 lakh crore to the US in 2015-16. The US accounts for over 15 per cent of our exports.
- If the TPP were to go through, India could likely see a diversion of its trade with the US and European Union (EU) to TPP member countries, over a period of time.
- Countries such as Vietnam, which are among the biggest textile exporters to the US, could gain an edge over India thanks to freer market access.
- The TPP requires its members to discourage the import of goods that have not been produced in adherence with internationally recognised labour laws. This would impact employment generation.
- India's merchandise exports to TPP member countries (apart from the US) would be rendered less competitive in the event of enforcement of the agreement. Services exports would also be hurt as these would be replaced by trade in services between the TPP member countries.
- India is trying to offset the possible trade loss by engaging in ARSEP (Asean Regional Comprehensive Economic Partnership) which consists of ASEAN and ASEAN FTA countries.
- Trump, with his strong trade protectionist stance, has vociferously opposed the Trans-Pacific Partnership (TPP) and has talked about withdrawing from it.
- In the light of the above mentioned issues the move of withdrawal could work in India's favor.

9.4 India to Counter China's Stance at RCEP**Why in news?**

- India is set to go against China at the upcoming negotiations on the Regional

Comprehensive Economic Partnership (RCEP) agreement.

What is RCEP?

- 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 FTAs - Australia, China, India, Japan, South Korea and New Zealand.
- RCEP negotiations were launched in November 2012 at the ASEAN Summit in Cambodia and have progressively become more complicated after 15 rounds and four ministerial meetings.
- Expected to be the largest regional trading bloc in the world, accounting for nearly 45% of the global population with a combined GDP of \$21.3 trillion, it will also bring the biggest economies of the region into a regional trading arrangement.
- For India, the RCEP presents a decisive platform to influence its strategic and economic status in the Asia-Pacific region.

What is happening now?

- At the last ministerial in Laos held in August, India shifted its long-held stance of a three-tiered, differential levels of tariff reduction to a single one applicable to all the RCEP members.
- India is now mulling a two-pronged approach on which it expects to round up support from all other nations and in the process isolate China.
- Under the previous plan, the 10 countries that are part of ASEAN were being offered up to 80% tariff liberalisation.
- Of this, 65% elimination of tariff was to come into force immediately upon completion of the

agreement. Another 15% tariff elimination was to happen over 10 years. In the second tier, India offered 65% tariff elimination to South Korea and Japan, with whom it has free trade agreements.

- Similar levels of tariff reduction, if finalised, are expected to hurt India the most as it has a relatively higher tariff regime. This has always forced India to reduce tariffs much more than partner nations.
- India has a goods trade deficit with China that has ballooned from \$1.1 billion in 2003-04 to \$52.7 billion in 2015-16. The domestic steel and heavy industries sectors have been apprehensive that China may use the RCEP to try and gain more market access in India even as it remains unwilling to import more.
- Government believes that other RCEP nations shared the same concerns and would support India's position. To this end, the number of tariff lines offered for reduction as well as the phase-out period would be different for China.
- The period for phasing out tariff lines for imports from China could be 20-30 years, as it is essential to ensure Indian industry has enough time to improve its competitiveness.
- The RCEP nations will deliberate on finalising the maximum number of goods on which duties will either be eliminated or reduced drastically.
- Under deviations, India may propose a longer duration for either reduction or elimination of import duties for such countries.
- The original target of concluding a deal was by end 2015. However, member nations have managed to only submit initial offers for trade in goods and services apart from initial reservation lists for investment. The issue of tariff reduction had then taken hold.
- The departure from the earlier stance represented a normal progression in the

negotiations since no other nation was on board with the idea. Commerce & Industry Minister added countries were looking towards a list of common concessions with minimum deviation with regards to some items.

9.5 Russia Leaves ICC

Why in news?

- Russian President Vladimir Putin has signed a decree to withdraw Russia from the International Criminal Court (ICC), which prosecutes war crimes, genocide and crimes against humanity.

What is ICC?

- The International Criminal Court (ICC) is an intergovernmental organization and international tribunal that sits in The Hague in the Netherlands.
- It is the world's first permanent court mandated to bring to justice people responsible for war crimes, crimes against humanity, and genocide.
- The Rome Statute is a multilateral treaty which serves as the ICC's foundational and governing document.

What is the difference between ICC and ICJ?

- ICC investigates and, where warranted, tries individuals charged with the gravest crimes of concern to the international community: genocide, war crimes and crimes against humanity.
- ICJ's role is to settle, in accordance with international law, legal disputes submitted to it by States and to give advisory opinions on legal questions referred to it by authorized United Nations organs and specialized agencies.
- The main difference is that ICJ settles arguments between countries, but the ICC punishes people.

Why Russia left?

- Russia annexed Crimea in March 2014 from Ukraine after a hastily called referendum, a move that led to crippling Western sanctions.
- A separatist armed conflict later erupted in eastern Ukraine the following month, backed by Russia.
- On Monday, the ICC issued a preliminary report in which it described what happened in Crimea as “an international armed conflict between Ukraine and the Russian Federation”.
- Russia’s foreign ministry insisted in a statement that Russia wants everyone implicated in grave international crimes to face justice but expressed frustration over the court’s work in recent years.
- Putin’s decision, comes a day after the UN General Assembly’s human rights committee approved a resolution condemning Russia’s “temporary occupation of Crimea”, and blamed Moscow for rights abuses and discrimination against some Crimean residents, such as Tatars.
- Russia states that the withdrawal is based on “national interests” and argued that since Russia never ratified the creation of the court, Wednesday’s decree was just a formality.
- Peskov also dismissed the ICC’s accusations of an “armed conflict” in Crimea, arguing that Crimea joined Russia after a legitimate popular vote.
- Russia in 2000 signed the Rome treaty which established the Hague-based court, but never ratified it.

What is the significance?

- The tribunal is already facing a major pushback from African countries, who say it’s a Western institution focused on trying nations from the continent.
- Burundi was the first country to withdraw in October. Three days later, South Africa also announced that it planned to leave the ICC, followed by Gambia.
- Russia’s move further worsens the situation.



PAPER - III

10. INDIAN ECONOMY

10.1 Revival of FRBM Act

Why in news?

- In a bid to reinforce the commitment to fiscal consolidation, a committee to review the contours of the FRBM Act was instituted. The committee is about to submit its report by the end of the current month.

What is FRBM Act?

- The FRBM Act was first introduced in India in December 2000 to rein in burgeoning government deficits both at the Centre and in the States.
- Enacted in 2003, the FRBM Act institutionalized fiscal discipline, by seeking to eliminate revenue deficit and to bring down fiscal deficit to a manageable 3% of GDP by FY08 from 5.7% of GDP in FY03.
- However, during the international financial crisis of 2008, as government spending became critical to revive growth amid sharp decline in private investments, the deadline for attainment of the target was pushed forward and later suspended.

What are the changes to be incorporated?

- The following issues need to be reflected upon.
- Point-based target - A debate originated on whether it would be appropriate to impart flexibility to the government by adopting a range-based target as opposed to a point-based target for fiscal deficit.
- A point target infuses fiscal discipline by limiting the room for government manoeuvres and provides an unambiguous signal to the bond markets.
- A focused policy communication will result in a ratings upgrade for the India and lower cost of borrowing for the private sector, which is important for new capital and investment formation.
- Appropriate fiscal deficit target - Given that the total supply of funds through household financial savings and sustainable capital flows are estimated at 10-12% of GDP and demand for excess funds from the corporate sector is estimated at 4-6% of GDP, a consolidated fiscal space of around 6% of GDP exists for States and the Centre put together.
- This implies a 3% headline fiscal deficit target for the Centre and States each. Hence an appropriate fiscal deficit target should be set.
- Need for guiding principle - A binding spending rule along with a medium-term debt range that takes into account the specific institutional setting in each country would help to enhance the policy credibility and facilitate effective monitoring that would ensure stability, fairness and efficiency.
- It would help the governments to adopt a countercyclical approach and limit the scope for creative accounting.
- Regarding a debt sustainability rule, a ceiling on government debt at 60% of GDP can get adopted over the next three years with indicators of sustainable debt serving as guiding principles, in line with the Maastricht Treaty guidelines.
- Independent constitutional body – An independent reviewer, a Fiscal Council, to oversee the adoption of rule-based fiscal policy and to recommend future course of public policy advocacy.

- A well-designed fiscal council with strict operational independence will boost fiscal accountability and transparency and will further add to the sovereign's credence and rating potential.
- The upgraded FRBM framework will enhance the efficacy of India's fiscal policy and significantly reduce the twin-deficit vulnerability.
- A rule-based system with room for independent advisory and oversight can transform India's fiscal architecture and create enablers for germination of green field investment appetite.
- In 1978 the then government demonetised ₹ 1,000, ₹ 5,000 and ₹ 10,000 notes which was also aimed at tackling the issue of black money.
- The main difference between then and now is that currency of higher denomination was barely in circulation, unlike the ₹ 500 and ₹ 1000 note today.
- India has one of the highest levels of currencies in circulation at over 12% of GDP and of this cash, 87% is in the form of ₹ 500 and ₹ 1,000 notes.

10.2 Demonetisation

Why in news?

- Citing the increase in the circulation of black money in the country, Prime Minister had initiated the demonetization policy on November 8.

What is demonetisation?

- Demonetisation is a radical monetary step in which a currency unit's status as a legal tender is declared invalid. This is usually done whenever there is a change of national currency, replacing the old unit with a new one.
- E.g When the European Monetary Union nations decided to adopt Euro as their currency.
- However, the old currencies were allowed to convert into Euros for a period of time in order to ensure a smooth transition through demonetisation.

When currency was demonetised before in India?

- January 1946- Rs.1,000 and Rs.10,000 banknotes, which were in circulation were demonetized primarily to curb unaccounted money.

What was the current move?

- ₹ 500 & ₹ 1000 notes will be replaced with new 500 and 2000 currency notes.
- A close to 50 days' time was given for exchange.
- The unaccounted money was subjected to 200% taxation.
- There were also withdrawal limits which were to be periodically revised.

Why is it demonetised?

- The widespread use of cash in high denominations has led to an artificial increase in the cost of goods and services which was reflected in the government's success in bringing out ₹ 1.25 lakh crore of unaccounted money.
- Progressive shift to a cashless economy with a greater focus on electronic transactions is being envisaged.
- Nullification of black money hoarded in cash
- Tackling of counterfeiting Indian currency notes
- Curbing of terror financing with fake currency notes
- Curbing Corruption.
- Curbing black money circulation during elections.

- Curbing corruption and black money in real estate.
- The removal of large bills will make several criminal and illegal activities more costly such as tax evasion, human trafficking, drugs, extortion and terrorism.

Why ban high value notes?

- Unaccounted money often used in any form of corruption or illicit deals usually takes the form of high-value notes, which in this case are the ₹ 500 and ₹ 1,000 bills.
- The Financial Action Task Force, a global body that looks at the criminal use of the international financial system notes that high-value bills are used in money laundering schemes, racketeering, and drug and people trafficking.
- India's black economy is estimated to be \$400-500 billion, larger than several economies of the world, and almost \$3.5 billion is spent in currency operation costs annually.
- In India, the ₹ 500 and ₹ 1,000 notes also constitute a huge percentage of the money spent by governments, political parties and candidates during general elections.
- A Centre for Media Studies report showed that nearly Rs 30,000 crore was spent during the 2014 general election, while official spending only accounted for ₹ 7,000-₹ 8,000 crore.
- The most important fact, however, is that the share of large-value notes has only been increasing over the years.
- While some of this is no doubt due to the natural growth expansion of our economy, it also hints at the increasing size of the black money economy.

What led to demonetisation?

- Massive rollout of PradhanMantri Jan Dhan Yojana (PMJDY) which gave banking access to nearly the entire population.
- The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 became a disappointment as it raked up only about ₹ 2,400 crore in taxes.
- The Income Disclosure Scheme (IDS) where a window of opportunity to declare their wealth amassed through various means is given to the people.

What are the challenges for RBI?

- To ship enough currency notes to ensure that bank branches are able to meet the tidal wave of demand
- The logjam may be particularly acute in rural areas where both bank branches and ATMs are in short supply.
- While rural India reportedly has 6 lakh villages and had 44 crore savings account holders, they were home to just 48,000 bank branches.
- The 12 lakh ATMs that are in operation across the country will also need to be reconfigured to dispense the new denominations.
- Add on the necessity of ID-proofing all the walk-in depositors and one can visualize the chaos at banks over the next couple of weeks
- There will be an urgent need for debit cards, electronic transfers and mobile payment platforms to be widely adopted.

What were the challenges for the government?

- On the other hand, there is no good estimate for how much of India's black money is in forms other than currency/physical notes such as gold, jewellery, land or any other form of wealth.

- While banning ₹ 500 and ₹ 1,000 notes will tackle the black money that is in the form of hard cold cash, it won't affect other forms of black money.
- On similar lines, this move will obviously have little effect on black money stashed away in foreign tax havens.
- At a time when private investment has been hit and with factory output contracting, scrapping high-value notes may prolong the economic pain.
- What the government needs to do now is to follow up the demonetization with a vigorous push to ensure greater universal banking access, and nudge the real estate sector to move towards greater transparency, besides offering more incentives to encourage electronic payments and use of cards.
- The challenge is not just in pulling out 85 per cent of the high-value currencies in circulation but also to ensure a culture of compliance progressively.
- All two lakh ATMs now require manual recalibration. The new notes could have been designed to the same dimensions as the old ones to avoid this logistical nightmare.
- A better communication strategy was needed to reassure the public after announcing a policy move of such import. In addition to the Prime Minister's televised address and the ministry's press conference, the RBI or the ministry could have circulated detailed FAQs on the transition and its intent, in regional languages, via district administrations.
- Many small businesses were in informal sector and are affected badly.
- Remote ATMs, shortage of cash and non-availability of lower denomination currencies have severely affected rural population.
- Lack of viable digital security, digital literacy and digital protection legislations make the move towards cashless economy a dangerous process.

What are the problems?

- An important part of the fairness of this move was secrecy and surprise - announcing the decision as soon as it was logistically possible with new currency was crucial to its impact.
- The question is whether, in making confidentiality their top priority, the government failed to think through the numerous execution challenges that this mega move entailed.
- It would certainly have helped if the RBI had printed and despatched the new notes of ₹ 500 denomination ahead of the ₹ 2,000 to banks' currency chests.
- This, combined with printing an additional buffer stock of ₹ 100-denomination notes could have helped many small businesses, tradespeople and daily wage-earners manage this transition with just a single bank visit.
- Analysts suggest that demonetization is "merely" a one-time intervention that reduces stock and does nothing about flow i.e the fresh creation of black money with new currency).
- Therefore policies such as goods and services tax (GST), tax deducted at source (TDS) and PAN requirements, the Undisclosed Foreign Income Act, Benami Transactions (Prohibition) Amendment Act should be tightened.
- This should also be followed by crackdown on gold and real estate to make the demonetization meaningful.

10.3 Temporary Hike in CRR

Why in news?

- The RBI has asked banks to set aside 100% of the deposits accrued between September 16 and November 11 as incremental CRR.

- RBI said the incremental CRR is intended to be a temporary measure within its liquidity management framework to drain excess liquidity in the system and shall be reviewed on December 9 or even earlier.

What is incremental CRR?

- The incremental CRR prescribes the reserve ratio based on the extent of growth in resources (i.e. deposits).
- In the late 90s, a 10% incremental CRR was in operation, on the non-resident deposits to regulate (reduce) the flow of funds from overseas Indians.

What is the reason behind the move?

- There could be three motivations for the move.
- First, the surplus in the banking system due to demonetisation, at about ₹ 5 lakh crore, was moving closer to the maximum absorption capacity of the central bank. The RBI had ₹ 7.5 lakh crore of government securities (G-Secs) prior to the demonetisation, which act as collateral to absorb banking system surplus through the reverse repo window.
- The RBI's estimate of deposit accretion going forward might have prompted them to announce a large CRR hike. This puts aside any discussion around RBI running short of G-Secs.
- Second, the process of putting in place other liquidity-absorption measures such as issuance of Market Stabilisation Scheme (MSS) bonds was taking time.
- And, third, the surplus rupee liquidity and sharply falling rates were also creating distortions in the forward premia and indirectly impacting the spot dollar-rupee rate. This liquidity-absorption measure could reverse some of these distortions.
- According to Crisil, between November 8 and 25, funds parked by banks with the Reserve

Bank of India (RBI) under the reverse repo facility surged 10 times to ₹ 1.5 lakh crore.

- As a result, by Friday, the 10-year government security yield had fallen below the repo rate of 6.25%.

What will be the implications?

- The CRR requirement for banks has temporarily risen by ₹ 3.2 lakh crore. The current CRR is 4 per cent or about ₹ 4.1 lakh crore.
- If the RBI maintains the CRR at 100% for a longer period, banks will soon have to face losses.
- That's because the CRR is the portion of deposit to be compulsorily deposited with the RBI for which it doesn't earn an interest.
- The CRR requirement is being applied with retrospective effect, which is always considered a bad move.
- Moreover, there was no justification provided for why those particular dates were chosen.
- While the CRR increase will lead to tighter liquidity and gilt yields moving up, neither of these positions is sustainable. That is because with each passing day more deposits are expected to come in, and with credit demand remaining low, gilt yields will fall.

10.4 Financial Resolution and Deposit Insurance Bill

Why in news?

- A new draft law (Financial Resolution and Deposit Insurance Bill) for resolution of financial firms has recently been released for public consultation by the Ministry of Finance, government of India.
- The proposed new regime seeks to protect consumers and public funds to the extent possible, while maintaining overall stability and resilience of the financial system.

What is the necessity of the Bill?

- Unlike traditional insolvency where affected parties are limited to the creditors of the insolvent entity, the impact of failure of a financial firm, for instance, a large bank or an insurance company is much wider and can have a domino effect on the economy. Such a situation is by no means implausible or far-fetched.
 - The filing of bankruptcy by Lehman Brothers on September 15, 2008, was the first in a series of events, which precipitated the worst economic crisis in recent memory.
 - As the stakes in cases of failures of financial firms are very high, the authorities responsible for resolution need to be equipped with necessary and appropriate powers to deal with such crises.
 - In this background, the proposed new law provides for an array of resolution tools, which can be used by the “resolution corporation”, composed of representatives of the various regulators, the Ministry of Finance, as well as independent subject matter experts, in order to revive a failing financial firm.
 - This piece discusses two of these proposed tools, namely “bail-in” and “transfer of assets to another entity”.
- As a consequence, the public authority or the government assumes most of the risk of failure that would otherwise be borne by the firm itself, and this reduces the incentive among the management of a firm to make sound and prudent business decisions, leading to the problem of moral hazard, widely touted as one of the central issues of the financial crisis of 2008.
 - Experience shows that the comfort of the “too big to fail” status had led to a series of decisions which were misjudgment at best, and speculation at worst.
 - Bail-in on the other hand moves away from the practice of using public funds and involves a number of restructuring mechanisms,
 - Including the cancellation or modification of liabilities owed by a firm (including converting instruments from one class to another and creating new securities),
 - Cancellation of contracts; and for central counter parties,
 - Haircuts on the margins and collaterals, and
 - Issuance of equity to the creditors.
 - The tool of bail-in makes it incumbent upon creditors of the firms to assume at least part of the risk.
 - Additionally, as bail-in impinges upon the substantial rights of creditors, it is imperative that this power is adequately circumscribed.
 - The draft Bill envisages a host of safeguards, which must necessarily be complied with during the operation of this tool.
 - Only certain specific types of debts can be written down, and liabilities like deposit insurance, wages and salaries, secured liabilities etc have been excluded from its purview.
 - Further, the writing down of debts has to be done in accordance with the creditor

What is Bail-in?

- Bail-in is the corollary of the traditional tool of bailout.
- Bailout implies infusing funds from a public source into a failed financial firm that traditionally benefits the shareholders or uninsured creditors of the firm.
- As the government is often the primary source of such a liquidity injection, more often than not, taxpayers end up becoming financially liable for bailouts.

hierarchy, and with due regard to “key attributes” identified by the Financial Stability Board (FSB), including the principle of “no creditor worse off than in liquidation”, continuity of essential services, and protection of client funds.

What is Transfer of assets to another entity?

- This tool of resolution can assume a number of forms.
- For instance, it can be done in the form of a simple sale or purchase and assumption.
- Purchase and assumption is one of the most common modes of revival of a failing financial firm.
- The resolution corporation is responsible for overseeing such a transaction, which is carried out on the terms agreed between the resolution corporation and the third party.
- The features of this tool, as identified by the FSB, have been incorporated into the Bill, and include the power to transfer selected assets and liabilities of a non-viable firm to a third party, or to a bridge institution formed for this purpose. The distinctive feature of this transfer is that it does not require the consent of interested creditors or other parties.
- Segregating viable assets of the firm would also enable the resolution corporation and investors to take informed decisions about its health, and the exact amount of risk that is entailed.
- This may also serve the additional purpose of the non-viable assets to be liquidated while allowing continuity as a going concern.
- The draft Bill also provides for a number of other resolution tools such as
 - creation of a bridge institution,
 - merger or amalgamation,
 - acquisition,
 - liquidation, or any combination of these.

➤ The objective is for the resolution corporation to be in a position to take over the reins of the firm and the powers of the individual regulators, to direct an orderly resolution, by the time the firm reaches a stage of unviability and enters the process of resolution.

➤ These tools are by no means exhaustive, and must be applied keeping in mind various factors, such as a firm’s type, peculiar characteristics, risk profile, the portfolio of creditors and investors, among others.

Conclusion

➤ Ultimately, the aim of this law is to steer away from a “one-size-fits-all” formula and devise the best possible solution, which takes into account the varied interests of creditors and consumers, while preserving the overall financial stability of the national economy.

10.5 Understanding India’s fall in Exports

What is the issue?

- There was a rise in export value in June 2016 in comparison to June 2015.
- But soon it declined during July 2016 and August 2016 in comparison to July 2015 and August 2015.

What is the trend?

- During April to October 2016, the growth in the dollar value of exports stagnated (0.02 per cent growth) relative to the corresponding period of the previous year.
- Over a relatively long period starting 2011-12 the dollar value of India’s merchandise exports has been stagnant or declining.
- Clearly, the persistence of the Great Recession in the world economy has affected India quite adversely.
- But the period since March 2015 seems to have been worse than before.

- Thus, the growth in the dollar value of merchandise exports over 2015-16 was a negative 15.6 per cent, as compared with minus 1.3 per cent in 2014-15 and a positive 4.7 per cent in 2013-14.
- But what stands out, is the extreme volatility of export growth in recent years, with growth rates varying from a positive 21.8 per cent to a negative 15.6 per cent.

What are the factors behind this trend?

- Limited diversification of India's export basket: The top 10 principal exports in terms of commodity groups, account for as much as 78 per cent of total merchandise exports. What happens in the market for these commodities has a major impact on overall export performance.
- The second is that in recent times the export performance of some of these goods has either deteriorated or been characterised by a lack of dynamism. For example, four of India's lead exports (Engineering goods, Gems and jewellery, chemicals and readymade garments) registered negative or near zero growth rates during 2015-16.
- Their growth performance, as well as that of a commodity group like drugs and pharmaceuticals that was earlier showing export dynamism, has been indifferent or poor during recent months as well.
- While this was undoubtedly largely the result of the global recession, the importance of these commodity groups in the export basket affected aggregate export growth adversely.
- Thirdly, in the recent years, changed global dynamism have allowed few traditionally not so important goods to find a slot among India's principal exports for a brief period. Typical examples are iron ore and rice.
- Iron ore exports that were large because of demand from China and policy measures permitting such low value-added exports

from India, have fallen because of the slowdown in China. ‘

- Rice exports boomed, because the policy adopted by the previous government to offer subsidies to farmers raised prices in Thailand and helped India to displace it as the world's leading rice exporter. But that advantage is now waning with the Thai government choosing to aggressively dispose of accumulated stocks in an environment of improved production.
- **Crude jolt:** For long India has been importing crude and petroleum products because its requirements have far exceeded domestic production.
- Crude is imported and refined domestically and to the extent that some petroleum products thus obtained are more than the domestic demand for such products after accounting for imports, the balance is exported.
- However, with India's demand for petroleum products increasing, the volume of export has fallen.
- This has resulted in a collapse in the value of petroleum product exports from \$60.7 billion in 2013-14 to \$47.3 billion in 2014-15 and \$27.1 billion in 2015-16. That too has contributed to the fall in the dollar value of merchandise exports.
- Thus, an unusual combination of factors has intensified the adverse impact that the global recession has had on India's export performance. All of them point to weaknesses reflected most starkly in India's poorly diversified export basket.

10.6 Equal Pay for Equal Work

Why in news?

- The Supreme Court's ruled that temporary employees are entitled to regular pay scale as the permanent employees.

What was the ruling?

- The ruling was passed in cross appeals by the Punjab government and temporary workers.
- It says the principle of equal pay for equal work constitutes a clear and unambiguous right and is vested in every employee, whether engaged on a regular or a temporary basis.
- The specific ruling is for those employed by the government.
- The court also fully recognises that some workers could be permanent and others, temporary.
- The ruling has laid down many parameters to decide whether temporary hands are doing the same work as the regular employees before equal pay can be claimed. The onus of proof is on the worker who claims equal pay.

What is its significance?

- It reaffirms the concept of the right to equality enshrined in our Constitution.
- The economy will get a boost when workers are better paid.
- This sets the norm for the private sector as well.
- Once equal pay kicks in, the only reason employers have to keep some workers temporary and disgruntled is the need for flexibility, reducing the plight of temporary workers.
- Also if workers are enabled to upgrade their skills on a regular basis, such flexible employment terms would benefit them as well.
- A reform in labour laws to readjust the size of the workforce at short notice, hire new skills, scale up or down, depending on way demand moves, will make India competitive.

What is the problem in implementing?

- The two basic differences between the temporary and regular workers are that the temporary workers can be terminated any time without reason and get paid a fraction of what the regular workers get
- It would be natural to hope that the SC verdict would have an immediate effect.
- Unfortunately, this is unlikely to happen, due to the third difference between permanent and contract workers, i.e. the access to collective bargaining.
- As per the Trade Unions Act, 1926, any workman who works in a factory can join a union of that factory. But trade unions typically have only permanent workers as members.
- The reason cited is that contract workers are not employees of the employer in question (the manufacturing unit). Contract workers are hired by the labour contractor, who is empanelled with the employer as a supplier of contract labour, and who pays their salaries. Therefore “they should not find representation” in a union body formed for the purpose of negotiating with the said employer.

Can temporary/contractual workers participate in unions?

- Not being on the rolls of an employer does not disqualify a contract worker from being a member of a factory’s union.
- Section 2 (g) of the Trade Union Act, which defines “workmen”, for the purposes of a trade union, as “all persons employed in trade or industry whether or not in the employment of the employer with whom the trade dispute arises”.
- The Gurgaon District Court in Chander Bhan case ruled that any workman employed by a factory — irrespective of whether he was a permanent worker or not, was eligible to participate in union activities.

- But the fact is no union anywhere gives membership and voting rights to contract workers.

Who are contractual workers?

- Contract labour was initially employed only for non-core work such as gardening, cleaning, and maintenance. Soon, they began to be increasingly employed in production as well. Workers protested.
- In response, the Contract Labour (Regulation and Abolition) Act, 1970 (CL Act), was enacted. It expressly prohibits the employment of contract labour for core production.
- But labour contractors easily circumvent this requirement through 'sham contracts'. It is a contract that may show a worker as having been hired for a cleaning job. But once he enters the factory premises, he is engaged in production work.

Why are they denied membership?

- In an industrial climate extremely hostile to any union activity, workers believe that forming a union that also includes contract workers is bound to provoke the management into even greater hostility.
- Managements refuse straight on to discuss with unionists any issues concerning contract workers.
- recent times, companies frequently terminate even a permanent worker for engaging in union mobilization. Therefore contract workers, who could be dismissed without any consequences, are hesitant to form unions.
- In most trade unionists, permanent workers themselves don't want to extend union membership to contract workers. In a factory, say, that employs 300 permanent workers and 1,200 contract workers, any union that gives voting rights to contract workers would instantly marginalize permanent workers.

- As a result, India's contract workers, with the exception of some PSUs in select sectors such as steel and coal, remain both heavily exploited and largely un-unionised, with the lack of unionisation and exploitation reinforcing each other.
- The CL Act was enacted to abolish contract labour. Ironically, it strengthened their exploitation by offering a legal operating framework to labour contractors.
- Before this legislation, temporary workers and permanent workers could make claims on their employer and negotiate as members of the same union. But the CL Act, introduced a distinction between an 'employer' and a 'principal employer' and kept the door open for expansion of contractualisation.

What is the solution?

- The legislations and judicial pronouncements alone may not change things much in practice. The labour movement should come up with an answer to:
 - how to unionize contract workers,
 - Who are in one factory today, in another the next?
 - Whose interests are all too easily played off against those of permanent workers?

To truly reap the benefits.

10.7 Jobs vs Wages

Why in news?

- The applicants with PhDs and other degrees were found among the application for government peon posts in Uttarakhand recently.

What is the issue?

- India doesn't have a jobs problem but a wages problem. Our official unemployment rate of 5% is not a fudge and anybody who wants a job generally tend to have one. But they don't get the wages they want or need.

- It is estimated that almost 85% of the 30 lakh applicants with PhDs, degrees, etc for government peon posts in Uttarakhand recently already had a job
- The creation of high-paying private sector jobs is being distorted by three faultlines in wages: Government vs private, nominal vs real, and gross vs net.

Government vs Private Wages

- People at the bottom are 85 per cent of the numbers and greatly distort the labour market because Class 3 and 4 employees get paid more than 200 per cent of their private sector counterparts for the same job.
- They also have low performance accountability and high job security.
- The huge number of government job applications is not because people are running away from insecure low-paying private sector jobs but because people are running towards overly secure high-paying government jobs.
- Government employment should be public service with reasonable wages.

Nominal vs Real Wages

- Since we cannot take jobs to people in the short run, we need to take people to jobs.
- But the migration to cities is being negated by the huge mispricing of land that directly affects living, eating and commuting costs in India's few job magnets. We only have 50 cities with more than a million people versus China's 375.
- Mumbai, Delhi, Chandigarh can't compete with job magnets like Gachibowli, Mohali, Gurgaon and Bangalore because the new clusters combine an infinite supply of mixed use commercial and residential real estate (happiness includes that the commute time is a key component of happiness).

Gross vs Net wages

- For example, a monthly salary of Rs 15,000 per month in a cost-to-company salary world only ends up as a Rs 8,000 bank credit because employers are required to make mandatory deductions of 45% salary for programmes like provident fund, Employees' State Insurance (ESI), Labour Welfare Fund (LWF), Employee Pension Scheme (EPS) etc.
- Government data suggests that workers with annual incomes of Rs 1.8 lakh do not have any saving and cannot live on less than half their salary. Therefore they prefer working for the informal sector where net salary is equal to gross salary.

What are the solutions?

- These fault lines distort high-paying formal private jobs and we need three regulatory interventions: Faster urbanisation, lower regulations, and broader human capital.
- Faster urbanisation in the sense that there should be an increase to the number of Indian cities with more than a million people from 50 to 200. High quality urbanisation like having real mayors, robust city finances, etc could create the virtuous cycle of higher formalisation, higher productivity and higher wages.
- As bribe has become a core feature of real estate, it has been bad for formal job creation and labour migration and demonetisation will bring down land prices, accelerate construction, and raise labour mobility.
- Lower regulations are important for job creation because most of our workers work in low-productivity enterprises that are not productive enough to pay the wage premium.
- Human capital is key. Neglecting primary school education for decades after Independence is a mistake being amplified by the new world of work that disproportionately values reading, writing, arithmetic and soft skills.

- Also there should be a time-bound monitoring on three overdue and impactful interventions in regulatory cholesterol by the ministry of labour.
- The Establishment code is part of a PF account number and it's a 5 digit code. 27 different numbers issued to every employer should be replaced with a single Universal Enterprise Number.
- 100 per cent paperless, presenceless, and cashless compliance for all state and Central labour laws should be achieved.
- The provident fund and ESI reforms announced in the budget makes the employee contribution to the provident fund voluntary and creates competition for ESI and EPFO by allowing employees to choose alternatives like NPS and health insurance. Such measures should be encouraged
- Recent youth unrest — the idealisation of Burhan Wani by Kashmiris and the reservation agitations by Patels, Jats, Gujjars — have roots not in a job emergency but a formal job emergency.
- Thus, issues related to consolidating the Indian banking sector have been debated and discussed for many years and merger has been a preferred recommendation consistently.
- The government is of the opinion that merger is the only solution to address the health of the PSBs.
- What is the point in merging, for example, State Bank of Travancore and State Bank of Hyderabad with SBI, when in FY16 the two associate banks' gross NPA ratios were in fact lower than that of SBI?
- Mergers by themselves do nothing to address the issue of poor governance resulting in poor asset quality, except for the government can say that instead of, for example, 10 weak banks we now have five, the better banks having been made to swallow the weaker ones.

Is the bad bank effective ?

- The creation of bad bank may help transfer the bad debts and take care of the stressed assets, thereby helping the banks to start with a clean slate. This might not be enough.
- Unless the quality of management is improved, the banks are going to incur assets of poor quality.

What should be done?

- Privatisation as an alternative - The government could consider setting standards for the banking industry i.e., privatising some of the inefficient PSBs while rewarding profit-making ones.
- Privatising loss-making PSBs will have a deterrent effect on the staff and management of such banks.
- Also it will ensure that market discipline forces them to rectify their strategy, and this will have a ripple effect on other PSBs.

10.8 Is Merger the Solution to NPAs in Public Sector Banks?

Why in news?

- The problem of public sector banks (PSB)'s non-performing assets (NPA is getting worse. In the last financial year 2015-16(FY16) their gross NPA ratio rose to 9.5%, compared to 5% in the FY15.

Is Merger Practical?

- Earlier, in 2009, the Rakesh Mohan-led Committee on Financial Sector Assessment had proposed that the RBI should create a conducive environment for mergers and amalgamations.
- The merger of PSBs had been recommended even earlier in 1998 by the M. Narasimham-led Committee.

- It is time to reconsider whether all 27 PSBs are really required to serve the purpose of social banking in our country and at what cost.
- Small and Payment banks - Small banks and payment banks are expected to penetrate deep into rural India, and therefore the need for a brick-and-mortar commercial bank branch is diminishing.
- Thus, merger is not enough to tackle the NPAs, better management of public sector banks is of utmost importance. Privatisation can play a key role in addressing the problem of NPAs.
- The treaty also expands the scope of the permanent establishments to allow for source-based taxation of business income.
- It reduces the tax rate on royalty in the country from which payments are made to 10% from the existing rate of 15%, in line with the tax rate under Indian tax laws.
- It updates the text of other provisions in accordance with the international standards and consistent policy of India in respect of tax treaties.
- The new DTAA will come into force after the completion of necessary internal procedures in both countries and is expected to be set in motion in India in respect of income derived in fiscal years beginning on or after April 1, 2017.

10.9 India - Cyprus DTAA

Why in news?

- Nearly three months after the Cabinet's approval to the signing of the revised double tax avoidance agreement (DTAA) with Cyprus, India has now signed the new pact with the island nation, which is a popular tax haven.
- It was signed in Nicosia by High Commissioner of India to Cyprus and the Minister of Finance of Cyprus.
- Similar agreements have been signed with Mauritius and Singapore.

What are the provisions of the agreement?

- The protocol for the revised agreement will replace the existing agreement signed in June 1994.
- The new DTAA provides for source-based taxation of capital gains arising from alienation of shares, instead of residence-based taxation provided under the existing DTAA.
- However, a grandfathering clause i.e exemption clause has been provided for investments made prior to April 1, 2017, in respect of which capital gains would continue to be taxed in the country where the taxpayer is a resident.

What is the significance of the deal?

- Cyprus is the seventh top country from which India gets maximum FDI inflow.
- But it was the only country to have been blacklisted by India as a non-cooperative jurisdiction, due to lack of effective exchange of information.
- India and Cyprus had entered into a tax treaty in 1994, and are obliged to exchange information. On November 2013, the Finance Ministry had notified Cyprus as a non-cooperative jurisdiction following failed discussions to secure the desired level of cooperation.
- The new pact provides for assistance between the two countries for collection of taxes.
- It also updates the provisions related to exchange of information to accepted international standards, which will enable exchange of banking information and allow its use for purposes other than taxation.

Is any country likely to benefit as a result of the amendment?

- Experts say the Netherlands may emerge as an alternative due the series of agreements with Cyprus, Singapore and Mauritius.

- The India-Netherlands treaty provides that if a company based in Netherlands holds less than 10% equity in an Indian entity, it would not attract capital gains on the sale of those shares to residents or non-residents.
- Even if it were to own more than 10% equity in an Indian company, the treaty allows it to sell the shares to a non-resident without attracting tax.

10.10 States' Right to Fiscal Autonomy vs Uniformity in Taxation

Why in news?

- A recent nine-judge bench of the Supreme Court, in the context of entry tax, has upheld states' right to financial autonomy when it comes to designing their fiscal legislation.

What was the judgment?

- The judgment held that Article 301 of the Constitution does not apply to taxes. (Free trade between states ensured in Article 301)
- Therefore, imposition of entry tax cannot be said to be restriction on freedom of trade and commerce.
- The court has also overruled the concept of 'compensatory taxes' (developed in earlier decisions) holding that the concept of 'compensatory taxes' does not have any juristic basis.
- **What are compensatory taxes?** Taxes are compensatory and valid if they are collected to provide certain service to the tax paying units. A test for deciding whether a tax is compensatory or not is to enquire "whether the traders are having the use of certain facilities for the better conduct of their business and paying not patently much more than what is required for providing the facilities".
- Article 304 states that the Legislature of a State may by law

- (a) Impose on goods imported from other States or the Union territories any tax to which similar goods manufactured or produced in that State are subject not to discriminate between goods so imported and goods so manufactured or produced; and
- (b) Impose such reasonable restrictions on the freedom of trade, commerce or intercourse with or within that State as may be required in the public interest: Provided that no Bill or amendment for the purposes of clause shall be introduced or moved in the Legislature of a State without the previous sanction of the President.

- The court states that Article 304(a) and 304(b) are to be read separately and the states do not require Presidential assent to impose entry tax.

Will the judgment reduce the number of litigations?

- However, this landmark decision of the Supreme Court does not really put an end to the entry tax litigations. Because the validity of individual state law has to be decided by the smaller bench of the apex court based on guidelines laid down in this case.
- That is, if entry tax is discriminatory in nature, it will still be unconstitutional.
- For example, if entry tax is imposed on particular goods entering into the local area of a state and there is no corresponding levy on the same goods manufactured within the state, it is discriminatory, in which case the entry tax law of that state might still be unconstitutional.

How this will affect GST?

- Uniform and harmonious tax laws throughout the country are a key objective of the proposed goods and services tax (GST) laws as it would integrate India into a common national market.

- However, such need for harmonisation is often viewed by states in direct conflict with the principles of fiscal autonomy as incorporated in the Constitution of India.
- To achieve such objectives, a GST Council has been established to make recommendations in relation to GST, including the rates of tax, exemptions and model GST laws. (The GST Council consists of the Union Finance Minister, the Union Minister of State in charge of revenue or Finance, and the Minister in charge of Finance or Taxation of each State government.)
- However, in terms of the current constitutional scheme, such recommendations are not binding on the Centre or the states and they are expected to follow the same uniformly in the spirit of cooperative federalism.
- In the scheme of Indian federal and political structure, it is expected that any such recommendations may not be acceptable to one or more states.
- While the GST Council itself has been empowered to resolve any such disputes arising out of its recommendations, ultimately the Supreme Court would have the final say on such dispute.
- If the Supreme Court uphold the sovereign right of states to administer their GST laws in a consequent judgment, it would be a huge blow on the basic premise of GST — uniformity and harmonisation — and would lead to similar distortions as prevalent under the current tax regime.
- The Centre, states and the GST Council should agree to and decide on an effective dispute resolution mechanism, which would make it difficult for the Centre or states to evade the recommendations of the GST Council and would preserve the basic feature of GST – One Nation One Tax.

10.11 Draft- Banning of Unregulated Deposit Schemes and Protection of Depositors' Interests Bill, 2016

What is the need for the bill?

- The government had constituted an Inter-Ministerial group to identify gaps in the existing regulatory framework for deposit-taking activities and to check unauthorised chit funds and Ponzi schemes.
- And to suggest administrative or legislative measures including formulation of a new law to cover all relevant aspects of deposit-taking.
- The proposed bill is based on its recommendations.

What are its objectives??

- To define the term deposits in such a manner that deposit takers are restricted from camouflaging public deposits as receipts which are outside the purview of the Bill.
- But it is not the intention of this Bill to curb acceptance of money by an establishment in the ordinary course of business.

How is the definition redefined?

- Definition of Deposits to mean the receipt of money as an advance or loan in any form which has to be returned after a specified time with or without any interest, bonus, profit or in any other form.

What are the revisions made?

- Seeks to rope in CBI for probe in certain cases involving fraudulent schemes.
- To set up of an online database of information on deposit taking activity in the country.
- Introduced a clause to give depositors first charge on any asset created from the deposits.

- It plans to ban unregulated deposit schemes and protect the interests of depositors.
- The bill stipulates that any deposit taker who promotes and accept deposits in an unregulated deposit scheme may be punishable with imprisonment for minimum term of two years which may be extended to 10 years and with a fine which may extend to twice the amount of aggregate funds collected from subscribers, members or participants in such schemes or arrangements.
- Being a social welfare legislation, prioritizes the interests of depositors over others.
- Usury is seen as the levying of unreasonably high interest rates while lending money.
- Interest is Riba, which in its current interpretation, covers all interest — not just excessive interest. Under Islamic law, a Muslim is prohibited from both paying and accepting interest.
- Thus, Sharia banking means money can only be parked in a bank without interest — and this money cannot be used for speculative trading, gambling, or trading in prohibited commodities such as alcohol or pork.

What are the conditions to be fulfilled for CBI probe?

- Depositors, deposit takers or properties have to be located in more than one State or outside India
- The total value of the amounts involved is of a magnitude to significantly affect public interest

Why is this revision required?

- Proposing strict measures such as up to 10 years imprisonment and heavy penalty on operators of such schemes.
- Seeks to provide for a comprehensive code to ban unregulated deposit schemes.
- Protect the interests of depositors.
- If it becomes a law, it would override a clutch of existing laws, including those framed by the states.

10.12 Islamic Banking

Why in news?

- RBI has proposed the opening of an 'Islamic window' in banks to 'gradually' introduce Sharia-compliant banking in India.

What is Sharia banking?

- Sharia banking refers to banking activity that conforms to Islamic law or Sharia.

What is the rationale for Sharia banking?

- **The Sachar Committee report** released in 2006 said that Muslims hold 12.2% of accounts in public sector banks and 11.3% in private sector banks — lower than their share of 13.4% cent in the population as a whole.
- A large chunk of Muslims are, however, a part of the conventional banking system, and both pay and receive interest.
- This concept is aimed primarily at devout Muslims who do not participate in the conventional banking system due to religious restrictions, including not taking credit from banks to expand businesses.
- Some religious scholars have noted that the interest in the conventional banking systems is not the same as usury, and the levying and receiving of interest at a fixed rate is allowed.
- Large parts of the Islamic world, including Pakistan, adhere to conventional banking practices.
- Introduction of Sharia or Islamic banking could bring more Muslims into the banking system, and help in the inflow of institutional wealth from entities operating in the Islamic world to the Indian economy.
- Sharia banking is not restricted to Muslims alone, and other communities could be allowed to participate.

How can a bank work without interest?

- While banking itself is premised on charging interest, certain banks do structure their accounts in Sharia compliant ways. For those who want credit from a Sharia compliant bank the instrument of Ijara (Leasing or Renting) is available — in which the bank purchases the asset on behalf of the client and allows its usage for a fixed rental. After a mutually agreed time, the ownership of the asset is transferred to the client.
- Another instrument is the Murabaha, in which the asset is purchased by the bank at market price and sold to the customer at a mutually-decided marked-up cost. The client can repay in instalments.
- Musharakais a joint investment by the bank and the client, in which both contribute to funding an investment or purchase, and agree to share the profit or loss in agreed-upon proportions.
- For savings accounts, there are two kinds of deposits. In one, customers can deposit their savings and allow the bank to use this money.
- In the other kind, the holder allows the bank to invest his money in specific projects and gets returns after a stipulated term based on how the business performs.

How prevalent is Sharia banking?

- A 2015 World Bank report estimated Sharia-compliant financial assets to be in the range of US \$ 2 trillion. The Islamic Finance Industry has been expanding at a rate of 10%-12% annually.
- In many Muslim countries, Islamic banking assets have been growing faster than conventional banking assets. There has also been a surge of interest in Islamic finance in non-Muslim countries such as the UK, Luxembourg, South Africa, and Hong Kong.

What are the hurdles to implementing in India?

- There is some political opposition against its introduction.
- Because of the strict adherence to not paying or taking interest, Sharia banking will call for a complete overhaul of the banking regulatory system.
- There is also concern that India lacks adequate manpower trained in Sharia banking.

What are the steps taken?

- In a report submitted to the government in 2008, a committee headed by Raghuram Rajan had suggested the need to have interest-free banking in India.
- The Kerala government had subsequently tried to co-promote an Islamic finance institution, but the move was challenged in the High Court.
- The RBI has now said that given the complexities, Islamic banking may be introduced in a gradual manner.
- A few simple products which are similar to conventional banking products may be considered for introduction through Islamic window of the conventional banks. Introduction of full-fledged Islamic banking with profit-loss sharing complex products may be considered at a later stage on the basis of experience

10.13 Photocopy vs Copyright

Why in news?

- A Division Bench of the Delhi High Court is scheduled to hear an appeal against a judgment which allowed a photocopying shop in Delhi University to continue to sell photocopied chapters from their books.

What is the case about?

- Publishing companies like Oxford University Press had approached Delhi High Court

in 2012 to get a permanent injunction to restrain Rameshwari Photocopier on the premises of Delhi University from making copies of chapters of books published by these companies and selling them to students as “course packs”.

- The publishers asked the court to ensure the university obtains permission to prepare course packs after paying dues, from the Indian Reprographic Rights Organisation (IRRO) - a copyright society that collects licensing fees on behalf of publishers.

What is the problem with the “course packs”?

- According to the publishers, the shop was violating their copyright and “competing” with the copyright holders by commercially exploiting their work and depriving them of revenues.
- The publishers also objected to the fact that the university had allowed the shop to operate on its premises, and make copies of books from its libraries and it is “adversely impacting” the publishing industry.

What was the photocopier’s defence?

- It claimed that the course packs were only being used by teachers and students “in the course of academic instructions and for research purposes”, which are part of “fair use” of copyrighted material under the Indian Copyright Act, 1957.
- It also argued that across the world, students were allowed to copy a limited number of pages from any work for use in research.
- DU by granting it licence to work on the university premises and issuing books for photocopying, had “permitted” it to create course packs.

What is the doctrine of “fair use”?

- The copyright law recognises the right of ownership of the producer/publisher

on the material, and does not allow its reproduction without permission — except for “exceptions”.

- International agreements such as the Berne Convention, and the Agreement on TRIPS allow countries to lay down these exceptions.
- Section 52 of the Indian Copyright Act states that “research or private study” and “by a teacher or a pupil in the course of instruction shall not constitute an infringement of copyright”.

What was DU’s defence?

- DU clarified that no “licence” was granted to the Photocopier.
- But the shop was allowed to run “keeping the interest of the students in mind”.
- The university also said the “service of copying certain pages” was “necessary” because “purchasing individual books is expensive and several of the books are also out of print or not available in India”.
- Teachers and students came to court in support of the photocopier. They said it was “unrealistic” to expect all students to buy all books that had been recommended, and that the course packs carried “very small” parts of the books — less than 10% of the total.

What was court’s rationale in the judgment?

- It ruled that while photocopying was “reproduction of the copyright material” as defined under the Copyright Act, it was covered under the exception for “fair use”.
- The Bench expanded the definition of “teacher and pupil” who are allowed to reproduce copyright work and said that the university as an institution was a “teacher”.
- The court held that the course packs contained very limited parts of the books, and could not be said to be “competing” with the publishers.
- Significantly, the court held that since students could “copy out” large parts of the books by hand as study ‘notes’, the use

of technology to “facilitate” the copying of extracts could not be said to violate the law.

What is the significance of the verdict?

- It has expanded the definition of terms in the Act to include the copying of work by educational institutions.
- This will help tens of thousands of students to continue to access study material that may not be readily available.
- The judgment discusses the balance between the “legitimate interests” of publishers and the right of students to get access to books.
- It has noted that copyright isn’t a “divine” or natural right, but has been created under statute, which allows for exceptions to the right.

10.14 Globalisation and its ill effects

What is the issue?

- In fewer than six months, two mighty countries who pushed globalisation suddenly appear to be reversing course.
- In championing such a reversal, Donald Trump and Nigel Farage of Britain identified major fault lines in the concept of globalisation and skilfully communicated them to the people.

What are the problems of Globalisation?

- A major problem with globalisation is that it does not penalise bad actors. The bankers and traders were responsible for the financial crisis. But no one was punished and the banks were bailed out at taxpayer expense. In a non-globalised world, there would have been serious penalties imposed on hundreds of individuals, including regulators.
- **For example Greece:** It went amok with highly irresponsible decisions that brought Euro to the brink. But in an irony, it was Greece’s Prime Minister who made it appear

as though the Eurozone banks were being too cruel. If a common man had borrowed money from a bank and defaulted on his obligations the bank would go after his collateral for cause.

- In globalisation, the common man sees a rigged system that is harsh on him but is lenient to elites who do far more damage.
- **Another problem is the hypocrisy:** Consider the case of a worker displaced when a plant moves its operations overseas. There is a provision for the host government to fund the worker’s retraining. But attending school and learning new skills is fundamentally not an easy thing to do. Even if the worker does this and competes to find a job, he often loses out to an immigrant who is willing to work for far less. The common man sees a double standard at work: The government is giving assistance to the displaced worker with one hand but is taking it all away with the other with generous immigration policies that hurt the very worker who was to be helped by the retraining programme.
- **Indifference** - Elites dismiss complaints about outsourcing saying that it is a necessary by-product of globalisation. But the common man sees that this practice hurts people, families and communities like nothing else.
- **Neglect**- The common man is also deliberately forgotten for the greater good. The recent climate accord eliminates CFCs from use in commercial air conditioners. But doing so will mean that air conditioners will get far more expensive for the world’s rising middle classes.
- Every policy has winners and losers. Globalisation was fine as long as there were more winners than losers.
- **Pride** - When common men took their issues to leaders in government, industry and the media, they were often dismissed, even branded racist or bigots for not coping with a changing world.

- So the losers in the globalisation battle formed a silent majority. They held their opinions from pollsters or even lied to them when asked. And on election day, they took their heartfelt disillusion to the privacy of the ballot box without having to fear recrimination from anyone.
- Provide weather and market related information to the farmers and others. Government's forthcoming programmes will also be available on it.
- It will help create awareness about various programmes and benefit farmers and youth in joining different training programmes being organized by KVKs.

11. AGRICULTURE AND RELATED ISSUES

11.1 Krishi Vigyan Kendra

Why in News?

- The Central government has announced opening of at least one Krishi Vigyan Kendra in all districts of the country.

What are earlier measures?

- It includes providing advanced Agriculture technical assistance to the farmers near their farms itself. Besides, it has also announced opening of Apiary Development Centers in ten states.
- The government has called upon the farmers to use the residual husk after paddy farming to make organic fertilizer, in paper making and Card-board Industry and as animal feed. This will prevent the adverse effect of husk burning on the environment.

What are the features of Krishi Vigyan Kendra portal?

- The portal aims to provide information and advisory to the farmers and facilitate online monitoring of the KVK activities.
- It provides provisions for online monitoring of KVKs.
- Reporting of major events of KVKs on regular basis and submission of monthly reports online.
- Provide information on different services being provided by different KVKs.

11.2 Import Duty On Wheat

Why in news?

- The central government has scrapped the import duty on wheat.

Why the import duty was scrapped?

- The Centre recently announced zero import duty from the prevailing 10% to improve domestic availability, check rising prices and to address the concerns of dip in buffer stock of wheat and wheat-based products following two consecutive drought years.
- The big players in the wheat flour market had been demanding withdrawal of the duty, and this move was to suit their interests.
- The decision of scrapping the import duty ahead of the winter wheat crop is aimed at helping such agri-businesses by dumping wheat from foreign countries in India.
- Further this measure will reduce the price of wheat in the market.

How did the farmers react?

- Farmers' unions and agriculture experts are anguished over the Centre's decision to scrap the import duty on wheat as they fear that they will have to resort to distress sale during the rabi season.
- The All India Kisan Sabha said government agencies had failed to procure wheat at the minimum support price (MSP), and without an adequate number of open purchasing centres, farmers are forced to sell their crop at lower prices.

Wheat traders are expecting imports to cross five million tonnes this year.

- The cost of imported wheat would be far below the MSP of ongoing rabi (Rs. 16,250 a tonne), resulting in crashing domestic wheat prices as the government has no effective procurement mechanism in many States.
- Thus the scrapping of duty would be detrimental to Indian agriculture as it will hurt the income of farmers.

11.3 World Bank Advises India to Cut Subsidies

Why in news?

- World Bank has advised India to reduce its subsidies and import duties to become an export powerhouse, in its recent report titled “South Asia’s Turn: Policies to Boost Competitiveness and Create the Next Export Powerhouse”.

What is the South Asia’s potential?

- South Asia with the increase in education levels, more than one million young workers enter the labour market each month.
- By 2030 more than a quarter of the world’s working adults will live in South Asia.
- As the work force ages and labour costs rise in China and other East Asian countries, south Asia becomes the cheaper destination.

What are the findings in the report?

- The report says India made substantial progress in developing top of the value chain capabilities, such as becoming a global research and development hub for major auto-parts and electronics producers.
- But 80% of the region’s export growth came from the sale of the same goods to the same destinations and the remaining 20% came from selling the same products to new markets.

- The region’s export basket does not reflect the substantial transformation of production structures.
- South Asian countries have underperformed in terms of both the quantity and quality of their exports. Most firms in South Asia have low productivity.
- While the exports have increased in India, it has remained low in the rest of South Asia and quality has generally remained low and has declined for some countries.
- India’s 14% annual export growth for the last decade puts it in the first tier of South Asian countries.
- High import tariffs on cotton and man-made fibres combined with ineffective duty drawback mechanisms have been the main constraint to the growth of the apparel sector in India.
- South Asia, led by India, could triple its share in global markets of electronics and motor vehicles and doubling its market share in wearing apparel (excluding textiles and leather) by 2030.

What are the recommendations?

- The World Bank report highlights four main policy levers to boost the productivity and thus the competitiveness of firms are
 - To improve the business environment,
 - Connect firms to global value chains.
 - Leverage agglomeration benefits and
 - Strengthen the capabilities of managers and workers.
- Policymakers can encourage the flow of resources to more productive firms by actively managing urbanisation and reducing constraints.
- Bridge the gap between agglomerations of firms and pools of qualified workers with easy access to key domestic and export markets.

- Invest more in training their workers, innovating new products and making greater use of the Internet to buy & sell.

11.4 Private Food Grain Stock Measurement

Why in news?

- International Seminar on Approaches and Methodologies for Private Food Grain Stock Measurement to be held on 9th November, 2016 in New Delhi.

What is the need for food grain stock management?

- Information on food grain stocks is vital for food security and can influence the world prices of certain crops.
- There is a growing need to ensure stock-taking of domestic food availability which is both accurate and up-to-date. This would enable in framing adequate policies to handle with food shortages, excesses and also plan for future production.

Why private stocks matter?

- In India, stocks of grains and oilseeds are held by various stakeholders, including farmers, individual non-farmer households, the Government (Central and State), processing units, traders and exporters.
- Often, these entities are fragmented across the width and breadth of the country.
- Given the vastness of the country, the seasonal and regional nature of production and consumption, the operation of a large number of small to medium entities in the private sector, measuring privately held stocks has been a challenge.
- Adequate foodgrain stocks can help contain price rise. While stocks held by public agencies are fairly well known, those held by private entities are not.
- The growing involvement of multiple stakeholders, private stockists in particular, often leads to price volatilities.

How to measure private stocks?

- Strengthening Agricultural Market Information System, a G20 initiative was set up in 2011 with the task of improving agriculture market information and forecasting national and international level stocks.
- Reliable information on private foodgrain stocks is a challenge due to the non-existence of a scientific approach and methodology.
- While public stocks maintained as buffer are used to absorb supply shocks to dampen price spikes, the paucity of information on the volume of private stocks is used by private traders to 'rig' prices.
- The commercial storage and warehouses maintained by commodity exchanges and warehousing receipts by agencies such as the Warehouse Development and Regulatory Authority play a crucial role in stocking for private entities.
- Evolving a scientific approach and methodology for measuring stocks held privately and by commercial storage entities can help predict the direction of prices and the designing of appropriate public policy and business planning.
- The Philippines conducts sample surveys on a monthly basis to estimate private stocks of rice and maize. However, the suitability of this methodology for a large country like India has not been tested.
- The upcoming seminar in New Delhi organised by the FAO and the agriculture ministry will hopefully throw light on approaches and methodologies for India and will help design robust policies and focus on new technologies and their integration into the food grain stock data management system.

11.5 Kerala Declared Drought-Hit

Why in news?

- All the 14 districts of Kerala have been declared drought-hit by the government.

What is the present condition of Kerala?

There is a deficit 34 per cent rainfall in the State during the South-West monsoon.

- During the North-East monsoon, it is projected that Kerala will have a deficit of 69 per cent rainfall even if 90 to 100 per cent rainfall is received in November and December.
- The State Disaster Management Authority, at its meeting under Chief Minister Pinarayi Vijayan decided to declare the entire State as drought-hit.
- A moratorium will come into effect on the agricultural loan taken by the farmers.
- The government will seek central aid to overcome the crisis.
- The District Collectors have been given a 26-point guideline to be followed for drought-relief.
- There has been no rain in October and if this situation continues, there will be drought-like situation, proclaimed by Indian Meteorological Department (IMD).
- The State was heading for a “severe” drought as Kerala had received deficient rains in the South-West monsoon.
- The North-East monsoon was yet to set in the State and had not received pre-monsoon showers.

What are the steps taken by the Kerala government?

- To tackle the situation, the government was also keen to encourage rain water harvesting.
- There has been an average reduction of 22 per cent water in the State’s dams when compared to the water storage in September last year.
- The State was also gearing up to take measures to tackle scarcity of drinking water which is likely to be faced by the State due to deficient monsoon.

- The government also has plans to rejuvenate at least 10,000 private temple ponds of the total 40,000 in the State.
- The Chief Minister had convened a high-level meeting on October 13 to work out plans to meet the impending drought situation

12. INFRASTRUCTURE

12.1 Guidelines for Wind Power Projects

Why in news?

- Ministry of New and Renewable Energy (MNRE) issued Guidelines for transparent bidding process for implementation of Scheme for setting up of 1000 MW Wind Power Project connected to inter-state transmission system (ISTS).

What is the scheme about?

- Ministry sanctioned a Scheme for setting up of 1000 MW ISTS connected Wind Power Project on 14 June 2016.
- The objective of the Scheme is to encourage competitiveness through scaling up of project sizes and introduction of efficient and transparent e-bidding and e-auctioning processes.
- It will also facilitate fulfilment of Non-Solar Renewable Purchase Obligation (RPO) requirement of non-windy states.
- In order to facilitate transmission of wind power from these windy states to non-windy states provisions have been made in the Tariff Policy to waive the inter-state transmission charges and losses for wind power projects.
- Under the guidelines the Wind Power Projects will be selected through open and transparent competitive bidding followed by e-reverse auction and the capacity may go higher than 1000 MW.

What is SECI?

- Solar Energy Corporation of India (SECI) is a PSU under the administrative control of the MNRE, set up on September 2011 to facilitate the implementation of JNNSM and achieve the target of it.
- It is the only PSU dedicated to the solar energy sector.
- It is responsible for implementation of schemes of MNRE which includes large-scale grid-connected projects under JNNSM, solar park scheme and grid-connected solar rooftop scheme.

12.2 Port Development Policy**Why in news?**

- The Ministry of Shipping held a consultation meeting with various stake holders on 'Policy for Award of Waterfront and Associated Land to Port Dependent Industries in Major Ports' in New Delhi.

What is the aim of the policy?

- The policy aimed at bringing uniformity and transparency in the procedure for awarding captive facilities at ports.
- The ambit of the Policy includes creation of new assets as well as utilization of currently unutilised existing assets such as vacant berths. The Policy will be applicable to all the Major Ports.
- The policy will enable optimal utilization of capacities in Major Ports and increase revenue to the Major Port Authority.

What are the existing guidelines?

- Under the existing guidelines for private sector participation in Major Ports issued by the Ministry of Shipping (MoS) in 1996 and 1998, provisions were made for allotment of waterfront and land on a captive basis to Port Based Industries including Central/State Public Sector Undertakings (PSUs) which fulfilled the prescribed eligibility criteria.

- A captive unit is a business unit of a company functioning offshore as an entity of its own while retaining the work and close operational tie ups within the parent company.
- Though some berths and facilities were set up in some Major Ports following these guidelines, the potential for development of such facilities is not yet fully realized.
- Hence the need for the new Policy for Award of Waterfront and Associated Land to Port Dependent Industries in Major Ports'.

What the new policy says?

- Under the new policy, concession will be granted to Port Dependent Industries (PDI) for setting up dedicated facilities in Major Ports for import and/or export of cargo and their storage before transportation to their destination, for a period not exceeding 30 years.
- Extension of concession period on conditions including under-utilization of asset as per the concession agreement may be allowed.
- After a maximum of 30 years of operation, the waterfront and associated land in a Major Port will be allotted for construction of berths, offshore anchorages, transshipment jetties, single point moorings etc.
- It will be as per the terms and conditions of the Concession Agreement (CA) to be entered into between the Port Authority and the PDI concerned.

What is the way ahead?

- The policy will help generate committed business for the Major Ports on a long term basis by facilitating the development and operation of dedicated port facilities by industries which are substantially dependent on a particular Major Port for import and/or export of their cargo and thus play a catalytic role in the eventual realization of the objectives of Port led development.

- Allocation of waterfront and associated land to port based industries on PPP/captive basis is one of the major areas which have been identified by the Ministry of Shipping for participation/investment by the private sector in Major Ports.
- Government of India has focused on Port led development through the Sagarmala program as a key enabler for economic growth.
- Optimal utilization of land and waterfront at the disposal of the Major Ports is of critical importance in this context.

12.3 Hyperloop Transportation Technology

Why in news?

- Hyperloop Transportation Technologies (HTT), a US start-up has submitted its proposals to the transport ministry.

What is Hyperloop technology?

- The Hyperloop — high-speed travel in pods inside a partial-vacuum tube — is the brainchild of Tesla founder Elon Musk
- The basic design of the technology was open sourced in 2013 in the form of a white paper.
- It is a capsule, with passengers, travels at the speed of more than 1200 Kmph, inside a vacuum tube.
- It uses power from renewable energy sources like solar energy, regenerative braking & wind power.
- These tubes stand on pylons that can withstand quakes and crashes.
- The company has already signed deals to build a Hyperloop between Abu Dhabi and Al Ain.

Bullet train Vs Hyperloop

- The first bullet train is expected to run between Mumbai and Ahmedabad and is

expected to be built by 2023 at a cost of about \$12 billion

- Hyperloop technology can be implemented in nearly 3 years. Further it costs around \$1 billion.

12.4 Banks on Project Finance

Why in news?

- In the Banking Roundtable held last week, bankers made it clear that they are hesitant to go big on project financing.

What is project finance?

- Project finance is the financing of long-term infrastructure, industrial projects and public services, in which project debt and equity used to finance the project, are paid back from the cash flow generated by the project.

Why are the banks hesitant in public financing?

- Bankers are clear that very few banks would go big on project financing until the government created the ecosystem for the resolution of issues.
- Due to the past experience in the recent years, bankers will now provide project finance only if they see a chance to recover their investment quickly in case things go wrong.
- The gross non-performing assets (NPAs) of the banking sector stood at ₹ 6.3 lakh crore in the June quarter, and restructuring is on in barely a fraction of these cases. This seriously limits their lending capacity.
- Schemes such as strategic debt restructuring (SDR) and sustainable structuring of stressed assets (S4A) have not met with much success. Under these schemes, banks have not been able to
 - agree with promoters on valuation, convert their debt into equity or
 - find managers or new buyers
 - to run the businesses.

- It is not just bankers who are hesitant to fund large-scale projects; even promoters who have learnt their lesson the hard way will want all the safeguards in place before indulging in future projects.
- It will not be subject to any levies or charges imposed by the airport operators.
- The selected airlines will have to commit 50% of the seats on RCS flights as RCS seats.

What is the way ahead?

- The Insolvency and Bankruptcy Code (IBC), 2016, is expected to address some of these concerns.
- There is no shortage of demand for funds, which will only increase as the economy grows. However, bankers want tighter contracts so that borrowers understand that the money has to be repaid and that they cannot lead lavish lifestyles at the expense of banks.
- The future of financing projects should be governed by take-or-pay contracts and if things do not work out, the funds are to be returned.
- There are enough honest promoters out there who may have set up projects in good faith but are unable to get them going because of changes in the external environment or regulations or public protests. Therefore a more structured approach should be in place where access to natural resources, land, approvals and backward-forward linkages are in place before funds are committed.
- The number of RCS flights to be operated in a week must be at least three and at most seven.
- Benefits under the Scheme will be available for a period of 10 years from the date of its notification.

How will it be implemented?

- Guiding principles - RCS will be made operational only in states and at airports which are willing to provide concessions required under the Scheme. A Regional Connectivity Fund (RCF) will be created to subsidise operations under the RCS. The RCF will be funded by a levy or fee on certain domestic flights, at rates to be notified by the Ministry.
- Financial support to airlines will be provided in the form of
 - Concessions by central and state governments such as reducing excise duty on aviation fuel,
 - Concessions by airport operators such as not levying landing and parking charges, and
 - Viability gap funding (VGF) will be provided to the selected airline operators from RCF, and state governments will be required to reimburse the applicable share. VGF will be provided for three years from the date of commencement of operations of such RCS flights.

12.5 Regional Connectivity Scheme (RCS)

Why in news?

- The Ministry of Civil Aviation released the Regional Connectivity Scheme (RCS) with the objective of facilitating regional air connectivity by making it affordable.

What are the key features of the scheme?

- The airfare per RCS seat will not exceed Rs 3,500 and will be determined based on the flight distance.
- The Scheme will be applicable to RCS airports and helipads. The list of RCS airports and helipads will be published after consultation with the state governments.

13. SCIENCE AND TECHNOLOGY

13.1 India's Membership in CERN

Why in news?

- India became an associate member of the European Organisation for Nuclear Research (CERN).

What is CERN?

- CERN is a European research organization that operates the largest particle physics laboratory in the world.
- Established in 1954, the organization is based in Geneva.
- It has 22 member states and four associate member states and other associate members transitioning to full member status.
- It is best known as operator of the Large Hadron Collider, which found the elusive Higgs boson in 2012.
- CERN's main function is to provide the particle accelerators and other infrastructure needed for high-energy physics research.

What is Large Hadron Collider?

- The Large Hadron Collider (LHC) is the world's largest and most powerful particle accelerator.
- The LHC consists of a 27-kilometre ring of superconducting magnets with a number of accelerating structures to boost the energy of the particles along the way.
- The collider is a type of a particle accelerator with two directed beams of particles. In particle physics, colliders are used as a research tool: they accelerate particles to very high kinetic energies and let them impact other particles.
- Analysis of the byproducts of these collisions gives scientists good evidence of the structure of the subatomic world and the laws of nature governing it.

What is India's position?

- India was inducted as an 'Observer' at CERN in 2004. The latest upgrade allows Indian companies to bid for lucrative engineering contracts and Indians can apply for staff positions at the organisation.
- The associate membership would cost India 11.5 million annually though it still wouldn't have voting rights on decisions of the Council. India will formally become a member around January after depositing an instrument of ratification.

What is India's benefit?

- Becoming an associate member of CERN will enhance participation of young scientists and engineers in various CERN projects.
- It will also open opportunities for Indian industries to participate directly in CERN projects. The most significant outcome is that our industry can bid for developing sophisticated equipment, software and instruments.
- The aim of the LHC is to allow physicists to test the predictions of different theories of particle physics, including measuring the properties of the Higgs boson and searching for the large family of new particles predicted by supersymmetric theories.

13.2 Indigenously Developed SONARS

Why in news?

- The Government has formally inducted four types of indigenously developed SONARS that will boost its underwater surveillance capability recently.

What are the NAVAL systems that have been handed over?

- Recently, Kochi based Naval Physical Oceanographic Laboratory (NPOL) of DRDO, has handed over the following four naval systems to Indian Navy.

- Induction of these Systems will increase the underwater surveillance capability of Indian Naval ships.
- All these Systems are to be productionised in India.

ABHAY

- Abhay (Compact Hull-Mounted Sonar for Small Ships & Shallow Water Crafts): Induction of Abhay (by replacing the vintage Russian sonar) enables indigenous sonar system to be installed on small ships, thereby enhancing the ASW surveillance capability of the fleet to smaller vessel, like Shallows Water Crafts, Light Frigates & Patrol Vessels, which was hitherto limited to frigates and destroyers.

HUMSA-UG

- HUMSA-UG (Upgrade for the Hull-Mounted Sonar Array (HUMSA) Series of Sonar Systems for Ships): It enables smooth upgrade of the capabilities of the indigenously-developed legacy Sonar System HUMSA, by drastically minimizing the existing hardware and addressing technology obsolescence issues, which is currently operational on-board on 18 ships.

NACS

- NACS (Near-field Acoustic Characterization System (NACS) for Ship Sonars): It provides a simple and operationally efficient means to determine the frequency-dependent 3-D transmission and reception characteristics of the hull-mounted sonar aiding in the optimum performance and maintenance of the sonar.

AIDSS

- AIDSS (Advanced Indigenous Distress Sonar System (AIDSS) for Submarines): It is used to signal that a submarine is in distress and thereby enable quick rescue and salvage.
- It is a life-saving alarm system designed to transmit sonar signals of pre-designated

frequency and pulse shape in an emergency situation, so as to attract the attention of Rescue Vessel in the vicinity.

13.3 India's Space Achievements and Constraints

What demonstrates China's aspirations?

- China's extraterrestrial ambitions are clearly lifting off, even threatening the US-based National Aeronautics and Space Administration (Nasa).
- For instance, two Chinese astronauts—or taikonauts—are currently aboard an experimental space station called Tiangong-2.
- Also known as the Heavenly Palace, this is the second laboratory to be launched by the world's second-largest economy, and the experiments are aimed at creating a permanent space station by 2022.
- Since 2011, 11 taikonauts have travelled into space.

What are India's aspirations?

- India is yet to send a manned mission to the moon.
- India's first manned space mission is now being slotted for 2021—a crucial step to launch vyomanauts, or Indian astronauts, on the moon.

What is the status of India's space budget?

- Budget is clearly a constraint.
- India's space sciences budget, which is meant to fund research into our planet, the solar system and universe, is a mere \$43 million, according to the Isro's 2015-16 annual report.
- Compare that with China's \$110 million, Japan's \$953 million and Nasa's \$5.24 billion space sciences budgets.

- Further, the US had the biggest budget for space exploration, spending over six times more than China, according to Organisation for Economic Co-operation and Development figures for 2013.
- India's total space budget estimate for 2016-17, according to the ISRO annual report, is pegged at around \$1.1 billion.
- This includes allocation for space technology, space sciences, space applications, Insat operational and administration costs. Compare this with the total space budget of Nasa for FY2016 at \$18.8 billion.
- By June, ISRO had launched 131 satellites using indigenously developed launch vehicles, 74 of them foreign satellites.
- India has also successfully set a record with the launch of 20 satellites in a single payload, one being a satellite from Google Inc.
- India is now rated as one of the top six countries having end-to-end capability in space technology.
- ISRO and its commercial arm, Antrix Corp., is working on developing low-cost reliable space launch vehicles, similar to what the US, Ukraine, Russia, China and New Zealand are doing.

What are the achievements of ISRO?

- Despite budget constraints, ISRO has many achievements to its credit.
- Set up in 1969, ISRO built India's first satellite, Aryabhata, which was launched by the Soviet Union on 19 April 1975.
- In 1980, Rohini became the first satellite to be placed in orbit by an Indian-made launch vehicle, SLV-3.
- ISRO subsequently built the Polar Satellite Launch Vehicle (PSLV) for launching satellites into polar orbits and the Geosynchronous Satellite Launch Vehicle (GSLV) to place satellites into geostationary orbits.
- In January 2014, ISRO successfully used an indigenous cryogenic engine in a GSLV-D5 launch of the GSAT-14.
- ISRO sent a lunar orbiter, Chandrayaan-1, on 22 October 2008, and then the Mars Orbiter Mission (MOM), which successfully entered the Mars orbit on 24 September 2014, making India the first nation to succeed in doing so on its first attempt.
- ISRO became the fourth space agency as well as the first space agency from Asia to successfully send a spacecraft into the Mars orbit.
- And it was really cheap: ISRO reportedly spent only Rs450 crore on MOM.
- Moreover, to expand inter-planetary research, ISRO is seeking scientific proposals for aMOM-2.

14. ENVIRONMENT

14.1 Environment Supplement Plan (ESP)

Why in news?

- Currently, developmental projects in India require Environmental Impact Assessment (EIA) clearance, and yet many are operating without even obtaining this clearance.
- And if the construction of a developmental project begins without prior assessment and clearances, the MoEFCC, as per its latest notification, will still consider the project for clearance.

What are the key features of EIA?

- Environmental Impact Assessment (EIA), 2006 regulates the construction, expansion and modernization of developmental projects that have a potential threat to the environment in different parts of India.
- This law mandates prior environmental clearance to be obtained for a listed project.

- It is obtained through a series of steps that includes preparation of EIA reports, engagement with project-affected communities through public hearings, and an appraisal of project documents by a group of experts.

What is ESP?

- Environmental Supplemental Plan (ESP) provides an escape mechanism to violators. Instead of following the path of an EIA clearance, they can get away by paying a penalty through specific investment activities.

As per the guidelines defined under ESP law:

- An ESP is an environmentally beneficial project or activity that is not required by law, but that an alleged violator of Environmental Impact Assessment Notification, 2006 agrees to undertake as part of the process of environmental clearance.
- “Environmentally beneficial” means an Environmental Supplemental Plan must remediate, improve, protect the environment or reduce risks to public health or the environment.
- ESP would allow violator companies to continue their activities by paying a financial penalty.
- This would then be invested in an “environmentally beneficial project or activity” for an affected target group of stakeholders.

What are the advantages?

- Many developmental projects have been currently stalled to non-compliance with EIA regime or for preparing an improper EIA. ESP would enable reviving these projects.
- The “Bad Loans” issue currently plaguing the Banking sector can be substantially resolved through reviving the stalled projects.

What are the disadvantages?

- ESP is a clever attempt to legalize EIA violation and gain corporate confidence, thereby allowing violator to damage the environment and circumvent the EIA process.
- Among all cases filed in the National Green Tribunal (NGT), around 41% are cases where the NGT found faults with an EIA assessment. Thus, EIA violation is a major in developmental projects. Allowing such violators to carry on, defeats the ultimate purpose of EIA.
- Many experts argue that this indirectly allows pardoning of violations. Rather than building upon the “Polluters Pay Principle”, the ESP looks like an attempt to promote corporate development by using a contradictory “Pay and Pollute” principle.
- MoEFCC stated the notification has legal basis in two judgments, one by the NGT and the other by the Jharkhand High Court. But neither of the two judgments condones EIA violations to be regularized post facto nor does it prescribe a way out of these for violators.
- Valuation of environmental loss cannot be just compensated by pecuniary payment by the violator.
- Whether the fine amount would be collected properly and utilized for restoration is doubtful. No mechanism has been proposed to utilize the collected funds.
- The track record of MoEFC taking any punitive actions against violators is very poor in India.

14.2 Delhi Air Pollution

Why in news?

- In view of the intense air pollution in Delhi, visibility dropped to a distance of 200 meters and all schools were closed for three days.

What are the reasons?

- Satellite pictures reveal that crop burning in adjoining states is the major driver of the drastic drop in air quality in the national capital region.
- Large-scale trash-burning across the city is another factor.
- The base level of pollution is already high due to rampant urbanisation.

Why Stubble is burned?

- Stubble is the cut stalks of cereal plants left sticking out of the ground after the grain is harvested.
- Rice is not a major crop in Punjab and Haryana.
- But the cultivation is recently increased due to MSP and availability of secured market i.e government procurement.
- Farmers use Combine Harvesters (machines) to harvest because of the increased labour cost.
- This leaves behind substantial amount of stubble. It is non-palatable and the cost of collecting is very high. So it is burned to make the farm ready for winter wheat.
- Wheat's stubble is not burned as it being a traditional crop, there is a demand for it to use it as a cattle feed. So it is collected by reaper after harvesting.

What are the measures taken?

- Badarpur Thermal Power Plant closed for 3 days.
- Construction works around the city was halted.
- Odd-Even scheme was implemented.

What should be done?

- All the above measures are temporary.

- There is a need to move away from an approach that focuses on a single polluting source.
- Farmers should be made aware of the uses of stubble like Power generation, soil moisture retaining, medium for growth for essential micro-organisms, organic manure, yeast making etc. They should also be supported policy wise to initially take it up.
- Smoke generating brick kilns should be modernised.
- Roads must be paved.
- Poor burn waste during winter to escape cold. Therefore proper heat and shelter to be provided.
- Public transport should be mad efficient and private transport to be discouraged by measures like higher parking fees.

14.3 Air pollution - Emergency Measures from Across the World

Why in news?

- The National Green Tribunal (NGT) announced emergency measures to tackle pollution which will come into place when air quality touches the 'severe' limit.

What are the measures?

These measures include

- Sprinkling water using helicopters,
- Stopping construction activity,
- Cleaning of dust from roads by mechanical. Manual cleaning only helps in regeneration of pollution,
- Stopping stone crushing and
- Stopping thermal power plants & diesel generator sets that cause more pollution than is permitted.

These measures are somewhat different from those put in place on bad air days in major cities

elsewhere in the world. But it should be noted that all these measures are temporary measures to handle extreme air pollution and not long term measures. Apart from this Delhi lacks effective monitoring mechanism and long-term plan to check industrial pollution.

Beijing

- Once among the most polluted cities in the world, Beijing has had stringent emergency measures to combat chronic air pollution in place since 2011. These were formalized in 2013.
- The Chinese capital enforces an odd-even road-rationing scheme for private cars whenever a 'Red' alert is sounded, immediately pulling some 1.8 million cars off the roads for every day that the scheme is in force.
- An alarm will be sounded and messages will be played in buses and trains asking people to be cautious.
- All schools are closed so that children are not exposed to toxic air, factories are shut down, and fireworks — which are a major draw during the Chinese New Year celebrations — are banned.
- Even outdoor barbecues, which are very popular in local markets, are stopped.
- All government departments have to ensure that only 70% of their vehicles are on the roads.
- An alert is sounded on the day before a heavy smog day based on forecasts.

Paris

- When smog enveloped the iconic Eiffel Tower in March 2015, the French capital took half its cars off the roads, much like Delhi's odd-even scheme.
- Only "clean" cars, those with uneven number plates or vehicles carrying more than three people have been permitted to enter Paris and 22 surrounding areas

- Heavy fines were imposed for flouting the ban, and the speed limit was set at a low 20 km per hour.
- An estimated 750 police officers were dispatched from 5.30am onwards to about 100 busy roads and junctions to hand out fines to those who ignored the measures.
- Public transport and parking in residential areas were made free to encourage people to use public transport.
- According to the government, the steps were successful and helped cut pollution significantly.
- 2015 was only the third time since 1997 that the city had to implement emergency measures.

Mexico City

- When it declares an air emergency, Mexico City bans a fifth of private cars from roads on every day of the week.
- The temporary measure included ordering all cars to remain idle one day a week in response to the notoriously smoggy capital's worst air-quality crisis
- It also offers free rides on buses and trains.
- The city started its battle with air pollution in the late 1980s and was the first to implement the odd-even scheme.

14.4 Marrakech Climate Change Conference

Why in news?

- The twenty-second session of the Conference of the Parties (COP 22), the twelfth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 12), and the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 1) were held in Marrakech, Morocco from 7-18 November 2016.

What happened earlier?

- Rich and industrialised countries are obligated to provide climate finance to the developing nations to help them deal with the impacts of climate change.
- The rich countries have promised to mobilise at least USD 100 billion per year from the year 2020.
- Developing countries have been demanding to know the progress on this promise, but what has come from the rich world has disappointed as well as angered them.
- In an estimate released a few weeks ago, the rich countries have claimed that they were on road to raise at least USD 64 billion just from public finance by the year 2020. However, these estimates were based on a discredited OECD report released last year which had claimed that more than USD 60 billion dollars in climate finance had already flowed from the developed to the developing world between the years 2010 and 2014. This both disappointed and angered the developing countries.

What happened in COP22?

- It had the ambitious task of drawing up the first steps on enhanced finance and technology transfer, which is vital to advance the Paris Agreement that entered into force on November.
- If the UN framework convention (UNFCCC) is the World's Constitution for fighting climate change that they all agreed to in 1992, the Paris Agreement is the equivalent of a law and Marrakech Conference was supposed to come out as a rulebook for it.
- It's a settled concept that rules are meant to facilitate the implementation of provisions of a law. But at Marrakech the developed countries, tried to use the rule-making process to subvert the law – the Paris Agreement. Their hostility came as a surprise to many ill-prepared developing economies, including India.

- One of the biggest victories the rich nations were able to score at Marrakech was in getting their report on climate finance acknowledged into the formal negotiations, despite developing countries claiming that it had used dubious accounting methods.
- This OECD report could now become one of the bases for defining climate finance. The OECD countries had tried this last year at Paris as well and failed. But, they got away with it at Marrakech.
- They also got ensured to a considerable extent that there would be little new action to reduce emissions or enhance climate funding till 2020.
- The developing countries had demanded that the existing Adaptation Fund which provides funds to developing countries from the rich nations continue to live under the Paris Agreement unconditionally. But this was achieved with attached conditions that could constrict it or even eventually choke it by the time Paris Agreement gets implemented.
- Then there were a list of issues that needed to be sorted out that were likely to fall off the table in coming years. For example
 1. For developing countries one of these priority issues was to have a process for setting a new collective quantified goal on climate finance.
 2. For developed countries it was to have a common time frames in which countries revise their targets periodically under Paris Agreement.

Was India's aspirations met at Marrakech?

- 'Climate Justice' did not find a mention. Nor did India's demand that developed countries adjust their lifestyles to reduce their emissions considerably.
- Even the reference to the long standing principles of equity and common but differentiated responsibilities could find a very nominal space in the political statement called the Marrakech Action Proclamation.

- India's actual negotiating team at the Moroccan capital remained strained for human-power and greater political leadership. India was often found missing from crucial closed door and parallel talks on climate finance.
- India had to also deal with the fact that the BASIC group had become less coherent than ever before. It comprises of South Africa, Brazil, China and India and stumped the EU in 2009 by becoming the group of big developing economies that collectively bargained with the US at Copenhagen to shape the new climate regime. But, South Africa drifted somewhat away from others in its national interest even before Paris Agreement. At Morocco, Brazil demonstrating that its national interest and political alignments at climate talks had turned closer to those of the US rather than to the BASIC group.

What is the way ahead?

- The issues that were the most difficult to resolve at Paris have been all put on the plate for 2017 and 2018 to resolve.
- The next two years would be politically as low-key as Marrakech which may make political leaderships of developing countries take it easy. India's flip flop on ratification and then the weak political preparation this year showed what the consequence can be.
- A repeat over next two years could land India in a regime where the provisions of the Paris Agreement may say the right things but its implementation would mean lead to just the reverse. The rules could un-write the law.

14.5 International Solar Alliance

Why in news?

- More than 20 countries signed a Framework Agreement on International Solar Alliance which will take the shape of a separate international treaty once it is operationalized.

What is ISA?

- The International Solar Alliance is an alliance of more than 120 countries, most of them being sunshine countries, which come either completely or partly between the Tropic of Cancer and the Tropic of Capricorn.
- The primary objective is to collectively work for efficient exploitation of solar energy to reduce dependence on fossil based fuels.
- This initiative was proposed by our Prime Minister of India first during his speech at Wembley Stadium, London.
- This initiative was launched at the India Africa Summit and a meeting was held among them before the conclave of 2015 United Nations Climate Change Conference in Paris on November 2015.
- This is a treaty-based inter-governmental organization. The alliance will take the shape of an international treaty once its rules are worked out.
- The Headquarters is in India with its Interim Secretariat being setup in Gurgaon.
- The agreement will become operational after atleast 15 countries have ratified it.
- The framework agreement says that the members of ISA would take coordinated actions through programmes and activities that will aggregate the demands for solar finance, solar technologies, innovation, research and development, and capacity building.
- The ISA aims to develop cost-efficient solar technologies and applications.
- It is also expected to mobilise \$1 trillion for funding solar energy projects by 2030.

What is the working plan of ISA?

- The countries within the tropics also happen to be the ones in which the most growth in energy demand is expected in the years to come.

- The ISA is an effort to ensure that as these countries increase their electricity production, they should predominantly use solar energy and avoid fossil fuels.
- However, this can happen only if the costs of solar energy are competitive as compared to the traditional sources of power.
- The ISA seeks to do three things to bring down the costs of technology as well as of finance needed for a solar project.
 1. It seeks to boost global demand, which will result in further reduction in the prices of solar energy deployment.
 2. It seeks to promote standardisation in the use of equipment and processes for generating electricity. Standardisation will make the manufacturing of equipment and other hardware cheaper.
 3. And it seeks to boost research and development, particularly in areas of efficient storage systems.
- In the light of these, the ISA has over the last year received solid support from a large number of countries, including those that are not exactly tropical countries.
- The US has repeatedly expressed its desire to join the Alliance, and France actually did so on Tuesday.
- More countries are likely to sign up during the remaining days of the conference, and also later. The signing has to be followed by ratifications by the signatory countries.

How significant is ISA to India?

- The ISA gives India an opportunity to take global leadership in the fight against climate change.
- The secretariat of the ISA is to be located in India. It will also host a meeting of ISA assembly every year.
- India has promised to contribute \$27 million for creating building infrastructure and recurring expenditure for five years, till 2020-21.
- A part of this money will also go towards creating a corpus fund that will generate revenues for the budget of ISA.

Is ISA part of UN program?

- Strictly speaking, the ISA agreement is separate from the United Nations-mandated climate change talks that are held every year.
- But it was proposed at the Paris Climate Conference last year, and has become a reality at the Marrakesh meeting now, in the process getting linked closely with the UN climate process.

Can ISA be successful?

- The revolution in the deployment of solar energy over the last several years has been made possible by a sharp drop in the costs of production of electricity through solar cells. The costs have come down by 80%-85% over the last 7 years, due to a rapidly growing demand.
- The total installed capacity of solar energy across the world has risen by almost 8 times during the same time.

What are the difficulties?

- Raising a large amount of money, like \$1trillion, is going to be difficult given that developed countries have historically been stingy in funding renewable energy projects in developing countries.
- Also such a large sum cannot be raised from public sources alone. The ISA will have to devise mechanisms to mobilise private finances.
- The new alliance will also have to work in tandem with other bodies such as the International Renewable Energy Agency and the Renewable Energy and Energy Efficiency Partnership to bring a co-ordinated effort.

14.6 Green Norms

Why in news?

- India's mining major Vedanta has requested the Union mines ministry to arrange relaxation from the environmental condition that makes it mandatory to use "dismantallable" drilling machine in the forest area of its gold mine.

How is the non-coal auction done?

- Under the old mining law, the state governments only had the powers to grant the mining lease to any company as per their discretion.
- As per the new mining law — Mines and Minerals (Development and Regulation) Amendment Act, 2015 — which came into effect from January 2015, the non-coal mines have to be auctioned by the respective state governments.
- The first ever non-coal auction in the country began in December, 2015.
- The Union mines ministry has been calling the meeting of post-auction mining clearances and approvals facilitator (PAMCAF).
- A total of 17 mines, including the Baghmara gold block, has been auctioned till date.
- JSW group — whose firm JSW Steel is the largest steel company in the country — won five iron ore mines in Karnataka in October only. Karnataka has auctioned total seven iron ore mines till date.
- In March, Essar Steel won the Ghoraburhani-Sagasahi iron ore block in Sundargarh district of Odisha.

What is a composite license?

- The composite licence i.e. prospecting licence-cum-mining lease is given for an area where there is inadequate evidence of mineral contents. While prospecting licence is granted for exploring, locating and proving mineral deposits, the mining lease is required finally to extract minerals.

What is a "dismantallable" machine?

- "Dismantallable" drilling machine can be disassembled easily once the drilling working is done. Therefore, it can be carried without doing any damage to the forest area. This environmental condition has been put by the forest department of Chhattisgarh government.

Why such a condition was put forth?

- Baghmara gold mine has approximately 2,700 kg of gold metal, is spread across 608 hectares in Balodabazar district of Chhattisgarh.
- Vedanta won the composite license for Baghmara gold mine in the non-coal auction this February.
- According to the company, around 90% of the auctioned area is forest land.
- As per the orders of state forest departments, the use of dismantallable drilling machine is necessary in order to protect forest resources from adverse effects of carrying whole drilling machine.

Why the company opposes it?

- In the third post-auction mining clearances and approvals facilitator (PAMCAF) meeting, the Vedanta representative said that "dismantallable drilling machine consume a lot of time and labour and delays the whole process of prospecting."

14.7 Human Animal Conflict- Neighborhood Leopard

Why in news?

- The leopard was captured on camera at the Yamuna Biodiversity Park (YBP) in Delhi and officials say it may have become a 'resident' as its pugmarks have been regularly seen for two weeks.

What is the general perception?

- Within 72 hours, officials decided to trap and shift the big cat in YBP to Uttarakhand's Rajaji national park or Delhi zoo.
- This was aimed at the safety of the animal as there was a lynching of another leopard in Haryana recently.
- While worrying for the Yamuna leopard's safety, officials wondered if the animal strayed from 'its group' and 'natural habitat' and if it would keep wandering far and wide, causing trouble.
- The perception that leopards belong to faraway forests is indeed common.
- If a leopard is found amidst people, most believe that it must have lost its way. Or there must be a forest famine that made the animal to move out looking for food.
- The only remedy, they believe, is to catch it and put it back in some remote forest or the nearest zoo.
- And if the authorities fail to do that, it's natural that lynch mobs take over in self-defence.

What is the actual reason?

- This perception is the problem. Animals don't stray. e.g If one tries to get rid of his house cat by abandoning it many miles from home it will invariably find its way back. So grant the big cats its superior awareness of its coordinates and purpose, it always knows where it is and why.
- A leopard spotted in a village cropland or city outskirts is indeed looking for food. But not necessarily because there is nothing to hunt in forests.
- In fact, leopards make strict rules in choosing their prey. Some may go exclusively on non-wild diet. That is how they evolved to live around people.

- They use secondary forests or suitable cropland as cover during the day and walking the human neighbourhoods after sunset.
- With people around, there is always food. Livestock, dogs, garbage dumps.
- So given a patch in the vicinity to lie low during day hours, leopards will always be there among us. They are the most adaptable of all cats, big or small, and great survivors.
- When we rarely create fresh cover — sugarcane fields or urban biodiversity parks, for example — leopards may get to extend their range.
- So if you spot a leopard where you did not expect any, chances are that the animal is not a new arrival, that it has always been using that space without ever blowing their cover. And without ever harming people.

What is the situation in India?

- India has at least 12,000 leopards. Each of it must make a kill every week and most of them live among people, by far the easiest prey.
- Yet, human victims do not account for even 0.001 % of over six lakh kills leopards make annually.
- But the lynching of leopards have become routine across India.
- Those tranquillised or trapped are no luckier. Many die of injuries soon after.
- If anything, their proximity to people has made leopards relatively easy meat for poachers. Estimates based on body part seizures show that on an average four leopards are poached every week.

What has to be done?

- Just because a leopard is sighted does not mean that the animal means harm.
- Of course, both sides will panic in such a situation. Panic triggers two responses: flee or fight. If the leopard gets surrounded by a

crowd before it can slip away, which is the case most often, it will attack.

- So is catching and releasing the animal 'back' to a forest the solution? Unfortunately, that is a recipe of disaster.
- Cats are territorial. If removed, they try to trace their way back to where they belong. Imagine a leopard — traumatised by and possibly injured during capture, captivity and transportation — trying to walk hundreds of miles through unfamiliar territories and running into people it has learnt to despise. That is why the zones of most acute conflict are around the leopard release sites.
- By contrast, a leopard in its own traditional family territory is a safe bet. As a cub, it learnt the area-specific dos and don'ts from its mother. It is familiar with the people around and their habits. If routine precautions, such as not defecating outdoors or not leaving children unattended in the open, are followed, living with a neighbourhood leopard is a lot safer than crossing the road or driving that kills around one and a half lakh every year in India.
- When a leopard is spotted, it should be given the cat space and let to slip away.
- Crowd management is the most crucial primary response that help avoid injuries and save lives. Never surround the animal blocking its escape routes. A cute house cat can become a handful if cornered and it is unreasonable to blame a large wild cat.

14.8 National Wildlife Action Plan (NWAP)

Why in news?

- The Centre will soon come out with a new 14-year road map to strengthen measures for wildlife conservation in India.

What is NWAP?

- The National Wildlife Action Plan 2017-31, has been finalised after consulting states and other stakeholders, including conservationists.
- It will be a comprehensive plan to increase number of protected areas (PAs) and manage them through high-tech surveillance like drones and centralised web-based digital equipment.
- It covers all important issues concerning conservation from rehabilitation of threatened species to integrating climate change in wildlife planning, control of poaching and illegal trade, mitigation of human-wildlife conflicts and management of tourism in wildlife areas.
- It fixes timelines for not only increasing the number of protected areas, but also initiating a number of measures to strengthen surveillance and creating database of endangered species.
- Mobile technology - Besides promoting use of drones for surveillance, the plan talks about using mobile technology to develop digital field guides for easy identification of various wildlife goods and their derivatives.
- Under these all the forest guards will be trained to use such mobile-based technology which will use the data from the unmanned aerial vehicles (UAVs).
- **National level audits** - To conduct national level audit of wildlife trade using scientific methods to understand the change in global and Indian wildlife trade patterns to ensure that preventive measures are in place to counter trade trends in the early stages.
- **Population management strategy** - On the issue of human-wildlife conflict, the plan seeks to ascertain population status and trends for various species involved in intensive conflict situations with humans and develop population management strategies for the various prioritised species and regions.

- **Holistic approach** - The plan also gives detailed guidelines where different central ministries including agriculture, water resources, power, mining, tribal affairs and human resource development can help the environment ministry in one way or the other in the wildlife conservation plan.
- The first technical session aimed at enhancing the understanding of disaster risk in Asia in the context of changing climate and attaining the Sustainable Development Goals (SDGs). The session was led by Indonesia.
- The second session, which focussed on strengthening disaster risk governance to support the shift towards risk-resilient development in Asia, was led by Bangladesh.

15. DISASTER MANAGEMENT

15.1 Sendai Framework

Why in News?

- The Asian Ministerial Conference on Disaster Risk Reduction (AMCDRR) 2016 began in India.
- The Conference will set the road towards resilience by setting the direction for the implementation of the Sendai Framework in the Asian region.
- Mongolia led the technical session on 'Investing in Disaster Risk Reduction for resilience'.
- This session was aimed at increasing both public and private sector investment in disaster risk prevention to increase social, economic, health and cultural resilience.
- The fourth technical session on effective response and building back better, led by Japan.

What is Sendai Framework?

- The Sendai Framework (2015-2030) was adopted by at the Third World Conference on Disaster Risk Reduction (DRR) in Sendai, Japan in March, 2015.
- The SFDRR identifies targets and priority action areas towards reducing disaster risk – 'reducing the damage caused by natural hazards like earthquakes, floods, droughts and cyclones, through an ethic of prevention'.
- The Sendai Framework is a 15-year voluntary, non-binding agreement that maps out a broad, people-centred approach to disaster risk reduction, succeeding the 2005-2015 Hyogo Framework for Action
- It aimed at sharing knowledge and experiences of how disaster preparedness for effective response and to 'build back better' in recovery, rehabilitation and reconstruction saves lives and protects development.
- India and United Nations Office for Disaster Risk Reduction signed a Statement of Cooperation during the second day of the Asian Ministerial Conference on Disaster Risk Reduction (AMCDRR) 2016.
- The Statement underlined the guiding principles, objectives and areas of cooperation between India and UNISDR towards the effective implementation and monitoring of the Sendai Framework on Disaster Risk Reduction (SFDRR).

What are Priority Areas?

- Understanding Disaster Risk, Disaster Risk Governance, Investing in Disaster Risk Reduction for resilience and Disaster Preparedness for effective response and 'to build back better'.

What is UNISDR?

- The United Nations Office for Disaster Risk Reduction (UNISDR) was created in December 1999. Headquarters is in Geneva, Switzerland.

- UNISDR supports the implementation, follow-up and review of the Sendai Framework for Disaster Risk Reduction adopted by the Third UN World Conference on Disaster Risk Reduction on 18 March 2015 in Sendai, Japan.

16. INTERNAL SECURITY

16.1 Augusta Westland Chopper Case

Why in news?

- CBI produced former Air Force chief before the court in Augusta Westland VVIP chopper case.

What is the VVIP chopper case?

- In February 2010, the Congress-led UPA government signed a government contract with UK-based Agusta Westland to buy 12 AW101 helicopters for the Indian Air Force for Rs 3,600 crore.
- The purpose of this deal was to have choppers fly VVIPs like the president, prime minister and others.
- In 2013, however, the deal was put on hold by the government after Bruno Spagnolin, CEO of AgustaWestland and GuiseppeOrsi, chairman of the Italian parent company Finmeccanica, were arrested on charges of bribing middlemen to acquire the deal with IAF.
- The following day, then defence minister AK Antony ordered a probe into the matter.
- Early in 2014, the Italian court investigating the chopper scam names former chief of the IAF, SP Tyagi in the scam, stating that he was bribed by Finmeccanica to sign the deal with AgustaWestland.

How was former Air Force Chief involved?

- In 2000, The Indian Air Force had urged the Defence Ministry to purchase helicopters that were capable of flying in high-altitude areas like Siachen and Tiger Hill.

- Six companies responded to the Request for Proposal (RFP). The requirement was that the helicopter must be able to fly at an altitude of 6,000 metres at full load. Only one, Eurocopter's EC 225, met the criterion.
- Even the EC 225 unsuitable as its cabin height of 1.39 metres would make it difficult for a person to stand upright inside the aircraft.
- The new specifications made in 2003, stated that the helicopters must be able to fly at an altitude of 4,500 metres and that their cabins must be at least 1.80 m in height.
- In 2004, Air Marshal S P Tyagi took over as IAF chief and approved the new requirements.
- This made Agusta Westland to enter the process and it later secured the contract.
- In 2010, Agusta Westland signed a ₹ 3,546 crore contract to supply 12 AW101 helicopters to the IAF. Eight of these helicopters were to be used to transport VVIPs such as the President, the Prime Minister, the Vice-President and others, while four were to be used for other duties.
- In recent investigations by the Milan Court of Appeals, particularly in its 225-page judgment, Tyagi's name appeared more than once.
- The judgment said, "So, in the absence of contrary indications, it must be concluded that the reward bestowed to 'Tyagi family' for their work in support of AW in relation to the race of the Government (of) India for military helicopters amounts to €10,500,000."

What CBI says?

- It was revealed during an investigation that such undue favours were allegedly shown to the said UK-based private company (AgustaWestland) by accepting illegal gratification from the accused vendors through middlemen and relatives, including his (Tyagi's) cousin and an advocate.

- It was alleged that Chief of Air Staff (Tyagi) entered into criminal conspiracy with other accused persons and in 2005, conceded to change IAF's consistent stand — that service ceiling of VVIP helicopters of 6,000 metres was an inescapable operational necessity — and reduced the same to 4,500 metres.
- The CBI will seek custody of former air force chief SP Tyagi for detailed questioning when he is produced in court on Saturday after his arrest in a now-scrapped chopper deal that has kicked off a political controversy.
- India will now be open to doing business even with a banned firm if there is no alternative available to its weapon system or equipment in the market.
- This will be allowed, on the grounds of national security, operational military readiness and export obligations.
- It will be allowed after the vice-chief of the Service concerned (Army, IAF or Navy), the chief of the integrated defence staff or the additional secretary (defence production) signs a certificate to that effect and gets permission from the “competent authority” (the Defence Minister).

16.2 Liberalised Blacklisting Norms for Defence Procurements

Why in news?

- The government introduced new liberalised blacklisting policy for arms companies in its ‘Guidelines of the Ministry of Defence for Penalties in Business Dealings with Entities’ with the aim of ensuring probity and transparency into defence deals.
- It also makes it clear that India will no longer impose blanket bans for 10 years on erring.
- Foreign companies will initially be suspended for six months if the defence ministry feels that allegations of corruption against them are serious. This ban will be reviewed every six months and would in most cases not extend beyond a total period of five years.

Why liberalisation was necessary?

- The blacklisting of companies in the past have heavily impacted the modernisation of our military. Some examples are –
- Bofors Howitzers scandal and subsequent blacklisting led to derailment of the plans for technology transfer and indigenous manufacture. Army has not inducted a single modern artillery gun in the last 30 years.
- HDW Submarines Scandal led to the loss of the expertise gained in the construction of diesel-electric submarines and the delay in the induction of new subs.
- VVIP Helicopter scandal led to the situation of President & PM without any modern/secure 3-engine choppers.
- With a review of the suspension order being undertaken within six months, the defence minister will decide if the subsequent period of suspension has to be extended by six months at a time.
- Banning of business dealings may be ordered only on the following three grounds,
 - If a company accepts its misconduct,
 - The CBI files a chargesheet against it or
 - A court or tribunal finds it guilty.
- This ban period will not be less than five years for the following grounds,
 - If there is violation of the pre-contract integrity pact,
 - The company is found resorting to corrupt practices,
 - Unfair means and illegal activities during any stage to bag a contract, or

What are the new norms?

- The new rules will apply to both Indian and foreign firms and agents or employees of companies found to be directly involved in the corrupt act

- If national security considerations warrant the step.
- But the ban period will not exceed three years for “non-performance or under-performance” or any other ground required in “public interest”.
- The company with which business dealings are suspended or banned will, however, be allowed to take part in new tenders for spares, upgrades and maintenance for weapon systems supplied earlier.
- The order of suspension banning of business with an entity may be extended to its allied firms only by a specific order of the defence minister.
- The entity with which business has been suspended or banned will not be permitted to transact contracts under a different name or division.
- The Navypatrols the high seas beyond 200 nautical miles given the heavy tonnage of their warships.
- The ICG covers the waters between 12 and 200 nautical miles.
- In the process, the part of seas from the coastline to 12 nautical miles which is afloat with a high density of smaller craft like fishing boats, mechanised trawlers and dhows becomes the responsibility of the coastal/marine police forces.

Why police is not enough?

- Today the police forces suffer from political interference and thereby lack professionalism, which reflects in terms of poor public security priorities.
- The country has a poor policeman-to-population ratio with just one policeman for 761 people that translates into approximately 131 policemen per 100,000 population.
- Ideally, a policeman should cater to just 568 people at the rate of 176 policemen per 100,000 population according to the Indian Bureau of Police Research and Development.
- Therefore to expect the police forces to prioritise coastal security is unrealistic and it proves a weak link in the national security matrix.

16.3 Coastal Security – Need for a Special Force

What is the issue?

- As the anniversary of the arrival Ajmal Kasab and other terrorists and the subsequent terror incidents is around the corner, coastal security management across the nine coastal states and four Union Territories has yet to fall in place.
- Coastal security includes both military and police roles that make it a challenge for state governments to manage effectively.

Why Navy and Coast Guard will not be enough?

- The Centre contributes considerably to coastal security in terms of marine platforms and funds.
- The state governments would like to believe that the presence of the Indian Navy and Indian Coast Guard (ICG) across peninsular India is adequate to tackle sea-borne terrorist threats.

Why a coastal police is necessary?

- Only an active coastal police force could possibly perform such a role which involves random checks on cargo that these myriad boats carry.
- Maharashtra chief minister suggested the proposal to raise a Central Marine Police Force (CMPF) in June at a meeting to review the status of India’s coastal security management in Mumbai.
- The creation of a CMPF would relieve the police forces of an additional responsibility for coastal security.

How should the CMPF work?

- The CMPF would have to be under the command of the ICG and mandated to patrol the coastal waters up to 12 nautical miles.
- The police forces only require to designate an officer to coordinate with the ICG on operational matters.
- The proposed CMPF could be staffed by former Navy officers to form the backbone of this force.
- Also some members of the fishing community of each state could be recruited as marine police constables that would ensure local participation and overcome the language barriers and enhance familiarity with coastal waters.
- State governments perceive coastal security as a subset of national security. Therefore, the constitution of a CMPF would prove necessary to secure the nation's 7, 517-km coastline from sea-borne threats.

A Tamilnadu Case Study

- Among the nine coastal states, only Tamil Nadu has paid serious attention to coastal security due to the earlier threat from across the Palk Straits from the LTTE.
- Raised in 1994, the Tamil Nadu Police Coastal Security Group (CSG) is a well-trained force tasked to protect the state's 1,076-km coastline.
- The marine/coastal security police forces in the other eight cannot be operationally compared with Tamil Nadu's CSG.

16.4 No First Use Policy

Why in news?

- Defence Minister Manohar Parrikar's recently articulated "personal" view that is contrary to India's No First Use (NFU) nuclear doctrine.

What is NFU?

- No first use (NFU) refers to a pledge or a policy by a nuclear power not to use nuclear

weapons as a means of warfare unless first attacked by an adversary using nuclear weapons.

What are the advantages?

- A hair-trigger alert, to ensure that the other side does not get a chance to strike first, does not have to be maintained and so forces and equipment can be in a relaxed posture. Nuclear forces can be maintained in a de-mated condition waiting for orders from higher echelons to go to a higher alert status, thus ensuring that command and control stays firmly with the civilian political leadership, which is a very important aim.
- Since there is no first use alert requirement, the chances of reacting to a false alarm are nullified thus effectively quashing the chances of unnecessary chaos.
- The onus of taking the decision to escalate to a nuclear use lies on the adversary and not on the party having an NFU doctrine.
- A first use would result in international condemnation and weigh heavily on a country with a first use posture.
- A first use posture still requires a country to have survivable second strike capability as there is nothing such as a "splendid" first strike implying 100% decapitation of the adversary's assets and leadership.
- In a time of India's efforts to gain membership in Nuclear Supplier Group (NSG) and United Nations Security Council (UNSC), NFU should be strictly adhered to strengthen the India's image as a responsible power.
- A NFU doctrine is cheaper to implement. For India, which has many economic targets to achieve, this is a very important factor.
- The avoidance of nuclear blackmail can be achieved by India demonstrating its readiness to accept risks that are not less than that of Pakistan. This is already happening through

the element of signalling in the conventional exchanges between the two armies across the LoC in J&K.

- The NFU policy is just right for India as it ensures security for the nation and does not detract it from its march towards better prosperity for its people.

Why Pakistan will not use nuclear weapons?

- The questioning of India's NFU doctrine came out of the enlargement that has come about due to Pakistan's use of sub-conventional methods under the overhang of its nuclear weapons.
- However, Pakistan knows that it cannot afford to use any nuclear weapons in a war, including its tactical nuclear weapons, as India would respond with massive nuclear retaliation as per its doctrine.
- Additionally, with China heavily invested in Pakistan, it would be in Beijing's interest to ensure that the leadership of its geopolitical "outpost" does not take any rash decision of initiating a nuclear exchange.

16.5 How to Clean Up Real Estate?

Why in news?

- Realty stocks have fallen almost a quarter after November 8, the day demonetisation was announced. One of the reason cited for the move was to reduce the prevalence of black money in real estate.
- Prices could fall up to 25 per cent in the next one or two quarters, builders reckon.

What can be expected?

- PM has said that the next crack down will be on benami property.
- There is some talk doing the rounds that he may put a cap on cash transactions in the sector and anything above that will have to be paid in cheque.

- The government needs to move urgently on this promise and block black money in real estate in every possible way.

Why black money prevails in real estate sector?

- It was precisely because of this prevalence of cash in the business that kept large corporations away from it. In the 1990s, many of them had said they would monetise their idle land holdings to launch real estate strong projects but they backed once they found out that a large chunk of the dealings were in cash.

The higher costs and the reasons for such a prevalence are

- More than the primary real estate market, cash is prevalent in the secondary market. Sellers routinely under-declare the value in order to save on tax. This is how black money gets generated.
- It takes at least two years for a builder to get the mandatory sanctions from the government after he has purchased the land. During this period, the asset sits idle which adds hugely to the builder's costs.
- Moreover, builders normally get credit at higher rates than others. This is why most of them launch top-end projects — nobody these days seriously talks of affordable homes.
- Additionally, the speed money (bribe to speed up the process) paid by builders is always in cash and the amounts are huge. The builder needs to routinely replenish this cash, which he does by doing deals in black. This is a big reason why builders opt for cash, even in primary sales.
- Unless these problems are fixed, any attempt to root out black money from real estate will fail to address the situation fully.
- Unless these problems are fixed, any attempt to root out black money from real estate will fail to address the situation fully.

What is the solution?

- With the crackdown on black money in real estate, which could trigger a demand meltdown, land prices will hopefully begin to cool. This could help builders come up with affordable homes.
- But for that, it is important to make all approvals transparent and remove all discretion from the hands of the bureaucrats. This will ensure that builders don't have to pay speed money and their land bank does not idle for long.
- Here, the states will have to take the lead — each state has its own sets of rules and regulations for real estate. That is why you will find that there are no pan-India builders in the country. Each chooses to do business in one or two states because it is not easy to get a fix on the rules and regulations in all the states.
- Regulation of builders, which protects home buyers, is important, but it is equally important to ensure that builders are not fleeced by errant politicians and bureaucrats.
- However, there is strong resistance to any change from the people who stand to lose from such a move — for obvious reasons.

16.6 Prohibition of Benami Property Transactions Act

Why in news?

- Recently, Prohibition of Benami Property Transactions Act was passed as one of the measures to tackle black money.

What the new Benami Property Act says?

- Benami property is a property whose legal owner is not its actual owner.
- That is, while the asset is legally held in the name of a particular person (benamidar), it actually belongs to another person (beneficial owner) who has paid for it and continues to hold interest in it.

- Under the Act, the term 'property' has been defined comprehensively to include not only immovable assets such as land, flat or house but also movable assets such as gold, stocks, mutual fund holdings and even bank deposits.
- If the property is sold off, then the proceeds from it too are considered benami.
- Under the new Benami Act, property purchased in the name of a fictitious person or where the payment for the property has been made by someone who does not exist or cannot be traced too is considered benami.
- The Act covers all domestic benami property transactions conducted since 1988.

How the act impacts the family?

- If you have bought some property in the name of your spouse or child from your known sources of income, it will not be treated as benami.
- You can also buy property for your brother, sister, a lineal ascendant or a lineal descendant but that must be held jointly with you for it to be excluded under the Act.
- Lineal ascendants include your father, mother, grandparents, great-grandparents and so on and lineal descendants include your children, grandchildren, great-grandchildren and so on.
- Apart from that, property held by the karta or a member of the Hindu Undivided Family (HUF), the payment for which has been made by known sources of income of the HUF, too will not be treated as benami.

How earlier and new legal framework differs?

- Though the earlier Act provided for imprisonment of up to three years and/or fine for parties entering into a benami property

transaction, the lack of an implementation machinery made the act unenforceable.

- Rules for making the Act operational, such as appointment of investigation authorities and the procedure for confiscation of property, were never framed. The Act could, therefore, not be implemented.
- Now, the new Benami Act provides a comprehensive implementation mechanism and if you indulge in such transactions you are sure to be punished.
- The Act gives the Initiating Officer (Assistant or Deputy Commissioner of Income Tax) the power to enquire into any person, place, documents or property in the course of investigation into any matter related to a benami property transaction.
- It also mandates officers from different government organisations such as the Customs and Central Excise departments, the narcotics department, RBI and SEBI to assist the authorities tasked with investigation.
- If the Initiating Officer is convinced that you hold a benami property, you will be issued a notice, and, if required, the property will also be provisionally attached.

What are the strict measures advocated in the act?

- If the available evidence confirms it, the Adjudicating Authority (appointed by the Centre) will order confiscation of property by the government.
- Apart from awarding imprisonment of up to seven years to the beneficial owner and the benamidar, others involved in the deal, too, will not be spared. A fine of up to a fourth of the market value of the property can be imposed on all parties.
- Those providing false information or documents to the authorities may be imprisoned for up to five years and face a fine of up to 10 per cent of the market value of the property involved.
- Appeals can however, be made against the decision. The Act provides for an Appellate Authority, appointed by the Central government, for this purpose.
- Further appeals lie with the relevant High Court but have to be made within 60 days from the decision of the Appellate Tribunal.
- Another point worth noting is that there's no way you can have a benami property back in your name.
- The new Act clearly forbids re-transfer of a property from the benamidar to the beneficial owner. And if a re-transfer does happen, it will be considered invalid.



PRELIM BITS CONSOLIDATION

17. HISTORY

South Indian Liberation Foundation

- It is also known as Justice Party founded in 1916, turns 100 this year.
- It is the fountain head of the social reform movement and mainly worked to create space for the majority of the population in the political sphere.
- Historians described the justice party, the Self-Respect Movement and it was founded by C.Natesa Mudaliar, T.M. Nair, and P.Theagaraya Chetti.

18. ART AND CULTURE

Yakshagana

- Yakshagana is a traditional theatre form that combines dance, music, dialogue, costume, make-up and stage techniques with a unique style and form. This theatre style is mainly found in the coastal districts and the Malenadu region of Karnataka, India.
- A Yakshagana performance begins in the twilight hours, with an initial beating of the drums of several fixed compositions, called abbara or peetike.
- A performance usually depicts a story from the “Kavya” (epic poems) and the “Puranas” (ancient Hindu texts).

Pashupatinath Temple

- India offers to assist in renovation and up gradation of Ghats adjoining Pashupathinath Temple.
- The temple is located on the banks of Bagmati River in the eastern city of Kathmandu, the capital of Nepal.

- It is one of the 7 monument groups in UNESCO’s designation of Kathmandu as cultural heritage site.

Karai-kulakkalnatham

- A badland in Perambalur district of Tamilnadu State, houses some of the best developed Cretaceous marine fossils in the world.
- It is known for unique lithology and diversity of extinct marine life.
- The site was declared a “Geological Heritage Site” by the state government in 2015, for the protection and maintenance of the marine fossils.

19. GEOGRAPHY

Nuclear Power Plants in India

- Kaiga Nuclear Power Plant – Karnataka.
- Kakrapar Atomic Power Station – Gujarat.
- Kudankulam Nuclear Power Plant – Tamilnadu.
- Madras Atomic Power Station – Kalpakkam, Tamilnadu.
- Narora Atomic Power Station – Uttar Pradesh.
- Rajasthan Atomic Power Station – Rawatbhata, Rajasthan.
- Tarapur Atomic Power Station – Maharashtra.

Industrial Corridors and its covering states in India

- Delhi Mumbai Industrial Corridor (DMIC) – Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra.
- Chennai Bengaluru Industrial Corridor (CBIC) – Tamil Nadu, Andhra Pradesh and Karnataka.

- Bengaluru Mumbai Economic Corridor (BMEC) – Maharashtra and Karnataka.
- Amritsar Kolkata Industrial Corridor (AKIC) – Punjab, Haryana, Uttarakhand, Uttar Pradesh, Bihar, Jharkhand and West Bengal.
- East Coast Economic Corridor (ECEC) – West Bengal, Odisha, Andhra Pradesh and Tamil Nadu.

Major Ports to be developed in India

- Sagar Island (West Bengal) – Kolkata Port.
- Enayam near Colachel, (Tamilnadu) – V. O. Chidambaranar Port.
- Paradip Outer Harbour (Odisha) – Paradip Port Trust.

Development in National waterways

- The Government has planned construction of three multimodal Inland Water Transport (IWT) terminals on National Waterway-1(Ganga) at Varanasi, Sahibganj and Haldia and one terminal on National Waterway-2 (Brahmaputra) at Pandu.
- Specified stretches of River Barak have been declared as National Waterway- 16 by the National Waterways Act, 2016.
- Development of river Barak for navigation is proposed in two stages.
 1. Phase-I – The stretch from Silchar to Bhanga (71 km).
 2. Phase-II – Remaining stretch from Silchar to Lakhipur (50 km).

Green Corridors

- Railway sections free from any direct discharge of human waste on track from toilets of trains are termed as Green Corridors.
- Four sections have been chosen in the first phase for making them Green Corridor viz.
 1. Rameswaram-Manamadurai (Tamilnadu state – 114 Kms).

2. Okha-Kanulus Junction (Gujarat state – 141 Kms).
3. Porbandar-Wansjaliya (Gujarat state – 34 Kms).
4. Jammu-Katra (J&K state – 78 Kms).

Status of Shale gas exploration in the country

- Gujarat (28 blocks) leads in the shale gas exploration followed by Andhra Pradesh (10 blocks).
- Tamil Nadu occupied the third place in the shale gas exploration.

Indian Ocean Dipole (IOD) and North East Monsoon

- The North-East monsoon is mainly attributable to the persisting negative phase of the Indian Ocean Dipole (IOD), which causes the Indian Ocean just south to Bay of Bengal to warm up abnormally.
- **IOD** – It is an atmosphere-ocean coupled phenomenon in the tropical Indian Ocean (like the El Nino is in the tropical Pacific), characterized by a difference in sea-surface temperatures (SST).
- **Positive IOD** – It is associated with cooler than normal sea-surface temperatures in the eastern equatorial Indian Ocean and warmer than normal sea-surface temperatures in the western tropical Indian Ocean.
- **Negative IOD** – It is characterized by warmer than normal SSTs in the eastern equatorial Indian Ocean and cooler than normal SSTs in the western tropical Indian Ocean.
- **Negative IOD & N.E. Monsoon** – Negative IOD had a more direct and immediate impact on the North-East monsoon since the warmth builds up lower pressure over the Indian Ocean where most of the moisture gets directed.

Lake Urmia

- Iran's Lake Urmia – It was once the second-largest hyper-saline lake in the world.

- The study indicates that climate change and variability has contributed to the lake desiccation and the dominate role of water usage leads to changes in the lake surface area.
- Jal Marg Vikas aims to promote river transport on 1,600 km stretch of Ganga from Varanasi to Kolkata, also referred as National Waterway-I.

20. SOCIAL ISSUES

Open Defecation Free

- Kerala becomes the third Open Defecation Free State in the country.
- Himachal Pradesh and Sikkim were the first two states that were declared open defecation free in the country under Swachh Bharat Programme.
- Gujarat and Andhra Pradesh firs states to become open defecation in urban areas.
- Nadia in West Bengal was the first open defecation district in the country.
- Mysore, Chandigarh and Tiruchirapalli are the cleanest city and Dhanbad is the dirtiest city according to 2016 survey.

21. GOVERNMENT SCHEMES AND PROJECTS IN NEWS

UJALA Scheme

- UJALA – Unnat Jyoti by Affordable LEDs for All is an energy efficiency scheme to promote efficient lighting, enhance awareness on using efficient equipment which reduce electricity bills and help preserve environment.
- Under this scheme, LED bulbs at 40% of the market price will be distributed to every grid connected consumer.
- It is implemented by the Electricity Distribution Company and Energy Efficiency Services Limited (EESL).

Jal Marg Vikas Project

- Jal Marg Vikas project of Inland Waterways Authority of India (IWAI), plans to reach LNG (liquefied natural gas) to Nepal via Gazipur in UP.

- The Jal Marg Vikas Project on River Ganga is being assisted by World Bank and the Inland Waterway Authority of India (IWAI) is the the implementing agency.

UDAN

- UDAN (Ude Deshka Aam Naagrik) is a regional connectivity scheme to enhance air passenger traffic in the country by stimulating demand on regional routes.
- Amount collected as Regional Connectivity Fund (RCF) will be used to provide financial support to airlines in the form of Viability Gap Funding (VGF) for operations under the Scheme.

Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)

- To minimize/mitigate the adverse impacts, during and after mining, on the environment, health and socio-economics of people in mining districts.
- It provides for establishment of District Mineral Foundation (DMF) in each district affected by mining related operation, The DMF is to be funded by statutory contributions from holders of mining lease.
- 60% of the fund – high priority areas like drinking water supply, health care, sanitation, education, skill development, women and child care, welfare of aged and disabled people, skill development and environment conservation
- 40% of the DMFs funds – (i) physical infrastructure; (ii) irrigation; (iii) energy and watershed development; and (iv) any other measures for enhancing environmental quality in mining district.

Setu Bharatam project

- It is an ambitious programme with an investment of ₹ 50,000 crore to build bridges for safe and seamless travel on National Highways.
- The programme aims at making all national highways Railway Level Crossing free by 2019.
- The project will do away with railway crossings on national highways and it is intended to prevent accidents and make travel safer.

Housing for All

- Pradhan Mantri Awaas Yojana (Gramin) - "Housing for All" in rural areas under which an environmentally safe and secure pucca house is provided to every rural household by 2022.

FAME Scheme

- Ministry of Heavy Industries & Public Enterprises has notified FAME India Scheme [Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India] for implementation.
- It is launched with the objective to support hybrid/electric vehicles market development and Manufacturing eco-system.
- The FAME India Scheme is aimed at incentivizing all vehicle segments i.e. 2 Wheeler, 3 Wheeler Auto, Passenger 4 Wheeler Vehicle, Light Commercial Vehicles and Buses.

'e-pashuhaat' portal

- Under the scheme National Mission on Bovine Productivity, 'e-pashuhaat' portal has been developed for connecting breeders and farmers regarding availability of bovine germplasm, for the first time in the world.
- It is the E-Trading Market portal for livestock germplasm and additional related services.

- Will connect farmers with breeders – Central, State, Co-operative, Milk Federations, and private agencies.

Rashtriya Bal Swasthya Karyakram (RBSK)

- RBSK initiative aiming at early identification and early intervention for children from birth to 18 years to cover 4 'D's'. Defects at birth, Deficiencies, Diseases, Development delays.
- The services aim to cover children of 0 -6 years of age in rural areas and urban slums in addition to children enrolled in classes I to XII in Government and Government aided.

22. GOVERNANCE**National Data Registry**

- The government is developing a National Data Registry that stores metadata about the geospatial data stored by all agencies – state, private and academic.
- Department of science and technology is the nodal coordinating agency and geological survey of India provide accuracy to the data.
- Metadata – Data that does not contain actual source of data but only informs the nature of data. It is simply data about data.

GIS Vs Geospatial data

- Geographical Information System (GIS) refers to a system where geographic information is stored in layers to provide spatial information in a visualized approach.
- Geospatial data is the collective data (not only geographic data) and associated technology has a geographic or locational component attached to it.

Copyright Act

- The administration of the Copyright Act, 1957 was transferred to Department of Industrial Policy & Promotion (DIPP), Ministry of

Commerce and Industry, subsequent to the amendment in the Government of India (Allocation of Business) Rules in 2016.

- Previously, The Registrar of Copyrights is the head of the Copyright Office under the Ministry of Human Resource Development, Government of India and in-charge of implementation of Copyright Act.

23. INSTITUTES IN NEWS

Central Marine Fisheries Research Institute (CMFRI)

- Central Marine Fisheries Research Institute is a marine fisheries research institute located at Kochi, India under the Indian Council of Agricultural Research institute.
- CMFRI is transferring its technology of seaweed cultivation to Andaman Administration.
- It is known for its research project “NICRA – National Initiative on Climate Resilient Agriculture”.

Food Safety and Standards Authority of India (FSSAI)

- FSSAI rollout new scheme to upgrade food testing laboratories in the country to detect the adulteration of honey and pesticide and antibiotic residues in food samples.
- FSSAI, an independent statutory body for laying down science based standards for articles of food and to regulate their manufacture, distribution and sale and transport for safe human consumption.
- Ministry of Health and Family Welfare is the Administrative Ministry for the implementation of FSSAI.

National Centre for Seismology

- The ‘National Centre for Seismology’, at NOIDA, as a subordinate office, under the Ministry of Earth Sciences.

- It is created by separating and bringing together all Seismology and earthquake hazard related activities of India Meteorological Department (IMD), under its ambit, for deriving the desired scientific developments in the field of earthquake science.

Commission for Agricultural Costs & Prices (CACP)

- CACP is an attached office of the Ministry of Agriculture is mandated to recommend minimum support prices (MSPs) to incentivise the cultivators to adopt modern technology and overall grain production.
- MSP for major agricultural products are fixed by the government, each year, after taking the recommendations of the Commission.
- After receiving the feed-back, the Cabinet Committee on Economic Affairs (CCEA) of the Union government takes a final decision on the MSPs.

24. BILATERAL AND INTERNATIONAL EVENTS

Border Haats

- New India – Bangladesh MoU to expand Border Haats.
- It is a Rural Market where traditional system of marketing the local produce through local markets in local currency or according to barter basis.
- It is being setup between India and Bangladesh in 2010 along the border to improve the trade without any duty and taxes.

Pacific Indian Ocean Corridor

- India and Japan plans to develop Pacific Indian Ocean Corridor.
- The Corridor develops a network connecting the Pacific to the Indian Ocean with the objective on development of infrastructure and capacity building projects, with a special focus on Africa.

UNESCO-Madanjeet Singh Prize

- In 1995, to mark the United Nations Year for Tolerance and the 125th anniversary of the birth of Mahatma Gandhi, UNESCO created a prize for the promotion of tolerance and non-violence.
- The UNESCO-Madanjeet Singh Prize for the Promotion of Tolerance and Non-Violence rewards significant activities in the scientific, artistic, and cultural or communication fields aimed at the promotion of a spirit of tolerance and non-violence.
- The prize is awarded every two years on the International Day for Tolerance, 16 November.

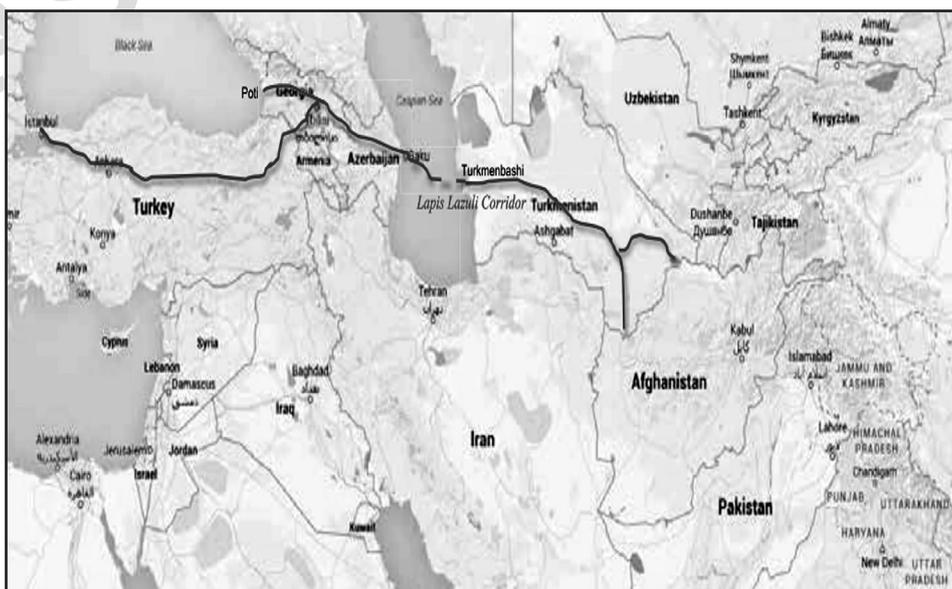
International Seabed Authority

- International Seabed Authority – It is an intergovernmental body based in Kingston, Jamaica and established by the Law of the Sea Convention.
- It was established to organize, regulate and control all mineral-related activities in the international seabed area beyond the limits of national jurisdiction, an area underlying most of the world's oceans.

- India has signed a contract with International Seabed Authority for Exploration of Polymetallic Sulphides in Indian Ocean and it provides India the exclusive rights of exploration in the area near the Rodridgues Tripple Junction in the southern part of Central India ridge and a part of South-West Indian ridge.

Ashgabat Agreement and Lapis lazuli corridor

- Pakistan will join Ashgabat agreement and Lapis Lazuli corridor.
- The Ashgabat agreement seeks to create an international transport and transit corridor between Oman, Iran, Turkmenistan, Uzbekistan and Kazakhstan. The objective of this agreement is to facilitate the transport of goods between Central Asia and the Persian Gulf.
- The Lapis Lazuli Corridor is an agreement between Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey seeking to foster transit and trade cooperation by reducing barriers facing transit trade.



Lapis Lazuli Corridor

25. NATIONAL AND INTERNATIONAL MISSIONS AND EXERCISES

Demchok Mission

- Indian Army's Demchok Mission – The mission is about laying irrigation pipelines in the region of Demchok in the in the Eastern Ladakh Region in Jammu & Kashmir.
- Demchok is a village located south of Indus River and military encampment in the Leh district of Jammu and Kashmir, India.
- The Line of Actual Control (LAC) passes along the southeast side of the Demchok region and China claims it as a part of Tibet Autonomous Region.

MitraShakthi – 2016

- It is India – Srilanka Joint military exercise.
- 2016 version of MitraShakthi was concluded at Ambepussa, Srilanka.
- 2015 version was conducted in Pune, India.

Prabal Dostyk – 2016

- 'Prabal Dostyk' meaning 'Robust Friendship' is an India – Kazakhstan joint military exercise.
- The exercise was conducted in Karaganda region of Kazakhstan.
- The primary aim of this exercise is undertaking Counter Terrorism and Counter Insurgency operations in rural and semi-urban environment under the United Nation Mandate.

Sampriti-7

- It is India and Bangladesh joint military exercise aims to achieve interoperability in Counter Terrorism operations in mountainous and jungle terrain under the United Nations Mandate.

- The first exercise in this series was held at Jorhat in Assam in 2010.
- The 2016 version is being conducted at Tangail, Bangladesh.
- The previous 2015 version was conducted at Binnaguri, West Bengal.

Surya Kiran

- It is the Indo-Nepal Joint Military Training Exercise.
- It provides an ideal platform for troops of the two countries to share their experiences on Counter Terrorists Operations and Disaster Management.

Hand –in- Hand 2016

- It is the Indo China Joint Military Exercise Hand –in- Hand 2016.
- The sixth India China Joint Training Exercise "Hand – in – Hand 2016" was held at the parade ground, Pune.
- The aim of the joint exercise is to acquaint both the Armies with each other's operating procedures in the backdrop of counter terrorism environment.

India- Russia Exercises

- Joint Military Exercise – INDRA
- Joint Air Force Exercise – EX AVIAINDIA is planned in 2017.

26. ECONOMY

Team Indus

- It is the start-up that plans to send India's first privately-funded spacecraft to the moon next year.
- The start-up is the only Indian Aspirant and among the four from across the world that plan to send spacecraft to soft-land on the moon before DEC. 2017.

- The company is planning a 600 Kg moon lander and to launch it on a PSLV rocket of ISRO.

Mega Food Park

- Mega industry status – It is the Assam’s Industry policy to give mega industry status to any project involving an investment of more than Rs. 100 crore.
- Mega Food Park – It is an inclusive establishment linkage from farm to processing and then to consumer markets through a network of collection centres and primary processing centres.
- Mega Food Park is a scheme under the Ministry of Food Processing.

27. ENVIRONMENT

Clean Energy Equity Fund (CEEF)

- The Centre, along with state-run power entities National Thermal Power Corporation Limited (NTPC), Rural Electrification Corporation (REC) and Power Finance Corporation Limited (PFC), will soon launch a 2 billion dollar clean energy equity fund to support the government’s ambitious target of adding 175 GW renewable energy generation capacity by 2022.
- India’s government hopes the Clean Energy Equity Fund (CEEF) will attract pension and insurance funds from Canada and Europe.

Jawaharlal Nehru National Solar Mission (JNNSM)

- The Mission has set the ambitious target of deploying 20,000 MW of grid connected solar power by 2022, which was revised to 1,00,000 MW by 2022 during June 2015.
- The mission is also known as National Solar Mission is one of the eight- National Mission which comprises India’s National Action Plan on Climate Change (NAPCC).

- The target will principally comprise of 40 GW Rooftop and 60 GW through Large and Medium Scale Grid Connected Solar Power Projects.

Oil Zapping

- Oil Zapping is a bioremediation technique to get rid of oil in the water using oil zapping bacteria.
- The Energy and Resources institute (TERI) as developed the oil zapping bacteria consists of five bacterial strains.

World’s Tiger Count

- The world’s Tiger count of wild tigers roaming forest from Russia to Vietnam has gone up for the first time in more than a century.
- TX2 Goal – In 2010, at St.Petersburg conference, all the tiger range countries agreed to double the tiger population by the next Chinese year 2022. It is an initiative by World Wide Fund for Nature (WWF) and Global Tiger Forum (GTF).
- 13 Tiger Range countries – Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Russia, Thailand and Vietnam.
- Asia Ministerial Conference on Tiger conservation is being organized by Global Tiger Initiative.
 - 2010 conference held in Thailand
 - 2012 conference held in Bhutan
 - 2016 conference scheduled at New Delhi.

Bhitarkanika Park in Odisha

- The Park which has been in tentative list of future heritage sites of UNESCO is all set to get the tag soon.
- Dehradun based Wildlife Institute of India (WII) has recommended to UNESCO that the park be declared a World Heritage Site.

- Wheeler Island and the Gahirmatha Marine sanctuary are also in the future list.

Background

- Bhitarkanika National Park is located in Kendrapara District in Odisha, home to Salt Water Crocodile.
- It is a destination for migratory birds such as the Ruddy Shelduck from South-eastern Europe and Central Asia.
- The park is surrounded by Bhitarkanika Wildlife Sanctuary which is the second largest mangrove ecosystem in India after Sundarbans.
- The rivers Brahmani and Baitarani inundate this park.
- It separates swampy area of mangroves from Bay of Bengal.
- United Nations Development Programme (UNDP) and Ministry of Forests had started Crocodile hatchery project at Dangmal in the park in 1974.

Clean Environment Cess

- Clean Environment Cess is a kind of Carbon tax and is levied as a duty of Excise in order to finance and promote clean environmental initiatives, funding research in the area of clean environment.
- Prior to Finance Act, 2016, it was named as Clean Energy Cess.
- **Cess Vs Royalty** – Cess is a tax levied on everyone whereas Royalty is the payment to the government in return for the permission to engage in certain activities. Royalty is paid by concerned companies or persons who get permission.

International Agrobiodiversity Congress

- The congress will discuss conservation of Genetic resources and knowledge sharing on issues for efficient management of gene

banks, science led innovations in genetic resources, crop diversification, issues related to bio-safety, bio-security and intellectual property rights.

- It is organized by the Indian Society of Plant Genetic Resources and Biodiversity International.
- Agrobiodiversity – It is defined as the variety and variability of animals, plant and micro-organism that are used directly or indirectly for food and agriculture. It includes all species that are closely inter-woven in an agricultural ecosystem.

Biodiversity International

- It is an international Non-profit research-for-development organisation, headquartered in Rome, Italy.
- The organisation delivers scientific evidence, management practices and policy options to use and safeguard agricultural biodiversity.
- It is a member of Consultative Group of International Agricultural Research (CGIAR) consortium, which is a global research partnership for a food secure future.

Hydro power project classification in India

- Government has set the target to reach 175 GW of Renewable Energy capacity by the year 2022 which includes 5 GW from Small Hydro (up to 25 MW station capacity).
 1. Micro Hydro Up to 100 KW
 2. Mini Hydro 101 to 2000 KW
 3. Small Hydro 2001 to 25000 (below 25 MW)
 4. Large Hydro Above 25 MW

Solar City

- The basic aim is to motivate the local Governments for adopting renewable energy technologies and energy efficiency measures.

- The Solar City aims at minimum 10% reduction in projected demand of conventional energy at the end of five years.
- In a Solar City all types of renewable energy based projects will be installed.

National LED Programme

- The programme is being implemented by Energy Efficiency Services Limited (EESL), a joint venture company of Public Sector Undertakings (PSUs) under the Ministry of Power.
- Two components under this programme – Domestic Efficient Lighting Programme (DELP) and Street Light National Programme (SLNP), wherein household lighting and street lights respectively are replaced with LEDs.

28. SCIENCE AND TECHNOLOGY

DEFENCE

INS Vikramaditya

- CSL (Cochin Shipyard Limited) could repair the largest Indian aircraft carrier INS Vikramaditya.
- This aircraft carrier was purchased from Russia and commissioned into the naval fleet in 2014.

INS Sumitra

- Sumitra is the fourth of the Saryu class ships, based on an indigenous design and constructed by Goa Shipyard Ltd, India.
- The ship has a range of 6,500 nautical miles and is capable of embarking one Dhruv / Chetak helicopter.
- “Operation Rahat” is one of the notable operational task of INS Sumitra.

Kaveri – Jet Engine

- Kaveri is the indigenous aero engine and DRDO for the first time ventured the

development of aero-engine technology, which only few developed countries in the world possess.

INS Chennai

- INS Chennai, last of the P 15A Guided Missile Destroyer, was commissioned into the Indian Navy.
- It is the indigenously designed third and the last of the three ‘Kolkata’ class destroyers, is packed with Surface to Surface Missile and Surface to Air Missiles and Anti Submarine Warfare capabilities.
- The ship is equipped to fight under Nuclear, Biological and Chemical (NBC) warfare conditions.

Project 75I

- The Project 75I-class submarine is follow-on of the Project 75 Kalvari-class submarine to acquire 6 diesel-electric submarines for the Indian navy.
- It features advanced Air Independent Propulsion (AIP) systems to enable them to stay submerged for longer duration and substantially increase their operational range.
- It also have a vertical launch system(VLS) to enable them to carry multiple Brahmos supersonic cruise missiles, making the submarines fully capable of anti-surface and anti-ship warfare missions.
- It also armed with torpedoes and stealth capabilities to suppress noise and acoustic signatures and Air- Independent Propulsion (AIP) fuel cells to increase submerged endurance and operational range.

INS Shardul

- INS Shardul, an amphibious ship of the Indian Navy, is currently on a month long deployment in Seychelles in keeping with the vision of SAGAR – Security and Growth for All in the Region.

- During the deployment, INS Shardul would also assist local authorities in providing logistics and medical support to the outer islands of Seychelles.
- There have been already two deployments in Seychelles – P8I maritime reconnaissance aircraft in March 2016 and the second by Indian Naval Ship Trikand in July 2016.
- It is in civil use in India, Turkey and Peru and in Military use in India, Israel, Maldives, Mauritius, Nepal, Suriname, and Ecuador (contract was terminated unilaterally by it).

Light Combat Aircraft – Tejas

FDI in Defence sector

- Defence Acquisition Council (DAC) accorded approval for the purchase of light combat aircraft – Tejas.
- The Tejas jets are the improved Mk-1A variant manufactured by Hindustan Aeronautics Limited (HAL).
- It is a single jet engine, multi-role supersonic fighter designed to replace MiG-21 fighters and primarily used by Indian Air Force and Indian Navy.
- As per the current FDI policy, foreign investment up to 49% is permitted under automatic route and beyond 49% through Government approval route wherever it is likely to result in access to modern technology.
- The foreign investment proposals beyond 49% are considered by Foreign Investment Promotion Board (FIPB) under Ministry of Finance.

SPACE

GSAT – 18

Foreign Investment Promotion Board

- FIPB is an inter-ministry body having representatives of various ministries and departments.
- Secretary to the Government of India, Department of Economic Affairs, Ministry of Finance is the Chairman of FIPB.
- The other departments who are part of FIPB Department of Industrial Policy and Promotion (DIPP), Department of Commerce (DoC), Ministry of External Affairs (MEA).

- It is India's communication satellite launched by European launch vehicle Ariane 5 VA-231.
- This satellite will be placed in the Geostationary Orbit (36,000 km above the equator), positioned in 74 degree East longitude in geostationary orbit.
- It is the 20th satellite from ISRO to be launched by European Space Agency and is launched from the spaceport of Kourou in French Guiana.
- Its capacity is 3404 kg and carries 48 communication transponders in C-band, upper extended C band and ku band for providing services.
- ISRO is developing GSLV MK III to replace Ariane 5 in carrying heavy weighed satellite like GSAT 18.

Dhruv Helicopters

- There is a legal battle between India and Ecuador over termination of Dhruv Helicopter deal.
- The Dhruv helicopter is indigenously designed and developed by Hindustan Aeronautics Limited (HAL), a multi-mission helicopter for armed forces and civil use with a range of 700 km.

Magnetospheric Multiscale Mission (MMS)

- NASA's MMS has set the Guinness World Record for highest altitude fix of a Global Positioning System (GPS) signal above the surface of the Earth.

- Its main objective is to map magnetic reconnection and uses four individual satellites that fly in a pyramid formation to map magnetic reconnection — a process that occurs as the sun and Earth’s magnetic fields interact
- The mission is helpful to understand the causes of magnetic reconnection which is important for understanding phenomena such as auroras on earth to flares on the surface of the sun and also understanding black holes.

NASA’s new missions

- CYGNSS – the Cyclone, Global Navigation Satellite System will be NASA’s first Earth Science small satellite constellation to collect data to improve hurricane intensity forecasts.
- RAVAN – the Radiometer Assessment using Vertically Aligned Nanotubes is a cubesat to detect slight changes in Earth’s energy budget at the top of the atmosphere.

South Asian Satellite

- South Asian Satellite likely to be launched by GSLV MK III launch Vehicle in March, 2017.
- It is proposed by Indian Prime Minister for the benefit of SAARC Members in the SAARC summit in Nepal in 2014.
- It was previously named as “SAARC Satellite”. After Pakistan has opted out of this project, it is renamed as “South Asian Satellite”.

Supermoon

- “Supermoon”, technically a “perigee full moon” — a phenomenon that occurs when a full moon coincides with the moon being the closest it gets to the Earth on its orbit.
- The main cause of this event is that the moon’s orbit around the Earth is not quite a circle but an ellipse — a kind of squashed circle.

LIGO Observatory in India

- LIGO-India is an Indo-US joint collaboration, be jointly funded by the Department of Atomic Energy (DAE) and Department of Science & Technology (DST).
- The Laser Interferometer Gravitational-Wave Observatory (LIGO) -India mega-science project would establish a state-of-the-art gravitational wave interferometric Advanced LIGO detector in India.
- A primary site has been identified at Aundha in Hingoli district of Maharashtra as the preferred site for the LIGO-India Project.

Shenzhou 11

- China’s longest manned space mission Shenzhou 11 space capsule landed safely in the northern region of Inner Mongolia.
- It separated from orbiting experimental space lab Tiangong-2.
- Tiangong-2, which is the second experimental space lab, will remain in its orbit and remote experiments will continue until it docks with Tianzhou-1, China’s first cargo spacecraft, which is set to be launched in April 2017.

GOES-R

- NASA launches ‘Next Generation’ weather satellite.
- The US National Oceanic and Atmospheric Administration’s (NOAA) Geostationary Operational Environmental Satellite-R (GOES-R), reaches its final designated orbit in the next two weeks, it will be renamed GOES-16.
- Improved space weather sensors on GOES-R will monitor the sun and relay crucial information to forecasters so they can issue space weather alerts and warnings.

Exoplanet

- It is new ‘super Earth’ planet with a mass around 5.4 times that of the Earth, orbiting a very bright star near to our Sun.

- The star, GJ 536, is a red dwarf which is quite cool and near to our Sun.
- The exoplanet, GJ 536 b has the short orbital period of 8.7 days and the luminosity of its star make it an attractive for investigating its atmospheric composition.
- The radio telescope covers over one million square meters distance and it bring together a wealth of the world's finest scientist to the project.
- Countries involved in this project: Australia, Canada, China, Italy, Netherlands, New Zealand, South Africa, Sweden and UK.

Mars Orbiter Mission 2 (MOM2)

- Mars Orbiter Mission (MOM) or Mangalyaan is India's first mission to Mars that was launched on September 24, 2014 from Sriharikota on top of a PSLV C25 rocket.
- Mangalyaan is a 'technology demonstrator' spacecraft carried only five instruments on board with capability to survive and perform Earth bound manoeuvres, with a cruise phase of 300 days.
- Mangalyaan 2 on the other hand will be featuring a much greater scientific payload, and will be fitted with a lander and a rover in addition to the orbiter.

Transit of Extra-Solar planet

- A transit is a phenomenon in which a planet passes in front of its parent star, blocking a small amount of light from the star, like a shadow of the planet.
- Astronomers in Japan have observed the transit of a potentially habitable Earth-like extra-solar planet known as K2-3d.
- K2-3d's size is 1.5 times the size of the Earth. The planet orbits its host star, which is half the size of the Sun, with a period of about 45 days. Compared to the Earth, the planet orbits close to its host star

OTHERS

Square Kilometer Array (SKA)

- Square Kilometer Array is a large multi radio telescope project to build world's largest radio telescope for exploring the Universe aimed to be built in Australia and South Africa.

Surya Jyoti -Photo-Voltaic (PV) Integrated Micro Solar Dome (MSD)

- In order to capture day light and concentrate the same inside a dark room, particularly in urban slum or rural areas which lack electricity supply, a low cost and energy efficient Micro Solar Dome has been tested and developed.

Micro Solar Dome

- The Micro Solar Dome (MSD) is a day and night lighting single device, that has a transparent semi-spherical upper dome made of acrylic material which captures the sunlight and the light passes through a sun-tube having a thin layer of highly reflective coating on the inner wall of the passage.
- The Micro Solar Dome (MSD) is a clear and green energy initiative of the Department of Science and Technology.

ICARDA

- The International Center for Agricultural Research in the Dry Areas, or ICARDA, hosts the largest collection of seeds in Morocco.
- The crucial role of seed banks in protecting biodiversity is receiving increasing attention because of climate change, which threatens to wipe out crops as dry areas of the world get even hotter and drier.
- The Rabat centre holds tens of thousands of seeds spanning from wheat and barley to lentils and chickpeas inside a vault in near-freezing temperatures.
- The seed bank not only preserves these essential staples but develops them to become more resistant to disease and a warming climate.

LIDAR

- LIDAR—Light Detection and Ranging—is a remote sensing method used to examine the surface of the Earth uses light in the form of a pulsed laser to measure ranges (variable distances) to the Earth.
- The light pulses—combined with other data recorded by the airborne system— generate precise, three-dimensional information about the shape of the Earth and its surface characteristics.
- A LIDAR instrument principally consists of a laser, a scanner, and a specialized GPS receiver. Airplanes and helicopters are the most commonly used platforms for acquiring LIDAR data over broad areas.
- Topographic LIDAR typically uses a near-infrared laser to map the land and Bathymetric LIDAR uses water-penetrating green light to also measure seafloor and riverbed elevations.

The Sunway Taihu Light

- A new Chinese supercomputer system “The Sunway TaihuLight”, a new Chinese supercomputer has topped a global list of the fastest systems for a seventh straight year.
- The newest edition of the Top 500 supercomputer list was announced at the 2016 International Supercomputing Conference in Germany.
- The latest list marks the first time since the inception of the TOP500 that the US is not home to the largest number of systems.

29. SCIENCE**Avian Flu**

- Avian flu, also known as Bird flu is an infectious viral disease of birds.
- There are many strains of this influenza namely H5N1, H7N9, H5N8 etc. It affects humans in rare cases.

- H5N1 and H7N9 of type A influenza have caused serious infection in people.
- The infections to humans have been associated with direct contact with birds. There is no evidence of spreading through properly cooked food.
- H5N8 is a subtype of the influenza A virus that belongs to lower pathogenic subtype but it acts as an incubator for H1N1, a highly pathogenic infection.

Swine Flu

- Swine influenza also called as pig influenza, hog flu.
- The known swine influenza virus includes C type influenza and A type influenza known as H1N1, H1N2, H2N1, H2N3, H3N2.
- It rarely passes to humans.

Solanum nigrum

- A compound derived from the leaves of Solanum nigrum, has remarkable efficacy in treating liver cancer.
- The compound saponin named Uttroside B, has shown that it is 10 times more effective than Sorafenib, the only drug currently available for the treatment of hepatocellular carcinoma (common type of liver cancer).
- Solanum nigrum belongs to the family Solanaceae. It is also called as Black Nightshade.
- It is widely used in traditional medicine for various ailments such as inflammation, jaundice, bronchitis, asthma, leprosy, and skin disorders. It is a rich source of anticancer molecules.

Brucellosis

- Brucellosis is a dreadful disease caused by the genus of the bacteria known as Brucella infecting various species of Brucella cows, buffalos, sheep, goats, deer, pigs, dogs and other animals as well as humans.

- Brucellosis is endemic in India and that it could spread to humans.
- Brucella species are small, gram-negative, nonmotile, nonspore-forming, rod-shaped (coccobacilli) bacteria.

30. INDEX AND REPORTS

Ease of doing business index

- It is published by World Bank.
- The index value represents regulatory environment's conduciveness to the starting and operation of a local firm.
- It is based on 10 parameters such as starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, Trading across borders, enforcing contracts and resolving Insolvency.

National Air Quality Index

- It is published by Central Pollution Control Board.
- It is a tool for effective communication of air quality status to people.
- It measures concentration of 8 pollutants namely Particulate Matter (PM1.0, PM2.5), Nitrogen Dioxide (NO₂), Sulphur dioxide (SO₂), Carbon Monoxide (CO), Ozone (O₃), Ammonia (NH₃) and lead (Pb).
- It uses 6 categories to differentiate different pollutant levels.

National Ambient Air Quality Standard

- It is published by Central Pollution Control Board. It is empowered to set this standard under the Air (Prevention and Control of Pollution) Act, 1981.
- It measures concentration of 12 pollutants – 8 pollutants mentioned under Air Quality index + Benzene (C₆ H₆), Benzo (a) Pyrene (BaP), Arsenic (Ar) and Nickel (Ni).

Energy Efficiency Implementation Readiness

- It is the index launched by World Bank in the study report "India's State Level Energy Efficiency Implementation Readiness".
- The index takes in to account the states endeavour to bring sector specific energy efficiency.
- The index benchmarks the readiness of Indian States for energy efficiency implementation.
- Andhra Pradesh, Rajasthan, Maharashtra, Karnataka and Kerala are the top 5 states in terms of overall Energy Efficiency Implementation Readiness.

Ambient Air Pollution Report

- It is published by "World Health Organisation (WHO)".
- It is a global assessment of polluted air exposure and burden of disease which presents summary of methods and results of the latest global assessment of ambient air pollution exposure.

