CURRENT AFFAIRS
AUGUST 2016
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1. POLITY

1.1. URBAN GOVERNANCE: DIRECTLY ELECTED MAYORS

Why in News?

A private member’s bill was introduced in the parliament to make provisions for direct election and empowerment of the office of mayor in country.

Background

- However, it did not prescribe the manner of election, tenure or powers of the Mayors/Chairpersons of ULBs.
- The bill seeks to alter this. It mandates the direct election of the Mayor, fixes the Mayor’s term to be coterminous with that of the municipality, and makes the Mayor the executive head of the municipality.

Need

- While there are multiple reasons for India’s urban woes, one of the underlying problems is the absence of powerful and politically accountable leadership in the city.
- Our cities have a weak and fragmented institutional architecture in which multiple agencies.

Present Position

- Mayor is the head and official in charge of the Municipal Corporations in India.
- Executive Officers monitor the implementation of all the programs related to planning and development of the corporation with the coordination of Mayor and Councilors.
- At present, six states namely Uttarakhand, Chhattisgarh, Jharkhand, MP, UP and Tamil Nadu, provide for mayors that are elected directly by voters for a five-year term.

Proposed Changes

- The bill aims for strong leadership for cities by providing for a directly elected and empowered Mayor.
- It also suggests the reforms such as mandating the constitution of area sabhas and ward committees and strengthening the devolution of functions to local governments.
- It makes the Mayor the executive head of the municipality.
- It also gives Mayor veto powers over some of the council’s resolutions and also lets the Mayor nominate members of the Mayor-in-Council.

Impact

- Mayor can be held accountable for the irregularities as they will be directly elected by people.
- It will also encourage better financial management of our municipalities.
- It will be helpful in creating more transparency as communication and reporting will be directly done by mayor.
- It will create the office of Mayor politically relevant, hence it will create a culture of meritocracy, performance and accountability.

Challenge

- The first challenge is the status quo itself and the vested interests it has entrenched. State governments do not wish to delegate more authority to city-level institutions.
- Even if some powers are delegated to the municipality, the state governments have in place municipal commissioners to perform executive functions, again cutting the mayor to size, nature of mayoral election notwithstanding. However Bill rectifies this by making the mayor the executive head of the municipality.
- A fundamental issue with a directly elected Mayor is that instead of enabling efficiency, it might actually result in gridlock in administration, especially when the Mayor and the majority of elected members of the city council are from different political parties.
And this apparently became a reason for the current govt. in Himachal Pradesh to scrap the system of direct election.

- There is little evidence to suggest that directly elected mayors are better. States like Rajasthan and HP which introduced directly elected Mayors reversed the decision due to the difficulties posed by such a system.

**Way forward**

- For responsive urban governance, we need a powerful political executive in the city with more autonomy, whether directly or indirectly elected.
- However, local government is still under List II of the Seventh Schedule of the Constitution. Hence only the State is empowered to make laws on this subject.
- In such a federal system, constitutional provisions should only lay down the broad institutional framework for local governments.

### 1.2. COMPETITIVE FEDERALISM

**Why in news?**

- Recent studies show signs of successful competitive federalism in Indian economy especially in terms of ease of doing business. States are trying to attract investments by facilitating reforms.

**What is competitive federalism?**

- Competitive federalism is a concept where centre competes with states and vice-versa, and states compete with each other in their joint efforts to develop India.
- The policy of one-size-fit-all is replaced with different policies of various states based on the own priorities with in the state.
- Competitive federalism follows the concept bottom-up approach as it will bring the change from the states.
- As a concept, competitive federalism originated in countries such as the US.
- The meaning of competitive federalism as espoused by the Liberty Foundation in the US would entail a system that allows States to compete with each other over a broad range of issues to provide citizens with the best value goods and services at the lowest cost.

**Competitive federalism in India**

- In India, the government replaced Planning Commission by establishing NITI Aayog, with one of the mandates to develop competitive federalism in India.
- Now, state governments do not look towards centre for policy guidance and fiscal resources completely.
- The centre has increased the share of states in central tax revenue from the earlier 32% to 42%.
- The government also declared that the states will have freedom to plan their expenditure based on their own priorities and the states are free to change centrally sponsored schemes.
- However, the states should work within the context of shared national objectives.

**Progress in terms of competitive federalism**

- The concept of competitive federalism is driving the Indian states to rush in for reforms to make processes easy for doing business in their state and expediting the pending project clearances.
- The concept of getting states to compete for investment is not a novel idea. We had observed this phenomenon between Andhra Pradesh and Karnataka, actively pursuing investors to help build out their main technology hubs of Hyderabad and Bengaluru.
- The progress of competitive federalism can be felt from the way states have competed for investments by bringing various reforms in last one year.

**Way forward**

- The above observations clearly suggest that India is on right track of competitive federalism.
- However not all states have yet embraced the concept of competitive federalism.
- Only a handful of states are taking steps to strengthen their business environments, including initiating difficult reforms on land acquisition and labour flexibility, at a time when national reforms in these areas are politically stuck.
- The deficit states like Bihar, Odisha, Jharkhand, NE states etc need special attention in which the central government has to provide special funds to these states. Without special funding these states cannot imagine their participation in competitive federalism.

### 1.3. ISSUES RELATED TO REGULATORY BODIES IN INDIA

**Why in news?**

- Recently, Urjit Patel was named as new RBI governor.
- The issue is of independence v/s accountability of regulatory bodies, as the head of many regulatory bodies are appointed by the government.

**Need for Regulatory Bodies**

There are four sets of justifications for regulatory interventions:

- **Market Economy**
  - Prevention of Market Failure. For ex: SEBI, RBI.
  - To check anti-competitive practices: A natural monopoly. For ex: CCI
  - Minimize Asymmetric information: This creates a role for regulation of market transactions or provision of information by a third party to remove or minimize information asymmetries.
  - Determine monetary policy to run the govt. For ex: RBI
- **Fair play, consumer protection and increasing efficiency**
  - CERC and TRAI
  - AERB - Atomic Energy Regulatory Body
  - DGCA - Directorate General of Civil Aviation
  - RERA – Real Estate Regulatory authority
- **Prevent Externalities**
  - Environmental Regulation: CPCB
  - Health and safety: Ex: FSSAI
  - Standard setting: National Film certification board, Advertisements Standards council etc.
- **To promote the public interest: Ensuring fair access, non-discrimination, affirmative action**
  - Support Pricing: Government offering to buy wheat or rice from farmers at a price which is higher than the market price. For ex: CACP deciding MSPs.
  - Public Distribution System: Supply of food grains at a price which is lower than the market price
  - Free Distribution: Distribution of piped water and free power to agriculture (CERC), which is a regulatory decision to levy zero tariffs, stemming from policy stances.
  - NABARD and SIDBI are involved in various government schemes. For ex: Standup India, National Skilling mission.
  - NHB – National Housing Bank is involved in inclusive housing.

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**Example - Land reforms**

- **Gujarat**: In 2016, amended its Land Acquisition and Rehabilitation Act, eliminating the requirement of a social impact assessment and consent clauses for certain types of development projects.
- **Maharashtra**: In 2016 Amended the Maharashtra Land Revenue Code, allowing the sale of certain publicly-owned lands that were previously slated only for leasing. In 2015, amended its Gunthewari Act, allowing mid-size plots to be divided, and easing the process to sell such plots.
- **Andhra Pradesh**: In 2015, the Andhra Pradesh legislature passed a bill extending land leases from the government to private entities from 33 years to 99 years.
- **Rajasthan**: In 2016, passed the Rajasthan Urban Land (Certification of Titles) Bill, 2016, which offers a state guarantee of title after a land purchase.
- **Uttar Pradesh**: In 2016, UP assembly approved the Uttar Pradesh IT & Start-Up Policy 2016 to encourage start-up growth.

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**Current Procedure**

- RBI Governor and Deputy Governors are appointed by the Central Government.
- Their names are cleared by Cabinet Committee on appointments.
Issues with regulatory bodies

- Independence
  - This is a prerequisite for effective regulation that enables them to perform without political interference.
  - Also ‘state’ is a major market participant in many economic sectors.
  - Not all regulators are equally independent, since the laws establishing them do not follow a uniform standard.
  - Independence in status (statutory authority), finances and administratively independent from the government.
  - Discretion in how the regulator hires and manages personnel.

- Non-accountability
  - Regulators do not answer questions related to them during different Parliament discussions. It is the minister of the associated ministry who is answerable. This is futile since the minister is not responsible for the regulator’s functioning and is yet made answerable.
  - Scrutiny of the regulators is often ignored. In the 16th Lok Sabha, (till March, 2016), only 2 questions pertained to regulators.
  - Regulators do not submit annual reports to Parliamentary Standing Committees. Ad-hoc committees are ineffective.

- Effectiveness
  - Regulation to be effective: for example, the capacity and expertise of the Motor Vehicles Department has not kept pace with the explosive growth of vehicles on the road.

- Overlapping domains – need for regulatory convergence
  - Both SEBI and IRDA were claiming regulatory right over ULIPs thus harming consumer in process.
  - RBI and CCI (Competition commission of India) regulation tussle over merging of banks.

- Regulatory sprawl
  - Recently, there have been proposals for a biotechnology regulator, a real estate regulator, a coal regulator, and even a roads regulator.
  - In the 12th report titled, “Citizen Centric Administration”, the 2nd ARC noted: Regulation only where necessary.

- Judicial framework
  - The increasing specialization in the administration of justice through the establishment of sector specific tribunals also has repercussions for the broader system of administration of justice.

- Transparency
  - Regulations which are issued by regulators have the full status of law.
  - But regulations are written by unelected officials, while the power to make law is restricted to those who have won elections.
  - So, a sound transparent regulation-making process is needed, through which unelected officials do not have arbitrary law-making power.

Suggested Reforms

Financial Sector Legislative Reforms Commission (FSLRC) recommends physical, legal and administrative separation of the regulator from the government, implying that regulators must have independent infrastructure, personnel.

1. Financial independence, FSLRC recommends independent sourcing of finances from sources such as fees.
2. Strengthening accountability, FSLRC recommends that regulators
(a) Be given clear, precise regulatory objectives
(b) Explain their regulatory actions to the general public, and regulatory changes be made after prior consultation with the public, and
(c) Report to Parliament on how they fared on pursuing their regulatory objectives, and the outcomes achieved.

3. **Structural:** Merging of Regulators: as recommended by FSLRC; for example of IRDA and PFRDA.
4. Setting up of Independent regulators – to oversee functioning of all regulators. (Punchhi Commission).
5. **Procedural:** Establishing a comprehensive and enforceable code of conduct.
6. The Second ARC recommended ways to strengthen legislative oversight
   (a) Regulators should be present before the Parliamentary Committees to answer questions
   (b) They should submit annual reports on progress made, which should be accessible to public
   (c) Their recommendations should be scrutinized by sector-specific committees
7. Need for greater uniformity in the terms of appointment, tenure and removal of various regulatory authorities. (ARC)
8. The appointment of the Chairman and Board Members for all such regulatory authorities should be done by the Union/State Governments after an initial screening and recommendation of a panel of names by a Selection Committee. (ARC)

### 1.4. DEMAND FOR SPECIAL CATEGORY STATUS

**Why in news?**

- A demand for Special Category Status for Andhra Pradesh has led to State-wide protests in AP, and heated debates in Parliament.
- The demand has been present since the bifurcation of the state. Bihar, Chhattisgarh, Jharkhand, Odisha and Rajasthan have been demanding this status for quite some time now.

**Background**

- The concept of a special category state was first introduced in 1969 by the 5th Finance Commission.
- The rationale for special status was that certain states, because of inherent features, have a low resource base and cannot mobilize resources for development.
- Some of the features required for special status were:
  - hilly and difficult terrain;
  - low population density or sizeable share of tribal population;
  - strategic location along borders with neighbouring countries;
  - economic and infrastructural backwardness;
  - non-viable nature of state finances.
- The decision to grant special category status was earlier with National Development Council.

#### Benefits to Special Category States (SCS)

The nature of benefits to Special Category states create further demand by many states to crave for this status. The major benefits of SCS are

- A major portion of the Normal Central Assistance (56.25%) is distributed to 11 Special Category States and the remaining (43.75%) among 18 General Category States.
- Only Special Category States receive Special Plan Assistance and Special Central Assistance grants.
- The assistance for Externally Aided Projects (EAPs) flows to Special category States as 90 per cent grant whereas for General Category States, it flows as loans.

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**Status after 14th Finance commission recommendations**

- After the constitution of the NITI Aayog and recommendations of the 14th Finance Commission (FFC), Central plan assistance to SCS States has been subsumed in an increased devolution of the divisible pool to all States (from 32% in the 13th FC recommendations to 42%).
- The FFC also recommended variables such as “forest cover” to be included in devolution, with a weightage of 7.5 in the criteria and which will benefit north-eastern States that were previously given SCS assistance.
The state share in Centrally Sponsored Schemes is usually lower for Special Category States as compared to General Category States.

Special-category states get a significant excise duty concession & other such tax breaks that attract industries to relocate/locate manufacturing units within their territory.

There is no preferential treatment to SCS when it comes to sharing of the central tax revenue.

Issues with the working of Special Category status

- The way Special Category Status were assigned to a state has been a matter of debate.
- There is no consensus among states related to principles used for granting the SCS.
- From the earlier experience, there is no guarantee that even after awarding Special category status, economic progress will take place.
- This means that for economic development, it is important to follow sound economic policies. The positives of SCS may act as a stimulus but everything depends on the each state policy.
- The amount of proceeds that states receive has increased after 14th finance commission recommendations have been accepted. SCS may lose relevance altogether.

Way ahead

- Granting special status to any new State may result in domino effect and lead to demands from other States.
- It is also not economically beneficial for States to seek special status as the benefits under the current dispensation are minimal.
- States facing special problems should try and seek a package from centre for focussed development. The packages provided by centre could be in tranches and incentive based after assessing the progress of states.

1.5. PENDENCY OF CASES IN COURTS IN INDIA

Why in news?

- The long pendency of cases and shortage of judges are frequently discussed crises of the Indian judiciary.
- A first-of-its kind study has now estimated their precise magnitude and identified, through the analyses of publicly available data, from cause lists, websites of courts, and the e-courts websites.

Pendency

- Among the High Courts, pendency in Allahabad is the longest and Sikkim has the shortest pendency of cases.
- As adequate data was not available for all high courts, the report found that in Bombay, Gujarat, Kerala and Orissa high courts, over 86 per cent of cases had taken 10-15 years to be disposed of.
- The major cause of delay, the report claims, is that in the 21 surveyed high courts, judges hear between 20 and 150 cases a day, averaging 70 hearings per day for a judge.

Workload

- Judges in high courts hear between 20 and 150 cases every day, or an average of 70 hearings daily.
- The average time that the judges have for each hearing, derived from the number of cases they hear and the daily working hours that they put in, could be as little as 2 minutes.
- Calcutta HC has the most frequent hearings, Delhi has the least.
- The frequency of hearings is closely linked with efficiency, and has an impact on the concept of fair hearings.

Analysis of survey

- According to the survey, inadequate data on pending cases and “lack of scientific maintenance” of data makes it difficult to analyse problems and propose sustainable solutions for the judiciary.
- “Discrepancies” in the data available with National Court Management Systems Committee, the Court News published by Supreme Court, the National Judicial Data Grid and various court websites and states that there is “no unanimity on the number of judges in the country”.

- The State of the Indian Judiciary report by DAKSH is based on data collected from 21 high courts and 475 subordinate courts in the country.
- The database created for the report included 3,514,486 cases from the high courts and subordinate courts.
- Delays in disposal of cases due to inefficient case management and vacancies on the bench are two major problems before the Judiciary.
- The report points that 31 per cent of individuals accused of bailable offences claimed that they continue to be in jail as they cannot afford bail or guarantors to stand surety.
- It also shows that less than 3 per cent of litigants used legal aid, despite being eligible to take the benefit of government-appointed lawyers.

Way forward
- The need of the hour is to take the report on judiciary in serious consideration. The report can be used to resolve major impediments in the judicial systems.
- The report pinpoints the problem areas specifically which can be rectified. For example high criminal cases in Jharkhand HC than civil cases. The pending cases can be disposed off by incorporation of special benches.
- The issue of the appointments in higher judiciary should be resolved soon. The judiciary and executive must reach a common ground and prepare a workable memorandum of procedure.
- This would help in filling up vacancies in higher judiciary soon.

## 1.6. ECI SEeks More Powers

### Why in news?
- Election Commission of India (ECI) was forced to resort to extraordinary powers to restrict political advertisements in newspapers ahead of recent polls in Bihar, Assam and WB.
- The ECI, under Article 324 of the Constitution, had imposed an unprecedented restriction on political advertisements in print, a day ahead of Bihar elections last year.

### Electoral reforms sought by ECI
- The section 126 of RPA currently prohibits publication of ads by political parties in electronic media (TV, radio) and recently added social media, 48 hours before voting ends. The ECI wants print media to be included in Section 126 of the RP Act.
- Equal constitutional protection to all three election commissioners
- ECI seeks to introduce totaliser machines for counting of votes.
- Multiple cut-off dates for voter registration.
- Disqualification of a candidate from contesting elections if a court has framed charges against him. Currently a candidate is disqualified if convicted for crime bearing sentence more than 2 years.

About Totaliser machine
- Totaliser machine mixes votes from various booths for counting.
- In the current system votes from each Electronic voting machine are counted separately and hence reveal the voting trends in each polling station.
- This leaves the voters in that vicinity open to harassment, intimidation and post-election victimisation.
ECI wants bribery during election season as cognizable offence.
ECI also supports making paid news an electoral offence punishable by two years of imprisonment.

Way forward

- The ECI is one of the watchdogs of Indian democracy mandated by the constitution of India. It needs to have autonomy and powers to perform its constitutional duty of conducting free and fair elections.
- The proposed changes by ECI are forward looking and should be implemented as it would enhance the credibility of election results and thus ECI itself.
- Many of the proposed reforms are already recommended by various law commissions. Thus it supports for argument to bring the changes necessary for making elections in India free and fair.

1.7. MONSOON SESSION OF PARLIAMENT-ASSESSMENT

Why in news?

- The Monsoon Session of Parliament adjourned sine die on August 12, 2016.
- Both LS and RS functioned at near 100% productivity, signalling an improvement in the government-opposition working relationship when compared to last year monsoon session.

| Planned legislative business was actually bettered by the performance Parliament achieved during the Monsoon Session |
|---|---|
|  Sittings (Lok Sabha) | 20 | 20 |
|  Sittings (Rajya Sabha) | 20 | 20 |
|  Bills for passage (Finance & Appropriation) | 0 | 1 |
|  Bills for passage (Other Bills) | 15 | 14 |
|  Bills for introduction (Finance & Appropriation) | 0 | 1 |
|  Bills for introduction (Other Bills) | 6 | 14 |
|  Bills for withdrawal | 0 | 1 |

Both Lok Sabha and Rajya Sabha functioned at near 100% productivity, signalling an improvement in the government-opposition working relationship.

Significance

- The monsoon session showed the maturity of the democracy that India has attained.
- Irrespective of the major problems in Kashmir, there was due deliberation and debate on many important bills including situation in Kashmir.
- The landmark GST bill was passed in this session, the unanimous passage showed the ability of parliament to build consensus among different stakeholders.
- The same enthusiasm and energy should be carried on in future parliament sessions for fruitful results that will take India ahead, instead of policy of blockade and adjournment.

1.8. THE CITIZENSHIP (AMENDMENT) BILL, 2016

Why in news?

- The Citizenship (Amendment) Bill, 2016 was introduced in Lok Sabha by Ministry of Home Affairs. The Bill seeks to amend the Citizenship Act, 1955.
- The bill raised an issue of biased citizenship due to its contentious provisions.

Background

- The Citizenship Act, 1955 provides various ways in which citizenship may be acquired. It provides for citizenship by birth, descent, registration, naturalisation and by incorporation of territory into India.
- The Act prohibits illegal migrants from acquiring Indian citizenship. It defines an illegal migrant as a foreigner: (i) who enters India without a valid passport or travel documents, or (ii) stays beyond the permitted time.
• to apply for citizenship by naturalisation, person must have resided in India or been in service of the central government for at least 11 years before applying for citizenship.
• The Act provides that the central government may cancel registration of OCIs on certain grounds. These include: (i) if the OCI has registered through fraud, or (ii) within five years of registration has been sentenced to imprisonment for two years or more, or (iii) it becomes necessary in the interest of sovereignty and security of India, etc.

Key changes to the act
• The Bill amends the Act to provide that that the following groups of persons will not be treated as illegal migrants: Hindus, Sikhs, Buddhists, Jains, Parsis and Christians from Afghanistan, Bangladesh and Pakistan.
• The Bill creates an exception for Hindus, Sikhs, Buddhists, Jains, Parsis and Christians from Afghanistan, Bangladesh and Pakistan, with regard to citizenship qualification. The 11 years’ requirement will be reduced to six years.
• The Bill adds one more ground for cancelling registration, that is, if the OCI has violated any law that is in force in the country.

Issues raised against the bill
• The issue was raised by opposition members that the amendments seek to give the granting of citizenship a communal angle.

Government Stand on the Issue
• In Pakistan, Bangladesh and Afghanistan, religious minorities face severe discrimination that is often state sanctioned and even institutionalized, especially in Pakistan.
  ✓ These communities have meagre representation in government jobs, police, military or judiciary;
  ✓ Women face major brunt, sometimes stalked, molested and raped with no reprieve from state due to poor laws and apathy from the state
  ✓ Their areas of residence are targeted during riots, bombings, terrorist attacks etc.
  ✓ Several refugees living across the country have been victimized and were forced upon to convert, before fleeing to India.

Way forward
• India is the most successful emerging economy and is attractive for migrants crossing the border into India in search of work and a better life.
• The issue of citizenship should be dealt impartially. It is not advisable to selectively outcast one religion, especially since many minority sects within Islam like Ahmaddiya and even Shias have been prosecuted in these countries.
• India is a secular nation and should maintain the status. The amendments should be forwarded to a select parliamentary committee for deliberation and then arrive at a common consensus after taking all stakeholders in confidence.

1.9. INSTITUTES OF TECHNOLOGY (AMENDMENT) BILL, 2016

Why in news?
• The Parliament has passed the Institutes of Technology (Amendment) Bill, 2016 to set up six new Indian Institutes of Technology (IITs).

Key Features of Bill
• The Bill seeks to amend the Institutes of Technology Act, 1961, which declares certain Institutes of Technology as institutions of national importance.
• Six new IITs will be in Palakkad (Kerala), Tirupati (AP), Goa, Dharwad (Karnataka), Bhilai (Chhattisgarh) and Jammu (Jammu and Kashmir).
• It also seeks to bring the Indian School of Mines, Dhanbad within the ambit of the Act.
• All these institutions will be declared as institutions of national importance.
Way forward

- Before a new IIT is announced, it should be ensured they should be well planned at least in terms of financial inputs and infrastructure.
- From previous expansion we have seen most new IITs had to delay their construction work for years because the land was not available.
- This expansion should be designed such that it can partly come from expansion of existing IITs and partly from creating new IITs.
- A full time Director and faculty should be recruited at least a year before the first admissions take place.

1.10. THE LOKPAL AND LOKAYUKTAS (AMENDMENT) BILL, 2016

Why in news?

- The Lokpal and Lokayuktas (Amendment) Bill, 2016 was passed by the parliament.
- The bill was introduced by Ministry for Personnel, Public Grievances and Pensions.

Features of the Bill

- The Bill amends the Lokpal and Lokayuktas Act, 2013 in relation to declaration of assets and liabilities by public servants.
- It amends Section 44 dealing with declaration of assets and liabilities of public servants.
- It defines “public servants” as a range of persons including the Prime Minister, Ministers, MPs, and officials of the government or of any organisation, trust or NGO that gets Rs 10 lakh as foreign aid or Rs 1 crore as government aid.
- The Lokpal Act requires a public servant to declare his assets and liabilities, and that of his spouse and dependent children. Such declarations must be made to the competent authority within 30 days of entering office.
- The public servant must file an annual return of such assets and liabilities by July 31st of every year.
- The Lokpal Act also mandates statements of such declarations be published on the website of the relevant Ministry by August 31 of that year.
- The amendment extends the deadline for declaring assets and liabilities indefinitely.

What are the Issues?

- The amendments were sought to be passed hurriedly without due debate and deliberation.
- Industry lobby groups and trusts, NGOs under FCRA want the definition of “public servant” to be revised.
- Government interventions would create disruptions in the working of trusts, societies, charitable and non-profit organisations.

Way forward

- The bill aims at providing 5th extension for disclosure of assets indefinitely which should be made time bound.
- The Parliamentary Standing committee on Personnel, Public Grievances, Law and Justice, is going to assess the bill again and suggest changes to Section 44, and submit its report by the next session of Parliament.
- The panel is also expected to define “public servant” taking into consideration inputs from different stakeholders.

1.11. SAURASHTRA NARMADA AVTARAN IRRIGATION (SAUNI) PROJECT

Why in News?

- Prime Minister recently inaugurated the first phase of SAUNI project in which nearly 10 dams and reservoirs of Rajkot, Jamnagar and Morbi would be filled up with the water of Narmada river.

Details

- Sauni Yojana has been launched to divert one MAfT excess over flowing flood water of Narmada allocated to Saurashtra Region.
• It will also generate hydropower.
• SAUNI is an out-and-out irrigation and drinking water project designed solely for the Saurashtra peninsula.
• Unique Feature: SAUNI will have pipe canals instead of conventional open canals.
• SAUNI’s massive pipelines will run underground, require no land acquisition, and involve less loss of water as compared to conventional canals.

1.12. RESERVATION FOR ECONOMICALLY BACKWARD CLASSES

Why in news?
The Gujarat high court quashed the state government’s ordinance granting 10% reservation for the economically backward classes (EBCs).

Key features of Judgment
• The high court held that no quota can be granted on the basis of economic criteria as it is not provided for in the Constitution.
• Constitution allows quotas on socially backwards and Scheduled Castes and Tribes.
• The HC also observed that the ordinance is unconstitutional as the total reservation exceeds 50 percent which is the limit set by supreme court.
• The HC stated that there was no survey conducted to grant this ECB quota in Gujarat.
• The judgment relies on earlier Supreme Court order in the Indra Sawhney case which had challenged reservations granted to OBCs on recommendation of the Mandal commission.

Background
• In May 2016, besieged with agitation by Patidar community, Gujarat govt. issued Gujarat Unreserved Economically Weaker Sections Ordinance, 2016 to provide 10% quota in admission for students belonging to EBCs with effect from current academic year.
• The ordinance capped the income limit of Rs. 6 lakh to avail the benefits of quota under the scheme.
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2. INTERNATIONAL/INDIA AND WORLD

2.1. INDIA-MYANMAR

Why in news?
H.E. U Htin Kyaw, President of the Republic of the Union of Myanmar, paid a State visit to India in August, 2016.

List of MoUs/Agreement signed during the visit of President of Myanmar to India
- MoU on Cooperation in the construction of 69 Bridges including AP Approach Roads in the Tamu-Kyigone-Kalewa Road Section of the Trilateral Highway in Myanmar.
- MoU on Cooperation in the construction/upgradation of the Kalewa–Yagyi Road Section.
- MoU on Cooperation in the Field of Renewable Energy.
- MoU on Cooperation in the field of Traditional Systems of Medicine.

India’s Foreign Minister visit to Myanmar
Indian FM visit was first high level engagement after civilian government came to power in Myanmar.
- Myanmar's leaders assured that they would not allow any insurgent group to use its territory against India.
- Foreign Minister discussed areas of possible collaboration such as power with the Myanmar leadership. India is already supplying 3 MW electricity to Myanmar through the Moreh-Tamu link.

Significance of Myanmar
- President U. Htin Kyaw chose India as the first foreign destination after coming to power in March 2016. It shows the importance attached by Myanmar to India.
- India and Myanmar share close relations with a development cooperation programme in areas such as agriculture, IT, human resource development, infrastructure development and culture.
- The recent visit amplified the expectations of increased trade between both countries as well as of greater involvement of Indian private enterprises in Myanmar.

2.2. INDIA-PAKISTAN

Why in news?
In a significant shift in policy on Pakistan, Prime Minister made a reference to the Baloch freedom struggle in his Independence Day speech, saying the people in the conflicted Pakistani state of Balochistan, as also in Gilgit and Pakistan-occupied Kashmir, had reached out to him.

Unprecedented move
- Diplomats said the Prime Minister’s decision to raise Balochistan in his speech was “unprecedented” as India has rarely referred to the freedom movement in the state, and has consistently denied any assistance to Baloch nationalists group as alleged by Pakistan.
- It was for the first time in the history of India-Pakistan ties that an Indian PM has spoken on Balochistan.
- In past, External Affairs Ministry had referred to Pakistani government bombing its people in Balochistan in December 2005, and then criticised the killing of Baloch leader Nawab Akbar Shahbaz Khan Bugti in an airstrike in 2006.
- By raising human rights issues in this context, India is acting in accordance with its own democratic standards and traditions, and this is entirely legitimate.
- The argument that it would give Pakistan an opportunity to “internationalize” the Kashmir issue is on weak ground considering it has been trying to do so since Independence, without much gain.

Pakistan response
- Pakistan said Prime Minister crossed the “red line” by talking about Balochistan.
- Pakistan alleged that India is involved in subversive activities in Balochistan and Karachi and also it is referring to Balochistan to cover up its human rights violations in Kashmir.
• It has also accused Delhi of collaborating with Kabul and Tehran in destabilising Balochistan.
• The latest allegation is that Delhi and Washington are promoting terror in Balochistan to undermine China’s economic projects.

Pakistan invitation for talk on Kashmir
Pakistan invited India for talks on Kashmir, saying it is the “international obligation” of both the countries to resolve the issue.

India’s response
• India rejected Pakistan offer of talk on Kashmir.
• India had repeated that it is prepared to speak to Pakistan only about terrorism issues, including the investigation into the Pathankot airbase attack in January 2016 and the Mumbai 26/11 attacks in 2008, with the addition of a new demand that Pakistan vacate Pakistan-occupied Kashmir (PoK) immediately.

Pakistan stands on Kashmir unrest
• Pakistan sought to escalate tension over Kashmir and called Hizbul Mujahideen militant Burhan Wani, a “Kashmiri leader” and accusing Indian forces of “extrajudicial killings.”
• Pakistan PM Nawaz Sharif had praised Wani and called him a martyr. Besides observing July 19 as a ‘Black Day’ to support protesters, Sharif had said Pakistan would “continue to extend moral, political and diplomatic support for Kashmiris”.

2.3. ISSUE OF BALOCHISTAN

Balochistan is Pakistan’s largest, but least developed province, which is home to over 13 million people, mostly Balochis.
• The roots of the conflict go back to the country’s independence. When Pakistan was born in 1947, the rulers of the Khanate of Kalat, which was a princely state under the British and part of today’s Balochistan, refused to join the new nation.
• Pakistan sent troops in March 1948 to annex the territory. Though Yar Khan, the then ruler of Kalat, later signed a treaty of accession, his brothers and followers continued to fight.

Insurgency and human rights violations
• There are several separatist groups in the province.
• The strongest among them is the Balochistan Liberation Army (BLA), designated as a terrorist group by Pakistan and the UK.
• Islamabad has claimed that India is backing the BLA.
• The Pakistani atrocities in the province had attracted international condemnation.
• Extra-judicial killings and enforced disappearances are the most common practice.

Lack of socio-economic development
• The Balochi nationalists accuse Islamabad of deliberately keeping the mineral-rich province poor, while Pakistan’s rulers say the pace of development is slow due to insurgency.
• Attempts by Pakistan government to change the demography.
• Being denied a fair share of the natural gas revenue.
• The province remains the most backward of Pakistan.

Big-ticket projects
The province is now holding greater importance in Pakistan’s grand economic and geopolitical strategies.
• It’s one of the important locations in the economic corridor China has proposed to build at an investment of $46 billion linking the deepwater port of Gwadar with the city of Kashgar, a trading hub in the western Chinese region of Xinjiang.
• The Iran-Pakistan gas pipeline is also planned to go through Balochistan.
2.4. GILGIT-BALTISTAN

Gilgit-Baltistan is a chunk of high-altitude territory at the northwestern corner of Jammu and Kashmir. The region was a part of the erstwhile princely state of Jammu and Kashmir, but has been under Pakistan’s control since November 1947.

- The region was renamed ‘The Northern Areas of Pakistan’, and put under the direct control of Islamabad. The Northern Areas were distinct from Pakistan-occupied Kashmir (PoK).
- After the Pakistani government enacted the Gilgit-Baltistan Empowerment and Self-Governance Order in August 2009, the ‘Northern Areas’ came to be known as Gilgit-Baltistan.

What is Gilgit-Baltistan’s current status?

- It has an elected Assembly and a Council headed by the Prime Minister of Pakistan. This Council wields all powers, and controls the resources and revenues from the region.
- Gilgit-Baltistan or Northern Areas do not find any mention in the Pakistani constitution: it is neither independent, nor does it have provincial status. This helps Pakistan maintain ambiguity about the region, in the way it does with PoK.

What is India’s stand on the region?

- India sees Gilgit-Baltistan as part of Indian territory illegally occupied by Pakistan.
- The unanimous parliamentary resolution of 1994 had reaffirmed that the region is a “part of the State of Jammu and Kashmir, which is an integral part of India by virtue of its accession to it in 1947”.

China role

Since the Pakistan-China agreement in 1963 which saw the transfer of the Shaksgam Valley to China, Beijing has been an important player in the region.

- China constructed the Karakoram Highway linking Kashghar in Xinjiang with Gilgit.
- China-Pakistan Economic Corridor (CPEC) passes through this region.
- India has opposed CPEC since it passes through disputed territory of J&K.

2.5. 7TH SAARC INTERIOR AND HOME MINISTERS’ CONFERENCE

Why in news?

Union Home Minister visited Islamabad to attend SAARC Home Ministers’ meeting. It was first time a high level visit from India went to Islamabad since Prime Minister Narendra Modi landed in Lahore in December 2015 starting a dialogue process. Dialogue process was disrupted by the January 2 Pathankot airbase attack.

Highlights of Visit

- Home Minister said terrorists should not be “eulogised as martyrs” under any circumstances, and the “strongest possible” steps should be taken against countries that support terrorism.
- He reiterated India’s consistent stand that there cannot be good or bad terrorists.
- Home Minister called for implementation of the SAARC Regional Convention on Suppression of Terrorism and its Additional Protocol.
  ✓ The Convention includes ensuring effective measures so that those committing terrorist acts do not escape prosecution and punishment, and are extradited or prosecuted.
  ✓ The home minister called for immediate ratification of the SAARC Convention on Mutual Assistance in Criminal Matters.
2.6. USA-PAKISTAN

Why in news?
- The USA has decided to block $300-million military aid to Pakistan for its failure to take sufficient action against Haqqani network.
- US has blamed that Pakistan’s military and intelligence services play a “double game” with it by maintaining friendly links with Afghan insurgent and anti-India militant groups.

Coalition Support Fund (CSF)
- Following 9/11 terror attacks, US Congress began appropriating billions of dollars in 2002 to reimburse Pakistan and other nations for their operational and logistical support of US-led counterterrorism operations.
- CSF accounts for nearly half of overt US financial aid to Pakistan since 2001.
- Pakistan is the largest recipient of CSF reimbursements, having received roughly USD 14 billion since 2002.

Haqqani Network
- The Haqqani Network has carried out a number of kidnappings and attacks against U.S. interests in Afghanistan, as well as Afghan government and civilian targets.
- The group is also blamed for several deadly attacks against Indian interests in Afghanistan including the 2008 bombing of the Indian mission in Kabul.

2.7. CHINA ROLE IN AFGHANISTAN-CENTRAL ASIA

China has decided to exercise leadership in plugging the roots of instability in Afghanistan, Tajikistan and Pakistan.

Quadrilateral mechanism
- Top military commanders from China, Pakistan, Afghanistan and Tajikistan met in Urumqi, Xinjiang province to form “Quadrilateral Cooperation and Coordination Mechanism in Counter Terrorism.”

Reasons for formation of Quadrilateral mechanism
- China is concerned about the security of Xinjiang province and OBOR projects due to rise of terrorist groups in this region and also the inter-linkage of these terror groups.
- The disruption of another quadrilateral dialogue on seeking a political reconciliation in Afghanistan, involving China, Pakistan, Afghanistan and the U.S.
- China is seeking a political solution to the Afghan crisis to promote the OBOR initiative, and on grounds of enhancing its national security.

2.8. ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB)

Lack of infrastructure, poor intra-regional and regional connectivity and almost negligible amenities in urban spaces are some of the major challenges afflicting several countries of Asia.

The Asian Infrastructure Investment Bank (AIIB) has been projected as an “Asian tool” to deal with such challenges that have stunted the growth prospects of several Asian economies.

Importance of AIIB for India

Connectivity and infrastructure within the country and with countries in the neighbourhood are critical for rapid socio-economic development.
- India is striving to develop its north-eastern region, a goal which can be swiftly achieved through greater regional cooperation and the support of multilateral funding agencies. For this purpose, India may consider pushing BBIN (Bangladesh-Bhutan-India-Nepal) corridor and the Bay of Bengal Initiative for Multi-Sectoral, Technical and Economic Cooperation (BIMSTEC) corridors under its AIIB proposals.
- India is identifying projects worth $2-3 billion that could be funded by AIIB.
Concerns with AIIB

- China is the largest shareholder with 26.06 per cent voting shares, may dominate AIIB.
- India and Russia are the second and third largest shareholders with 7.5 and 5.92 percent voting shares respectively. The gap between the first and second shareholder might tempt China to use its veto power on a particular project.
- China wants India to be a part of the OBOR (One Belt, One Road). Most of the projects funded by AIIB are likely to be linked to OBOR in the long-run.
- India has not shown a willingness to be a part of the OBOR.
  ✓ Apprehensions vis-à-vis the transparency of the OBOR agenda,
  ✓ Challenges related to equitable benefits for all,
  ✓ The proposed China-Pakistan economic corridor which would pass through Pakistan-occupied Kashmir,
  ✓ China’s repeated incursions into Indian territory are major factors shaping India’s stand on OBOR.

2.9. RCEP-STANCE OF INDIA

Why in news?

- India has agreed to provide similar tariff cuts to all Regional Comprehensive Economic Partnership agreement (RCEP) member countries with limited deviation. This benefits China unduly.
- Earlier India proposed 3-layer tariffs.
- Japan has been pushing for a single-tier system to which India has now agreed.

Implications of the move

- ASEAN + 6 region becomes a large integrated market
- India is now expected to offer tariff reduction in more commodities to China.
- Indo-China trade has a staggering $52.7 billion trade deficit with only $9 billion of exports in 2015-16. This will increase negatively for us.
- Indian industry, especially the steel sector, faces risk of China using RCEP to try and gain more market access in India and dump other commodities. RCEP will tie the hands of policy makers.
- This may further undermine our ‘Make In India’ programme.

Challenges

- There is not much progress on the services front—India’s main interest in RCEP—at the Laos ministerial.
- Other countries are not even keen to put it in writing that the trade deal will be signed as a single undertaking (that includes goods, services and investment) which India has insisted on.
- India has little to gain in getting market access in goods in other countries due to its poor infrastructure and weak manufacturing base and, hence, has been insisting on easier visa regimes for its burgeoning skilled professionals.
- However, a liberalization of trade in services remains a contentious issue for other member countries, with most showing reluctance to open up their labour market.
- RCEP will have a tough time balancing the conflicting needs of the stakeholders, comprising a mix of manufacturing and trading economies. Following the negotiations, all current FTAs will continue and RCEP will just be adding numerous new concession lists.

Significance of RCEP for India

- That provisions related to ever-greening of patents in the proposed RCEP were dropped after stiff opposition from India.
- Regional trade agreements: It is important for India to remain within RCEP as we are not part of the other two mega regional trade agreements of Trans-Pacific Partnership and Transatlantic Trade and Investment Partnership.
- India may emerge as an attractive investment destination for China.
- Employment potential: The grouping envisages regional economic integration, leading to the creation of the largest regional trading bloc in the world, accounting for nearly 45% of the world’s population with a combined gross domestic product of $21.3 trillion.
Way forward

- India could ask for a longer phase-out period of tariffs for China, say 30 years.
- India’s interests lie mostly in services, the removal of technical barriers to trade such as those taken under sanitary and phyto-sanitary measures, and trade in goods such as pharmaceuticals and textiles. It should actively pursue these.

2.10. AKASHVANI MAITREE

Why in news?

President launched "Akashvani Maitree" Channel. The channel is a unique venture of All India Radio aimed at strengthening ties between India and Bangladesh. The service will be broadcast on 596 KHz.

Objectives

- The re-launch of the channel on 596 KHz has twin objectives: To counter the presence of CRI (Chinese Radio International with its strong programming) and to attract Bengali-speaking listeners from both countries.
- It will also help in strengthening cultural, economic, political & emotional bonding between the two neighbours.
- The Bangla radio service, launched in 1971 during the Bangladesh Liberation Movement and discontinued in 2010.

2.11. NAVIC FOR SOUTH ASIAN DIPLOMACY

Why in news?

- NAVIC (Navigation with Indian Constellation), India’s indigenous global navigation satellite system, is expected to become fully operational from August.
- With this, India will join a club of global powers—the US, EU, China and Russia—who control their own navigation satellite systems.

NAVIC for South Asian Diplomacy

Its full operationalization carries implications and opportunities for the South Asian region at large in the following ways:

- Sharing the benefits of NAVIC could promote India’s credentials as a collaborative partner in the region.
- Having a global navigation system bolsters the ability of a nation to serve as a “net security provider”. Net security providers are states that deploy their surplus national assets for the safety and stability of other countries, including by way of responding to natural and man-made disasters.
- The USA’s GPS played a significant role in relief efforts post tsunami in 2004 and the Pakistan-India earthquake in 2005, and has delivered significant strategic and economic benefits to the US.
- NAVIC also arrives as an instrument for environmental and meteorological monitoring, as well as climate research. Thus helping in more accurate prediction and efficient response to disasters like Nepal earthquake 2015.
- NAVIC should propel technological innovations and spin-offs that render South Asia progressively less reliant on technological imports from the West and elsewhere.
- It might even go some way to mend relations with Pakistan. Building on India’s offering of assistance to Pakistan during the floods in Pakistan-occupied Kashmir and other areas in 2014, NAVIC could establish a tradition of regional monitoring whereby India leverages its technological edge to safeguard citizens across the subcontinent. Such gestures could blunt the adversarial nature of Indo-Pakistan relations in the long run.

Way forward

In dedicating itself to exploring and actualizing the civilian and commercial potential of NAVIC, India can signal to its regional partners that its rise is not only passively peaceful but also directly beneficial to those it can lift up in its tide.
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3. ECONOMY

3.1. RAILWAY BUDGET SCRAPPED?

Why in news?

- The 92-year-old practice of presenting a separate Rail Budget is set to come to an end from the next fiscal, with the Finance Ministry accepting Railway Ministry proposal to merge it with the General Budget.

Background

- The origin of the railway budget goes back to a report by British politician William Ackworth in 1924.
- He recommended a separate railway budget, given that most of the infrastructure spending by the British government went towards building railway lines.
- Critics have lately argued that there is no constitutional or legal requirement for a separate railway budget.
- While the Union budget is a Constitutional requirement and is presented under Article 112 of the Indian Constitution, which mandates an annual financial statement, the Constitution does not talk about the railway budget in particular.

What are the implications?

- Post-merger, the issue of raising passenger fares, will be the Finance Minister’s call.
- The merger would mean, Indian Railway will get rid of the annual dividend it has to pay for gross budgetary support from the government every year.
- There are delays in completion of projects resulting in cost overrun of Rs 1.07 lakh crore in respect of 442 on going rail projects.
- The Indian Railways suffering from a massive revenue deficit, will pass on the burden to the finance ministry after the merger.
- The Finance Ministry has constituted a five-member committee to work out the modalities for the merger. The committee has been asked to submit its report by August 31.

Arguments in favour of merger

- India has 66,000 km of railway lines, of which only 17,000 km have been added since Independence. This shows the dismal performance of railways.
- The idea was recently mooted by a committee headed by NITI Aayog member Bibek Debroy, as part of the restructuring of the Railways.
- The committee had recommended that railway budget should be phased out progressively.
- Railway budget had become political tool to announce populist measures.
- It has become populist avenue for MPs demanding new trains and opposing hike in train fares.
- Unlike general budget, there is no constitutional or legal requirement for separate railway budget. A lot of resources are wasted in the process of preparing railway budget.
- It will be an important step in a series of measures to enhance the performance of Indian railways.

Arguments against the merger

- By bringing railway budget into the fold of annual budget, railways need to wait for annual budget for any changes. Railways cannot afford such long wait.
- Even though Indian Railways is a state monopoly it faces increasingly tough competition from roads and civil aviation. To compete with them it needs separate budget system.
- The merger may transform the Railways to just another government department, as it may lose its commercial character.
- There is no mechanism even from finance ministry to cater to possible revenue shortfall of railways.
- This may also slow the pace of privatization plans of the Railways.

Way forward

- Separate railway budget has its own advantages and disadvantages.
3.2. GST BILL PASSED IN RAJYA SABHA

Why in news?
- The Parliament passed The Constitution (122nd Amendment) (GST) Bill, 2014 after it was unanimously passed by the Lok Sabha by approving all the amendments made by Rajya Sabha earlier.
- The bill now will go states (15 out of total 29 states) for approval as per Article 368 of Constitution as it constitutional amendment bill dealing with changes in the features of fiscal federalism.

What is GST?

**STAGE I: Manufacturing**
- Shirt manufacturer buys raw materials worth Rs.90 (plus tax Rs.10) = Rs.100
- Adds value Rs. 30 by creating a shirt.
- Under Non - GST: Tax paid @ 10% of 130 is Rs. 13. Sold at Rs. 143.
- Tax paid under GST is 13 - 10 = Rs. 3 i.e., the Rs. 10 tax already paid is setoff. Sold at Rs. 150. (+3 finally paid by consumer)

**STAGE II: Wholesale**
- Adds 'value' or 'margin' of Rs.20.
- Non - GST: Tax @ 10% of 143 +20 = 163 is 16.3.
- Sold to retailer at Rs. 163 +16.3 = Rs. 179.3
- Under GST tax paid is 15 - 13 = Rs. 2. Rs. 15 is tax paid by wholesaler but since Rs. 13 is already paid, it is setoff. So effective tax is Rs. 2
- Sold at Rs. 130 + 20 = Rs. 150. (+3+2 paid by consumer)

**STAGE III: Retail**
- Adds 'value' or 'margin' of Rs.10
- Non GST: Tax @ 10% of 179.3 + 10 = 189.3 is 18.93
- Sold at Rs. 179.3 +18.93 = Rs. 208.23
- Same as explained above: Under GST effective tax paid is Rs.1 and sold to consumer at 150 + 10 = 160. (+3+2+1 paid by consumer)

**Final burden on Consumer:**
- In GST: total GST on entire value chain is 10+3+2+1 = Rs. 16. Final price = Rs. 166
- In Non-GST: Total tax is Rs 10 +13 + 16.30 + 18.93 = Rs 58.23. Final price = Rs. 208.23

GST is a Value Added Tax. GST contains all indirect taxes levied on goods, including central and state level taxes. **THE GST SYSTEM IS EXPLAINED IN THE INFO-GRAPHIC BELOW. LET US ASSUME A 10% TAX RATE.**

Features of GST system
- It will be collected on VAT method i.e. tax at every stage of value addition.
- It will be imposed at a uniform rate @ 20% (Centre state share = 12 and 8 percent respectively).
- GST will be is levied only at the destination point, and not at various points (from manufacturing to retail outlets) and therefore reduces tax terrorism.
• the government also cleared changes in the Bill including:
  a. Doing away with the additional 1 per cent tax by producing states and
  b. Compensating all states for any revenue loss in the first five years post the GST rollout.
• As the next step, the Centre has to enact two laws, one on the creation of Central GST (CGST subsumes
  central taxes) and another on Integrated GST (IGST). The state governments, on their part, have to pass a
  legislation on creation of state GST (subsumes various state taxes).
• But Customs, Stamp-duties, Petroleum, Electricity tax and Alcohol are exempted from GST.

Advantages

• Governance:
  ✓ GST will get rid of the current patchwork of indirect taxes levied by centre and states such as: excise,
    value added tax, octroi and sales tax with one uniform tax that will be shared by both states and the
    Centre.
  ✓ The earlier indirect taxes were partial and suffered from infirmities, mainly exemptions and multiple
    rates.
  ✓ Reduced tax disputes.
  ✓ Due to easy framework it improves tax compliances. Checks tax-evasion.
  ✓ It is expected to help build a transparent and corruption-free tax administration.

• Economy
  ✓ A national seamless market will be established. This will significantly lower transit time and also improve
    truck utilization.
  ✓ Greater cost-competitiveness – as competitors would not get undue benefit due to location or product
    etc.,
  ✓ Productivity gains – in tax and logistic areas.
  ✓ It is estimated that India will gain $15 billion a year by implementing the Goods and Services Tax as it
    would promote exports, raise employment and boost growth.
  ✓ Both the components (central and state GST) will be charged on the manufacturing cost. This will bring
    down the prices and will lead to increased consumption, thereby helping companies.

• Evolved to new Economic structure both intra and inter-national
  ✓ Under GST, the taxation burden will be divided equitably between manufacturing and services, through
    a lower tax rate by increasing the tax base and minimizing exemptions.
  ✓ With the increase of international trade in services, the GST has become a preferred global standard. All
    OECD countries, except the US, follow this taxation structure.

• Increased tax base and tax to GDP ratio.

Challenges

• Consensus between centre and states on loss of revenue. Though this is resolved for next 5 years due to
  compensation by centre, it is bound to remain a challenge.
• Loss to manufacturing states as 1% additional tax is also removed in final GST bill.
• Dual control in every area.
• Credit will be available with GST network i.e., online only. This will negatively affect small businesses.
• The governments of Madhya Pradesh, Chhattisgarh and Tamil Nadu say that the “information technology
  systems and the administrative infrastructure may not be ready to implement GST”
• States lose autonomy to change tax rate as this will be decided by GST council. Clause 246A makes
  Parliament’s decisions will be overriding and binding on the States.
• Petroleum and liquor still out. They form almost 40% of India’s total trade, so significant portion is still
  outside.
• Administrative mechanism: In India, a merger between two government agencies is next to impossible, as
  long as appraisals and promotions are linked to seniority and regretfully, not performance. And integrating
  the revenue collection services of all states and an extremely powerful Central Service into one GST
  collection agent.
• Negative impact on sectors currently enjoying tax benefits such as: textiles, media, dairy, IT/ITeS, Pharma
  etc.
3.3. BANK CONSOLIDATION: MERGER OF SBI ASSOCIATED BANKS

Why in news?
- The boards of State Bank of Bikaner & Jaipur (SBBJ), State Bank of Mysore (SBM), State Bank of Travancore (SBT), the unlisted State Bank of Hyderabad (SBH), State Bank of Patiala (SBP) and Bharatiya Mahila Bank approved the scheme of merger with State Bank of India.

Benefits of merger
- It would improve the economies of scale. This will lead to reduction of cost on account of treasury operations, audit, technology, among others; Better management of liquidity.
- It will help in meeting BASEL-III norms. It will take its assets from 21.5 to 28.25 lakh crore.
- Improvement in small banks- in terms of technological know-how, international standards, innovative products, professional standards etc.
- Diversification of customers and assets.
- Better monitoring and regulation due to fewer banks.
- International recognition.
- Since SBI is upgrading processes to improve customer service, the customers of the merged smaller banks will get a better deal in loan rates after the merger.

Issues
- It would affect regional flavour which could lead to losing regional focus.
- Large banks lead to consolidation of risks as well e.g. Global financial crisis of 2007.
- India needs more Banking competition than consolidation- to improve banking efficiency.
- Concerns of the employees- effect on promotion prospects due to curtailment of seniority, relocation due to rationalisation of branches.
- Poor government record on mergers e.g. Air India and Indian Airlines.

Suggestions
- The govt should not rush through the process - all stakeholders must be involved in the process
- In the event of further divestment, the govt. share shall not fall below 51% in any case
- Acquiring bank shall not dominate the smaller ones- good practices of both should be combined; conscious and organized efforts to synthesize the differences must be made

Conclusion
- Bank consolidation is a tricky issue. While it is said that the long-term benefits of consolidation outweigh the short-term concerns, it must not be made a general policy. It is only to be done with right banks for right purpose with proper safeguards.

(Note: for more detail please refer May 2016 Current Affairs)

3.4. DOMESTIC SYSTEMICALLY IMPORTANT BANKS (D-SIBS)

Why in news?
- The Reserve bank of India (RBI) has recently identified public sector lender State Bank of India (SBI) and its private sector peer ICICI Bank as domestic systemically important banks (D-SIBs) in 2016.

What is it?
- SIBs are perceived as certain big banks in the country. Since the national economy is dependent upon these banks, they are perceived as ‘Too Big To Fail (TBTF)’ because of the expectation of government support for these banks at the time of distress.
Due to this perception these banks enjoy certain advantages in the funding markets.

There are two types of SIBs:
- Global SIBs; the identification is done by BASEL committee on banking supervision.
- Domestic SIBs; by central Bank of the country.

Need for SIB Status

The perceived expectation can also lead to reckless practices on part of these Banks like increased risk-taking by the banks, reduction in its market discipline, creation of competitive distortions etc. All this can increase the probability of distress in the future.

Therefore, it is required that SIBs be subjected to additional policy measures to deal with the systemic risks and moral hazard issues posed by them.

They are forced to have additional capital/backup against financial emergency, so that taxpayer money not wasted in rescuing them during crisis.

3.5. PROMOTING INLAND WATERWAYS

Why in news?

The Centre is framing a policy to enable all major ports to set up subsidiary companies to develop inland waterways.

Background

Govt. intends to promote inland waterways due to tremendous cost-cutting and environmental advantages.

Govt. has already approved developing 106 new inland water projects spread across 24 states as national waterways in addition to the five existing networks under its new National Waterways Act 2016.

However, raising funds for waterways is difficult and around Rs. 80,000 crore is needed to develop 20,000 km inland waterways, which cannot be met through Shipping Ministry’s annual budget of Rs. 1,800 crore.

It is difficult to obtain foreign funding for these projects because they don’t have any financial credentials as of now.

New Policy

The government intends to utilize the economic goodwill of Indian ports for the purpose. Based on the foreign currency billing a cheaper forex credit can be raised.

All major ports have a combined turnover of Rs. 4,000 crore and an amount of Rs.50,000 crore can be raised as foreign loans at around 2.75 per cent interest.

The subsidiary company can effectively utilize the money for developing the waterways. For example the JNPT port can develop waterways on 7-8 rivers in Maharashtra which flow from MP.

Multiple Benefits

- Reduction in logistics costs will make exports competitive in international market.
- Developing inland waterways is in direct interest of Ports as more exports will increase their business.
- The Shipping Ministry is further urging the Finance Ministry to allocate 5% of the money collected as cess on diesel and petrol for inland waterways.

3.6. LOGISTIC COSTS SAVING THROUGH SAGARMALA

Why in news?

A report ‘Origin Destination study on cargo traffic projections & logistics bottlenecks’ is prepared under the Sagarmala port-led development programme of Ministry of Shipping.

Key suggestions

- The need for creation of efficient infrastructure at requisite demand and logistic chain centers.
- Promoting coastal shipping of bulk commodities like coal,
setting-up coastal clusters for bulk commodities like cement & steel.

- Establishing new transshipment port.
- Creating dedicated coastal berths ports for coastal shipping.
- Setting up storage capacities at origin-destination ports to shorten turnaround time.
- Developing adequate ship-repair facilities in the maritime states.
- Providing last-mile connectivity of ports with National Highways and Railway network.

**Significance**

- Potential to save around INR 40,000 crores per annum by optimizing logistics flows by 2025.
- Increase in cargo traffic to 2.5 bn MMTPA by 2025
- Make Indian goods more competitive in the global markets and drive its port-led-development

### 3.7. BILL TO AMEND SARFAESI AND DRT ACT

**Why in News?**

- The Lok Sabha recently passed a bill to amend the existing Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Sarfaesi) Act, and the debt recovery tribunal (DRT) Act.
- It has now been passed by both - the Lok Sabha and Rajya Sabha.

**Need**

- The problem of rising NPAs is well known.
- Flaws in the existing debt recovery process have further added to the problem of NPAs. For instance, more than 70,000 cases are pending before Debt Recovery Tribunal (DRTs).
- SARFAESI and DRT were envisaged to ensure quick disposal of cases. However, they have not met the expectations.
- The Bill seeks to address this issue. It will amend four Acts:
  - SARFAESI Act, 2002,
  - The Recovery of Debts due to Banks and Financial Institutions Act, 1993,
  - The Indian Stamp Act, 1899; and
  - The Depositories Act, 1996.

**Benefits**

- Faster recovery and resolution of bad debts by banks and financial institutions.
- Making it easier for asset reconstruction companies (ARCs) to function.
- Encourage more asset reconstruction companies (ARCs) to set up business in India and revamp debt recovery tribunals (DRTs).
- Works in complement with the new bankruptcy law and will provide a time-bound framework to deal with stressed assets and loan recovery.
- Will legally strengthen the banking system.

**Salient features of the bill**

- **SARFAESI**
  - Allows Banks to take possession of collateral security within 30 days. This assumes importance in view of Vijay Mallaya controversy
  - Expansion of regulatory powers of RBI over ARCs;
    - RBI will get more powers to audit and inspect any ARC as well as the freedom to remove the chairman or any director and appoint central bank officials to its board.
    - RBI will be empowered to impose penalties for non-compliance with its directives, and regulate the fees charged by these companies to banks at the time of acquiring such assets.
The bill proposes to **widen the scope of the registry that will house the central database of all loans against properties given by all lenders**.

- Bill provides that secured creditors will not be able to take possession over the collateral unless it is registered with the central registry. Further, these creditors, after registration of security interest, will have priority over others in repayment of dues.
- Enable secured creditors to take over a company and restore its business on acquisition of controlling interest in the borrower company.

**DRT**
- To move towards **online DRTs**—electronic filing of recovery applications, documents and written statements.
- Establish a **time bound process**
- Taking **interest of creditors**—50% of the debt has to be deposited with DRT for filing an appeal.

- The bill also proposes to amend the Indian Stamp Act so that stamp duty will not be charged on the transfer of financial assets in favour of ARCs.
- The bill will pave the way for the sponsor of an ARC to hold up to 100% stake. It will also enable non-institutional investors to invest in security receipts issued by ARCs and mandate a timeline for possession of secured assets.
- By fast-tracking the recovery process for banks and other financial institutions.
- Widens the scope of the central registry that will house the central database of all loans against properties given by all lenders.

**Issues and challenges**
- **Regulation of ARCs by RBI could amount to conflict of interest.** This is because RBI can direct that ARCs absorb the NPAs at a higher price than they are worth. This is against global practice as well as the business of stressed asset recovery is very different from the business of banking.
- The proposed automation would **require a lot of investment.**
- Other problems like lack of presiding officer and staff have not been addressed by the Bill.

### 3.8. MODEL LAND LEASING LAW

**Why in news?**

Niti Aayog Panel proposed Model Land Leasing Law after an 11-member committee constituted under T. Haque has suggested the enactment of the law to permit and facilitate leasing of agricultural land.

**Significance**

- According to Haque, former chairman of CACP, about 20% of land holdings are managed by tenant farmers, with the figure in states like Andhra Pradesh going up to 60%.
- Presently farmers cultivating the agricultural land on lease are unable to access loans through credit institutions, insurance, disaster relief and other support services provided by the government as they don’t own the land.
- Land owners are afraid of losing their land to tenants under various tenancy laws. So, they keep on changing tenants. This makes tenants unable to benefit from various govt. schemes.

**Broad framework of the model act**

- Make land leasing legal.
- Remove adverse possession clause from laws of states. (Adverse possession creates fear among owners, as a tenant may claim title if he has possession of the land for specified period of time).
- Facilitate access to short-term credit and crop insurance based on a simple lease agreement for tenants.
- Allow automatic resumption of land on expiry of agreed lease period without requiring any minimum area criteria. (In some states, the criterion stipulates a minimum area to be left to the tenant on expiry of the lease to protect his future).
- Terms of lease and Rent to be determined mutually by owner and tenant
• Lease to be terminated within lease period by giving an advance notice of one crop season or one crop or grounds like non-payment of rent, use of land for purpose other than what was agreed upon, lease harms the land, legal framework of leasing is not farmer-friendly and both parties are not benefiting

Benefits
• To allow owners to lease out agricultural land to tenant farmers without any fear of losing it.
• To promote legalisation of land leasing.
• To ensure tenant farmers have access to institutional credit, insurance and disaster compensation without affecting the landowner title.
• This would allow unused land to be used productively, and enable tenant farmers to invest in the land and access credit and insurance.
• Will allow consolidation of farmland so that small plots that are economically unviable can be leased.

Way forward
• MP became the first state in July to draft its own law, and several others, including Gujarat, Odisha and Punjab are following its example.
• Land being a state subject, the Centre can at best convince the states to adopt a model to bring in uniformity.

3.9. TAX TERRORISM

Why in news?
• Recently, tax was raised by IT dept. from a PSU by an incorrect tax demand. This they did in March to meet revenue collection targets of the fiscal year, which ends in March.
• But in April the demand was cancelled and tax refunded pushing the problem to next year.
• To mend this Revenue secretary as a penal measure has ordered transfer of certain officials, which led to a dispute.

What is Tax terrorism?
The tag of Tax Terrorism is used in the context of practices such as:
• Retrospective taxation cases such as: Vodafone pricing case, Cairn India-Vedanta group case.
• Minimum Alternative Tax – though with right intentions but wrong implementation.
• Enforcement of regulations relating to tax avoidance: GAAR (General Anti Avoidance Regulations) etc.,
• The practice of raising large unjustified tax demands followed up with
  a. Aggressive recovery procedures,
  b. Coercive methods
• Adjusting interest rate manually so that refund payable is reduced to zero.
• Many decisions taken by discretion without proper accountability.

Impacts
• Economy: Funds that could have been put to productive use by businesses are left lying with the government.
  a. Ease of doing business is negatively affected. This reduces the competitiveness of India as a market.
  b. Torpedoes investor confidence.
• Governance: Such practices, which are being followed in the name of public interest, gives the tax department bad publicity.
  a. Efficient service delivery is denied to taxpayers.

Way forward
• The Parthasarathy Shome Committee observed that the root cause of such unhealthy practices has been the practice of setting unrealistic revenue collection targets for tax officers in Budget. This has to be reformed.
• The basic problem is the mess of Indian tax laws, a legacy of the socialist era. The system is adversarial and tilted towards enforcement rather than compliance.
• A dramatic overhaul of the tax code is needed.
• Tax officers also need to realise that they are accountable to the public.
• Viewing every transaction with suspect will result in conditions of tax terrorism.
• Recent suggestion of RAPID.
• Recent acts of Revenue Secretary transferring the IT officials for such acts are laudable

3.10. TAX BATTLE-APPLE V/S EU

Why in news?
EU regulators have ordered Apple to pay up to $14.5 billion in taxes plus interest to Ireland.

Issue
• Sweet heart/ Double Irish tax strategies: help American companies keep their profits nearly tax-free abroad. (Refer Infographics)
• EU’s efforts are to squash country-specific tax loopholes.
• After 2008, fiscal stimulus has become necessary and if issues of corporate tax avoidance are solved it may increase govt.’s revenue and thereby economy as a whole.

Impact
• According to Apple, it will have a harmful effect on investment and job creation in Europe.
• It may affect U.S.-E.U. economic relations
• Will affect the future governance of multinational corporations and cause them to revisit the tax implications of their current structure.
• The real problem is uncontrolled global tax system. International tax shenanigans have real-world consequences for markets and they distort the market.
• Even as big firms hoard cash abroad, they borrow money in their home country debt markets.
• Unfortunately most use that debt to fund share buybacks that enrich mainly the wealthiest and add nothing to real productivity and economic growth. This only increases the wealth divide in the world, widening the toxic rift between the markets and Main Street.

Negatives
• Sovereignty: Brussels’ decision to overrule the Irish government and impose an extra $14.5 billion in taxes on Apple Inc.
• Tax or trade deals: Ireland is not free to strike its own tax deals with Apple any more than it is free to strike its own trade deals with the U.S. or Japan or Kazakhstan.
• Immigration deals: EU countries are not free to set its own immigration rules — the issue that finally provoked BREXIT in Great Britain.

So, agreements similar to BEPS agreement between G20 countries etc., have to be signed multilaterally to prevent corporate (MNC) tax avoidance.
3.11. CENTRE OWES RS. 80,000 CRORE TO STATES: CAG REPORT

Why in news?
- The CAG finding has the potential to significantly impact the finances of most States.
- According the report, Centre owes the States over Rs. 80,000 crore from its net proceeds of the period.

Background
- According to Article 279 of the Constitution, the CAG is “required to ascertain and certify the ‘net proceeds’ (any tax or duty the proceeds thereof reduced by the cost of collection), whose certification shall be final.”
- The Finance Ministry had requested for CAG certification of net proceeds of taxes afresh ante-dated from 1996-97 because of the 80th constitutional amendment.
- The 80th constitutional amendment resulted from the recommendations of the 10th Finance Commission recommendation for an alternative way of sharing proceeds of union taxes and duties between Centre and States.

Report observations
- According to the CAG report, during the certification of ‘net proceeds’, it revealed that during the period from 1996-97 to 2014-15 an aggregated amount of Rs. 81,647.70 crore was short devolved to the States.
- The revelation has the potential to significantly impact the finances of most States, because most of them could end up getting a few thousand crores each.

Way forward
- The centre should take cognizance of the report of CAG and immediately work towards the devolvement of pending dues.
- The extra funds that state receive could well be utilised for developmental needs in respective states as per their requirements.
- Care should also be taken to avoid such mistakes in future. The process of devolution should be transparent and efficient.

3.12. CENTRAL WATER COMMISSION

Why in news?
- A high-powered committee led by Mihir Shah submitted its report recently to PMO.
- The report was titled “A 21st Century Institutional Architecture for India’s Water Reforms: Restructuring the CWC and CGWB”.

Background
- The CWC was established in 1945, is in charge of surface water and creating storage structures such as dams and medium-scale reservoirs.
- The Central Ground Water Board (CGWB) is has objective of managing groundwater resources.
- The Shah committee was set up last year to recommend ways to restructure the CWC, which develops surface water projects, and the Central Ground Water Board (CGWB).

Recommendations of committee
- An overarching National Water Commission to be created to encourage a shift in focus from the construction of dams to decentralised management and maintenance of water.
- The CWC and the CGWB will be included in the new National Water Commission and the current personnel will be redeployed at the Centre and the regional offices.
- It should be headed by a Chief National Water Commissioner and should have full-time commissioners representing Hydrology (present Chair, CWC), Hydrogeology (present Chair, CGWB), hydrometeorology, River Ecology, Ecological Economics, Agronomy (with focus on soil and water) and Participatory Resource Planning & Management.
The new body will forge partnerships with world class institutions, eminent experts and voluntary organisations in the water management field.

The new body to serve as a world class capacity building, data and knowledge institution.

The key recommendation of the committee is to shift focus from construction to decentralised management and maintenance.

Issues with the report

- CWC Civil engineers and hydrologists are against the Shah committee’s recommendations
- Main argument being that water is a state subject and such reforms from centre go against the spirit of cooperative federalism.
- According to the engineers, India can meet its food and water security requirements only through the development of surface water through the construction of dams.
- The argument engineers cite is, China with a population of 1.4 billion has created live storage capacity of 718 bcm, while India has a live storage capacity of 259 bcm for its population of 1.3 billion. We need to build more storage capacity for sustainability

Way forward

- This is the third time since 2000 that reports have been placed for restructuring the CWC and it is still unclear how seriously the government is likely to go ahead with restructuring.
- The recent water crises in the face of droughts in 2014 and 2015 and growing concerns with groundwater contamination have provided a fresh trigger towards reorganisation of CWC.
- The recommendations are futuristic and have potential to restructure water resource agencies in India.
- The recommendation should be implemented after building consensus with all stakeholders within the framework of cooperative federalism.

### 3.13. NATIONAL COMMITTEE ON TRADE FACILITATION

#### Background

- India in February 2016 had agreed to undertake the commitments under the Trade Facilitation Agreement (TFA) of WTO.
- It, thus, needed a national level body to facilitate domestic co-ordination and implementation of TFA provisions. Accordingly, National Committee of trade Facilitation (NCTF) has been set up.

#### Purpose of NCTF

- It is an inter-ministerial body on trade facilitation chaired by the Cabinet Secretary.
- It will be inclusive comprising Secretaries of all key Depts. involved in trade issues like Revenue, Commerce, Agriculture, Shipping, Health etc. as well as members from major trade associations like FICCI, CII etc.
- Its Secretariat will be housed within the Central Board of Excise and Customs (CBEC), in the Directorate General of Export Promotion, New Delhi.
- It will help in developing the pan-India road map for trade facilitation by synergizing the various trade facilitation perspectives across the country among all stakeholders.
- It will have a three-tier structure:
  - National Committee- pivot for monitoring the implementation of TFA
  - Steering Committee- responsible for identifying the nature of required legislative changes as well as for spearheading the diagnostic tools needed for assessing our level of compliance to the TFA.
  - Ad hoc working group of experts- dealing with specific trade facilitation issues

#### About trade facilitation

- The TFA was agreed upon at the WTO Ministerial Conference in Bali in 2013. The agreement aims at expediting the movement and clearance of goods, including goods in transit, and establishing effective cooperation between customs and other authorities on trade facilitation and customs compliance issues.
- It will enter into force once two-thirds of WTO’s 162 members formally accept the agreement.

(*For more on TFA please refer to February 2016 edition of Vision current affairs*)
3.14. FOREIGN INVESTMENT IN FINANCIAL SERVICES

Why in news?
- The Cabinet recently permitted foreign investment through automatic route in ‘other financial services’, if they are under regulators such as SEBI, IRDA, RBI etc.
- Present regulations stipulate that FDI is allowed on automatic route for only 18 specified NBFC activities. These include merchant banking, underwriting, portfolio management, investment advisory, financial consultancy, stock broking and asset management etc.
- The amendment would allow FDI in other areas like commodity broking, asset finance companies, depository participants and infrastructure debt funds.

Benefits
- Increase in financial sector efficiency due to technology transfer, innovation in products and processes and increased competition.
- This will spur economic activities.

Why financial services is an attractive sector for FDI
- Financial service is an attractive investment asset class for foreign investors because it provides them an opportunity to tap the growing middle class and the high-net-worth individuals
- With govt.’s focus on financial inclusion, the penetration of financial products would deepen. Therefore, the investors are getting attracted to the retail financial service sector as well.
- As compared to earlier times these businesses have matured now and thus risks have reduced
- Investing in financial services is a good way to capture any upturn in the economy.
- Falling inflation and interest rates also continue to attract investors to this sector.
- The fact that the sector has a strong regulator and fewer corporate governance issues is an added advantage.

3.15. DISPUTE OVER BASMATI GI TAG CLAIM

Background of the Issue
- In February 2016, IPAB (Intellectual Property Appellate Board) passed a judgment granting Geographical Indicator (GI) status to Basmati rice cultivated in the Indo-Gangetic Plains on the foothills of the Himalayas.
- These cover the rice growing areas in Punjab, Haryana, Himachal Pradesh, Delhi, Uttarakhand, Western U.P. and two districts of Jammu and Kathua.
- Basmati, however, is also grown in certain other areas like a few districts of Madhya Pradesh. They are demanding GI status as well.
- GI status helps in improving sale and export of the products because the GI tag is a guarantee of certain quality and is thus extremely valued in international markets.

Case of Madhya Pradesh
- It is argued that Madhya Pradesh has started growing Basmati only from the start of this century. It, thus, never had any tradition of growing Basmati which is an essential prerequisite for the grant of GI. MP, however, disputes this fact.
- Even though the new breed is allowing MP to grow Basmati, it cannot really match what one gets from the traditional areas with particular agro-climatic conditions like Punjab, Haryana etc.

Implication
- Opening up the GI for more states like MP could lead to differences in the quality of Basmati rice. This could cause reputational damage to the product in the international market.
3.16. FARMING BECOMING UNATTRACTIVE FOR YOUTH: FAO

**Issue**
- Around the world, farmers are an ageing demographic as the sector fails to attract younger talent who are heading instead to cities in search of work.
- In Africa, where 60% of the continent’s population is under 24, the average age of farmers is 60.
- Around the world it’s a potential problem, particularly smallholder farmers in low-income countries.

**Implications**
- Agriculture productivity is already low in these economies. With only aged population left to work in the sector the situation will get worse. Direct impact on global food security.
- It may promote leasing and consolidation of land depending on local regulations.

**What needs to be done?**
- Need to transform agriculture so that it offers young people an appealing alternative to urban life.
- Need to innovate and develop technologies so that productivity can be improved. The long-term solution is a shift to industry in developing countries. However the shift must be gradual and for economic reasons.
- Large scale investment in infrastructure and associated fields is necessary.

3.17. INTERNATIONAL ARBITRATION MECHANISM

**Why in news?**
- India has urged the BRICS nations to develop an arbitration mechanism among them.
- A proposal was made by Finance Minister at BRICS Conference on International Arbitration.

**Need for such a mechanism**
- **West’s domination**: It is observed that the arbitration centers are concentrated in west with apprehensions of biased awards against emerging economies.
- Further, the emerging economies are not adequately represented in the arbitration area thus the exigencies and concerns of developing nations are not put forward properly. Thus, there is a need for developing nations to build capacity.
- Recent example- British oil and gas explorer Cairn Energy had initiated international arbitration seeking $5.6 billion in compensation from the Indian govt. against a retrospective tax demand of Rs. 29,047 crore.

**India’s efforts**
- India is already working towards making itself as global Arbitration hub. Earlier in June 2016, Singapore Arbitration center had agreed to open its branch office at GIFT city.
- It has made changes to its Bilateral Investment Treaty regime.
- Further, we need to show restraint as far as domestic jurisdictions of courts to interfere in those arbitrations. The enthusiasm of domestic courts to interfere in the international arbitration proceedings has brought bad publicity to Indian economy in the past.
- It has made crucial changes to the Arbitration and Conciliation Act.

3.18. INCLUSIVE HOUSING AND INDIA’S MORTGAGE MARKET

**Why in news?**
India’s roughly Rs.10 trillion mortgage market is witnessing a quiet revolution after a string of initiatives by the government and a sensitive mortgage regulator, the National Housing Bank (NHB).

**What is Primary Mortgage market?**
The primary mortgage market is the initial marketplace where the borrower gets together with the mortgage originator, whether a bank, credit union or mortgage broker, to conduct a mortgage transaction. At the closing table, the primary mortgage lender provides the funds to the borrower, which the borrower uses to complete his home purchase.
Significance

- There is an estimated housing shortage of **18.7 million in urban pockets** and **39.3 million in rural India**. The government wants to take care of this by 2020 under “Housing for All”.
- **Eight states have 80% share** of the shortage of housing in urban pockets. They are MP, Rajasthan, Bihar, Tamil Nadu, Andhra Pradesh, Bengal, Maharashtra and UP.
- **Banks are interested**: Home loans are the safest bet for Indian bankers. In case of a default, the property can always be seized and sold to recover the money.
- **Inclusive**: Home loans are almost inaccessible for EWS and LIG segments which constitute the bulk of deficit. Mortgage can solve this problem.
- **Potential**: Mortgage penetration has been going up in India and outstanding housing loan as a percentage of GDP has risen from 2% (2002) to 9% (2012). But it’s very low compared to 20% (China) and 88% (U.K).

Steps taken

- Licensing norms for housing finance companies (HFCs) have been fairly liberal.
- The promotion of affordable housing for weaker sections through credit-linked subsidy under the Pradhan Mantri Awas Yojana. Under this scheme, a person buying her first house, costing between Rs. 3 lakh and Rs. 6 lakh, gets 6.5% interest subsidy.
- **NHB offers rural housing finance to intermediaries at 6.12%**. Until now, funds for 1.5 million rural units have been sanctioned.

Way forward

NHB has been looking into other aspects of mortgages as well:
- For low-cost rental housing (for migratory labourers),
- Creation of title insurance (to ensure speedy bank loans),
- Uniform stamp duty across states, a heat map to catch the first sign of bubble in the housing market in any part of the country and
- Refinancing microfinance institutions for tiny home loans.

3.19. PANEL TO PROMOTE CARD PAYMENTS

- The government has set up an eleven member panel headed by former finance secretary Ratan P Watal to suggest ways to promote electronic transactions through incentives such as tax rebates, cash back, lottery and changes in existing regulatory mechanism.
- The panel will recommend steps for leveraging unique identification number or other ID proofs for authenticating card and digital transactions and study global best practices in payments.
- It will examine setting up of a Centralised KYC registry and study the feasibility of creating a payments history of all card/digital payments to ensure “instant, low cost micro-credit” through digital means.
- The committee will study introduction of single window system of payment gateway to accept all types of cards/digital payments of govt. receipts, settling them through NPCL and look into the scope of integration of all government systems like Public Finance Management System, PayGov, Bharatkosh and eKuber.

3.20. ELECTROPRENEUR PARK

What is it?

- It is a recent initiative taken up and funded by Ministry of Electronics and Information Technology (MeitY).
- It is managed by Software Technology Parks of India (STPI) and implemented by India Electronics and Semiconductor Association.
- The objective is to incubate 50 early stage start-ups and create atleast 5 global companies over 5 years.

Benefits

- The initiative will focus on IP creation and product development to increase domestic manufacturing of electronic items like smartphones, smart meters, micro ATMs, set-top boxes, etc.
Ten most promising ideas/startups in the Electronic System Design & Manufacturing space every will be selected, and incubated every year.

The initiative is in line with the government's Make-in-India and Startup India missions aligned with entrepreneurial and innovation focus.

The Park will also facilitate seed funding for ventures including foreign funding.

### 3.21. CORPORATE BOND MARKET

**Why in news?**

- The RBI has introduced new policy measures aimed to cap the exposure of banks to corporates in the medium term.
- This is done to shift the source of funding to Indian companies from local lenders to bond markets.

**Salient Features**

- The latest initiative has allowed brokers to participate in corporate bond repurchases or repos, making corporate bonds eligible for borrowing from the central bank, allowing foreign portfolio investors to trade directly in corporate bonds.
- Besides allowing banks to issue rupee bonds or masala bonds, as they are dubbed in the overseas markets, to bolster their core capital and to fund infrastructure and affordable housing.
- The central bank will allow commercial banks to issue rupee bonds in overseas markets — known as Masala bonds, both for their capital requirement and for requirements to finance infrastructure and affordable housing.
- An overwhelming dependence of firms and large business groups on funding from banks resulting into battered balance sheets of many Indian banks who will now face a new challenge to identify and fund a more diversified set of borrowers.

### 3.22. SWIFT: EASE OF DOING BUSINESS

**Why in News?**

- India has moved up four places in the World Bank’s Ease of Doing Business Report 2016 since 2015. It is now ranked at 130 (out of 189 countries) compared to 134 in 2015.
- This improvement comes after the launch of SWIFT (Single Window Interface for Facilitating Trade)

**What is SWIFT?**

- Central Board of Excise and Customs (CBEC) launched SWIFT on 1st April, 2016 as one of the initiative to facilitate trade and improve ease of doing business.
- SWIFT enables importers/exporters to file a common electronic integrated declaration on ICEGATE (Indian Customs Electronic Commerce/Electronic Data Interchange Gateway)
- The integrated declaration compiles the information required for Customs, FSSAI, Plant Quarantine, Animal Quarantine, Drug Controller, Wild Life Control Bureau and Textile Committee.
- It replaces nine separate forms required by six different agencies and Customs.
- CBEC has also introduced an integral risk management facility for partner government agencies (PGAs).
- This will ensure that agencies select consignments for testing and examination based on the principle risk management.

### 3.23. FORMULA FOR PRODUCTION SUBSIDY TO SUGAR MILLS

**Why in News?**

- The Cabinet Committee on Economic Affairs (CCEA) approved a new formula for calculating production subsidy given to sugar mills for 2015-16.
- This move has been taken after considering lower sugar production and exports.
Background

- The Centre had last year announced a subsidy of Rs. 4.5 per quintal of cane crushed during the October 2015-September 2016 period.
- This subsidy was announced on the condition that mills meet the export quota of four million tonnes and ethanol blending target.
- The previous subsidy scheme has been discontinued with effect from 19th May 2016.

What is New?

- There has been revision in the export quota and ethanol blending target for calculating the production subsidy.
- Initially, the export quota target was scaled at 15.70 kg of sugar for each tonne of “estimated cane crushing”. Now, it is scaled at 15.70 kg of sugar for each tonne of cane actually crushed by the mills.
- Ethanol supply target will be revised to actual quantity contracted by mills/distilleries for supply to Oil Marketing Companies (OMCs).
- With the revision coming into effect the production subsidy to sugar mills will go down to Rs. 600 crore as against the earlier estimated Rs. 1147.5 crore.

What is Ethanol Blending?

- Ethanol blending refers to the practice of blending ethanol with petroleum.
- It is done in order to reduce the vehicle exhaust emissions and also to reduce the import burden on account of crude petroleum.
- This practice started in India in 2001.
- Ethanol is one of the by-products of the sugar industry and therefore supplied by the same.

3.24. RBI’S ANNUAL REPORT

Why in News?

- RBI has released its Annual Report 2016 which highlights the current situation of the economy and also states future prospects.

Key Highlights of The Report

- The report says that the current prospects for the economy are brighter than the previous fiscal.
- Faster clearances of stalled projects have boosted overall business sentiment.
- Sectors such as roads and ports have seen significant improvement.
- A good monsoon and pay commission hike for government employees is likely to boost consumption which in turn will lead to pick-up in demand.
- The key challenges before the Central Bank are economic growth, curbing inflation and ensuring that banks focus on rate cut transmission and balance sheet cleanup.

3.25. ATAL PENSION YOJANA (APY)

Why in News?

- APY has failed to meet its Phase 1 and Phase 2 targets. Public sector banks could only achieve 6.07% and 11.7% of the target in Phase 1 and 2 respectively.

What is APY?

- It is a universal social security programme for all Indians. It came into effect from May, 2015.
- Under APY, the govt. co-contributed 50% of the policy money (up to a maximum of Rs. 1000) for first five years in case of individuals, who enrolled before 31st March, 2016. This benefit is only enjoyed by those who are not income tax payers.
- APY will replace the Swavalamban scheme.
- The government also launched the Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana along with APY.
3.26. INFLATION TARGETING

Why in News?
- The government has notified an inflation (Consumer Price Index) target of 4% till 2021 with an upper/lower tolerance of 2 points.

What is it?
- Inflation targeting refers to the monetary policy strategy where an inflation target is set and policy formulation is done in such a way so as to achieve that specified target.
- The Reserve Bank of India officially adopted inflation targeting as a monetary policy strategy in February 2015.
- The inflation target is to be revisited once in every five years.
- In order to meet the inflation target, the RBI will raise or lower interest rates.

Significance
- Flexibility of this monetary policy approach will help RBI achieve the growth target in the short run and curtail inflation in the medium term.
- This approach is an important component of the new monetary policy framework along with the proposed monetary policy committee.

3.27. GREEN CESS

Why in news?
- The Supreme Court lifted an eight-month-old ban on the registration of large vehicles fuelled by diesel in the national capital region (NCR), making it conditional on manufacturers paying a levy for polluting the city’s air.
- Automobile makers would have to pay a levy equal to 1% of the ex-showroom price of diesel vehicles with an engine capacity above 2000cc.

Background
- Delhi was ranked the world’s most polluted city in 2014 by the WHO.
- This year, WHO ranked the quality of Delhi’s air the 11th most foul.
- The Supreme Court, in December 2015, had banned the registration of luxury automobiles and sport utility vehicles with an engine capacity in excess of 2000cc in NCR.

Impact of judgment
- The SC has also asked the Central Pollution Control Board to open an account in public sector banks to receive the green levy from big diesel car and SUV manufacturers.
- The transport authority will now register a big diesel car or SUV only if receipt of payment of green levy is shown.
- Registration officers will verify if the charge has been paid by the manufacturer/dealer.
- The apex court will also decide whether the rate of green levy on big diesel cars can be more than 1 per cent of the ex-showroom cost of the vehicle.

Arguments in favour of levy
- The ban had impacted the sales of the diesel vehicles and further had adverse impact on investments. The levy will allow the market to bounce back.
- There was also suggestion that the court extend the green cess to all diesel passenger vehicles, even those below the 2000cc capacity.
- This would have positive impact on the environment.
Arguments against the levy

- There is scepticism that green cess will not have any impact on diesel car sales, should the manufacturers pass on the cost to buyers.
- The government has argued that the court does not have the authority to impose an environment compensation charge and that this is a legislative mandate.
- The right to levy a tax is a legislative one and can’t be done by the courts. This would amount to judicial overreach.

Way forward

- The decision has put all controversy surrounding diesel fuel vehicles behind.
- This could be further extended to all diesel vehicles.
- The parliament should bring a legislation to give effect to the SC directives.
- India will move to the toughest emission standards of BS-VI from the current BS-IV by 2020, skipping an intermediate level.
- This will enable companies to focus on the more important task of making our vehicles compliant with BS-VI norms by April 2020.

### 3.28. TAXATION LAWS (AMENDMENT) BILL, 2016

**Why in news?**


**Features of the bill**

**Income Tax Act, 1961**

- **Demerger of public sector companies:** The Companies Act, 1956 allows companies to demerge (split) into multiple companies.
- The Income Tax Act, 1961 takes into account these transfers from the parent company for taxation of resultant companies.
- The Bill clarifies that these provisions will apply in case a public sector company demerges, and the resultant company is no longer a public sector company.
- **Deduction in respect of employment of new employees:** The Income Tax Act, 1961 allows businesses to obtain a deduction on taxable income to the extent of 30% of the cost of recruiting a new employee.
- The Act requires that the employee should have been employed for a minimum of 240 days in previous year.
- The Bill relaxes this limit to 150 days for businesses which manufacture apparel.

**Customs Tariff Act, 1975**

- **Customs duty on marble and granite blocks and slabs:** Currently, the customs duty on imports of granite and marble used for certain purposes is charged at 10%.
- The Bill proposes to increase this to 40%.

**Analysis**

- Indian garments are all summer garments. The nature of this trade in itself is seasonal. Therefore, companies have been given tax incentive by amending Income tax act to help them be competitive.
- This is in line with the special package announced in June 2016 for employment generation and promotion of exports in textile and apparel sector, in line with its commitment to generate one crore jobs in the textile and apparel industry over next three years.
- The main aim of the proposed amendment in customs acts is to enable the government with greater flexibility in terms of tariffs.
- Currently, imports of marble blocks/slabs and granite blocks/slabs are subject to a combination of non-tariff measures - quantitative restrictions and minimum import price and also a tariff measures, i.e. custom duty.
PHILOSOPHY/ दर्शनशास्त्र

by

ANOOP KUMAR SINGH

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4. SOCIAL

4.1. COMMERCIAL SURROGACY BILL

Why in News?
The Union cabinet has approved the introduction of a bill that seeks to ban commercial surrogacy and allow only infertile couples to bear a child using a surrogate mother.

Background
- India has emerged as a surrogacy hub and incidents were reported on unethical practices.
- According to a 2012 study by the Confederation of Indian Industry (CII), the size of India’s surrogate motherhood industry was $2 billion a year.
- There have been incidents concerning exploitation of surrogate mothers, abandonment of children born out of surrogacy and rackets of intermediaries importing human embryos and gametes.
- In 2012, an Australian couple reportedly abandoned one of twin babies born to an Indian surrogate mother as they already had a child of the same sex.

Provisions of Proposed Bill
- Non-resident Indians or People of Indian Origin card-holders will not be allowed to take recourse to a surrogate mother in India.
- Out of purview: Single men and women, heterosexual couples who choose not to opt for marriage, gay couples, transgender persons, single parent cannot have a baby through surrogacy.
- Legally wedded Indian couples can have a surrogate child only after five years of legal marriage and will require a medical certificate as proof of infertility.
- The bill makes it mandatory for surrogate mothers to be married and will require a medical certificate as proof of infertility.
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- The bill makes it mandatory for surrogate mothers to be married and will require a medical certificate as proof of infertility.
- A woman can only bear one surrogate child.
- Violating the law can earn 10 years in jail term or fine of 10 Lakh rupees.
- A national surrogacy board chaired by the health minister will be created to oversee implementation.
- The rights of surrogate mother and children born out of surrogacy will be protected.

Pros
- Prevent exploitation of women, especially poor women who were forced to get into this business for the survival of their family.
- It protects women from repeated surrogate pregnancies for monetary gains.
- Carrying a child poses a risk to any mother’s health and even life because most deliveries happen by caesarean section.
- The vast majority of surrogates are poor or illiterate women who may have only a weak grasp of their contractual rights.

Cons
- A total ban on commercial surrogacy will push the industry underground and render surrogate mothers even more vulnerable.
- It does not address the modern social reality where singles, homosexuals or live-in couples might wish to have a biological child through the surrogacy route.
- It does not take into account the livelihood matters of poor women who are involved in surrogacy business.
- There could be the possibility of coercion of daughters-in-law in families.
4.2. MENTAL HEALTH CARE BILL, 2013

Why in news?
- In August, 2016, the Mental Health Care Bill, 2013 was passed in the Rajya Sabha.
- The new bill, when passed in the Lok Sabha, will replace the outdated Mental Health Act of 1987.

Background
- The bill is the result of govt. ratifying the UN Convention on the Rights of Persons with Disabilities 2007.
- The new Bill was introduced as the existing Act does not align with the Convention to adequately protect the rights of persons with mental illness nor promotes their access to mental health care.

Key features of the Bill
- Rights of persons with mental illness: Every person shall have the right to access mental health care and treatment from services run or funded by the government.
- Advance Directive: A mentally-ill person shall have the right to make an advance directive that states how he wants to be treated for the illness during a mental health situation and who his nominated representative shall be.
- Central and State Mental Health Authority: The bills aims to set up these bodies to
  - Register, supervise and maintain a register of all mental health establishments
  - Develop quality and service provision norms for such establishments
  - Maintain a register of mental health professionals
  - Advise the government on matters relating to mental health.
- Mental Health Establishments: Every mental health establishment has to be registered with the relevant Central or State Mental Health Authority.
- Mental Health Review Commission and Board: It will be a quasi-judicial body that shall periodically review the use of and the procedure for making advance directives and advise the government on protection of the rights of mentally ill persons.
- Decriminalising suicide: A person who attempts suicide shall be presumed to be suffering from mental illness at that time and will not be punished under the Indian Penal Code.
- Prohibiting electro-convulsive therapy: Electro-convulsive therapy is allowed only with the use of muscle relaxants and anaesthesia. The therapy is prohibited for minors.

Critical Appraisal of the Bill
- Concerns were raised that many provisions of the Bill could have negative impact in psychiatric treatment.
- The present Bill could make psychiatrist uncomfortable, as it is bringing in too much control.
- Concerns with Mental health care decisions in the hands of non-experts. Mental Health Review Board, which has six members out of which only one is a psychiatrist.
- The over inclusive definition of mental illness might harm the large chunk of psychiatric patients who might feel stigmatized.
- The bill is silent about the expenditure needed. It does not provide details of sharing expenses between centre and states.
- Public Health being a state subject will put immense financial pressure on states for implementation.
- Centre bringing such a law on state subject will impact the cooperative federalism model.

Way forward
- The Mental Health Care Bill has some unprecedented measures aimed towards a sea change for the betterment regarding access to treatment for the mentally ill across the country and particularly so for the underprivileged.
- The issues with the bill have to be resolved. States need to be consulted before finalising it as act.
- Care has to be taken that the Bill does not create impediments in psychiatric treatment in the country.
- It must be ensured that the large chunk of psychiatric patients is able to avail mental health care facility without any stigmatic feeling and hindrance.
4.3. THE MATERNITY BENEFIT (AMENDMENT) BILL, 2016

Why in news?
- The Maternity Benefit (Amendment) Bill, 2016 was passed by Rajya Sabha in August 2016.
- The Bill aims to amend the Maternity Benefit Act, 1961. The Act regulates the employment of women during the period of child birth, and provides maternity benefits.
- The Bill amends provisions related to the duration and applicability of maternity leave, and other facilities.

Key Features of the Bill
- The act is applicable to all establishments employing 10 or more persons.
- **Duration of maternity leave:** The Act states that every woman will be entitled to maternity benefit of 12 weeks. **The Bill increases this to 26 weeks.**
- Under the Act, this maternity benefit should not be availed before six weeks from the date of expected delivery. **The Bill changes this to eight weeks.**
- In case of a woman who has two or more children, the maternity benefit will continue to be 12 weeks, which cannot be availed before six weeks from the date of the expected delivery.
- **Maternity leave for adoptive and commissioning mothers:** The Bill introduces a provision to grant 12 weeks of maternity leave to:
  - a woman who legally adopts a child below three months of age
  - a commissioning mother. A commissioning mother is defined as a biological mother who uses her egg to create an embryo implanted in another woman.
- **Option to work from home:** The Bill introduces a provision that states that an employer may permit a woman to work from home even after the leave period.
- **Crèche facilities:** The Bill introduces a provision, which requires every establishment with 50 or more employees to provide crèche facilities within a prescribed distance.

Informing women employees of the right to maternity leave: The Bill introduces a provision requiring every establishment to intimate a woman at the time of her appointment of the maternity benefits available to her.

Critical appraisal of Bill
- The amendments will help 18 lakh women workforce in organised sector.
- They also help women devote time to take care of their babies and enable an increase in the women’s labour force participation (WLFPR) rate in India.
- On closer analysis the Maternity Bill may not be as progressive as it sounds.
- It might further make women less desirable as employees in free market enterprises. For example, Hiring managers would like to avoid employees who may take half a year off in the foreseeable future.
- It does not mention anything about single males/gay couples who may want to go the surrogacy route.
- The bill leads to perpetuation of gender role stereotypes i.e. fathers don’t need to spend time with newborn.
- In a country where gender stereotypes exist, a gender-balanced approach towards parenthood is needed. The amendments are completely silent on issue of paternity leave.
- Moreover it does not address the stark reality that men leave burden of bringing up children to women.

Way forward
- Maternal care to the Child during early childhood – crucial for growth and development of the child.
- The 46th Indian Labour Conference recommended enhancement of Maternity Benefits to 24 weeks. Ministry of Women & Child Development proposed to enhance Maternity Benefit to 8 months. However they fail to address the issues of gender stereotyping.
- The amendments in future should include progressive provisions for single parent and paternity leave for a gender-balanced approach to early childcare.
4.4. NIT, SCIENCE EDUCATION & RESEARCH (AMENDMENT) BILL, 2016

Why in news?
- The Parliament has finally passed the National Institutes of Technology, Science Education and Research (Amendment) Bill, 2016.
- The bill aims at establishing the NIT in Andhra Pradesh as an institute of national importance.

Features of the bill
- The Bill seeks to establish the National Institute of Technology (NIT), Andhra Pradesh as an institute of national importance
- The NIT, Andhra Pradesh will be established under the National Institutes of Technology, Science Education and Research (NITSER) Act, 2007
- The NIT will be deemed as an institute of national importance status as on August 20, 2015, the day on which the union government approved its establishment
- The main motive of passing this bill was to fulfil a promise made to the people of Andhra Pradesh by establishing an NIT in the state.

Way forward
- Before a new institute is announced, they should be well planned at least in terms of financial inputs and infrastructure.
- A full time Director and faculty should be recruited at least a year before the first admissions take place.

4.5. WOMEN ENTRY TO RELIGIOUS PLACES: BOMBAY HC

Why in news?
- The Bombay High Court in a landmark verdict allowed entry of women up to the mazar in the Sufi dargah in Mumbai.
- The HC quoted that “Women be permitted to enter the sanctum sanctorum of Haji Ali Dargah at par with men”.

Background
- Four years ago the Dargah Trust barred women from entering the sanctum sanctorum of the Haji Ali dargah.
- The trust had cited verses from the Quran and Prophet Mohammed to claim that Islam does not permit women to enter dargahs/ mosques.
- The trust had claimed the fundamental right “to manage its own affairs” under Article 26 of the Constitution.

Observations of the High Court
- The Bombay High Court lifted the ban saying it contravenes the Constitution and women should be allowed entry “at par with men”.
- HC held that the Trust cannot enforce a ban “contrary to the fundamental rights” enshrined in the Constitution.
  ✓ Article 14 (equality before law),
  ✓ Article 15 (prohibition of discrimination on grounds of religion, race, caste, sex or place of birth)
  ✓ Article 25 (freedom of conscience and free profession, practice and propagation of religion) of the Constitution.
- The court stayed its order for six weeks, allowing the trust the liberty to appeal in the Supreme Court.

Conclusion
- Asserting women’s right to worship in spaces prohibited by male custodians of religion is not just a matter of ensuring women’s equality in matters of faith, it is also one of breaking the male appropriation of religion.
4.6. TB BURDEN ON INDIA

Why in news?

- A recent joint study by the government’s Central TB Division, the Imperial College of London and Gates Foundation finds that most TB patients seek treatment from the private sector than government hospitals.

Key observations of the report

- The study estimates that more than 2 million patients consult private doctors and the country’s tuberculosis burden could be more than 3.5 million people.
- India’s private healthcare system is largely unregulated, especially in matters related to treating TB.
- This means that patients are rarely educated about the disease and do not receive proper support.
- The absence of proper protocols in private hospitals often leads to patients stopping treatment as soon as they feel better. They do not complete the requisite six to nine months of therapy.
- As per the report private doctors administered broad spectrum antibiotics to tuberculosis patients as the first course of treatment.
- Stopping therapy midway exposes a patient to a virulent strain of the tuberculosis bacteria.

Issues

Lack of systematic data

- In 2012, the Revised National TB Control Programme introduced protocols that made it mandatory for private healthcare providers to report the tuberculosis cases they treat.
- Despite the private sector treating more patients than the public sector, systematic data on the private sector is lacking.

Other issues

- Despite TB treatment being free, patients and their caregivers faced challenges, as Poor patients residing in rural areas had to travel long distances every alternative day to reach a DOTS centre.
- Also the timings in DOTS centre are highly rigid and not favourable for daily wagers. Thus they have to rely on private treatment.
- Counselling, especially in the initial stages of DOTS therapy when patients needed it the most, was missing at public sector. RNTCP does not have enough qualified counsellors.

Way forward

- Better regulation and collection of data from the private sector and Use of ICT.
- Surveillance of TB in the private sector has to be strengthened.
- Increase the number of DOTS centres to increase its proximity to a patient’s residence.
- The competence of health personnel involved in TB care should be strengthened
- Better communication between DOTS providers and patients through appropriate training.
- Currently, the emphasis is more on achieving targets than being patient-friendly. This should change and RNTCP should seriously consider a patient-centred approach to TB control.

4.7. NATIONAL HEALTH ACCOUNTS ESTIMATES

Why in News?

Health ministry released the National Health Accounts estimates for the financial year 2013-14.

Findings

- Indians spent eight times more on private hospitals and twice as much on transporting patients compared to costs in government hospitals.
- Low Public Spending: Public spending on health care is very low, constituting around 29 per cent of the total health expenditure,
approximately 1.15 per cent of GDP. Rest 72 percent comes from household expenditure.

- Preventive care (which includes programmes such as the National Disease Control) gets 9.6 per cent of the total money that flows in India’s healthcare system.
- **High Out-of-pocket (OOP) expenditure: approximately 69% of total health expenditure** in the country. It shows the lack of health insurance penetration in India.

### 4.8. MAA PROGRAMME: MINISTRY OF HEALTH

- **MAA - Mothers Absolute Affection** is a nation-wide breastfeeding promotion program, launched recently by the Ministry of Health and Family Welfare.
- It promotes breastfeeding and provision of counselling services for supporting breastfeeding.
- The chief components of the Programme are Community awareness, Strengthening communication through ASHA, Skilled support for breastfeeding at Delivery points in Public health facilities, Monitoring, Awards, etc.
- Breastfeeding creates a special bond between mother and baby and the interaction during breastfeeding has positive impact for life, in terms of behaviour, speech, sense of well-being, security and how the child relates to other people.
- Early initiation of breastfeeding within one hour of birth and thereafter exclusive breastfeeding for the first six months is essential for the wellness of the child.
- Around 20% newborn deaths and 13% under-five deaths can be prevented by early initiation of breastfeeding.

### 4.9. HIDDEN HUNGER BIOFORTIFICATION

- As per UN agencies estimates “hidden hunger” affects one in every three children across the world, leading to deficiencies in physical growth and development of the brain.
- Hidden hunger is a situation created due to lack of essential micro-nutrients in the body inspite of having good quantity of food intake.
- Taking the example of rice, commonly used machine-polished rice has lost the bran (surrounding the seed) containing the pericarp and the ‘aleurone layer’ having small amounts of essential nutrients such as vitamins, iron, zinc and other inorganic components.
- Zinc is a micronutrient essential for supporting our immune system, in synthesizing (and degrading) DNA, in wound healing and several other activities and is useful in saving children from dehydration and diarrhea.
- Biofortification which is the fortification or enrichment of cereals, through selective breeding or genetic modifications, is a novel method to ensure the intake of zinc and other such micronutrients by making them a part of the cereals like rice, wheat, maize etc. used in daily diets.
- A particular variety of rice, termed DRR Dhan 45 (also termed IET 23832) is a zinc- rich rice plant developed by a group of scientists from the Institute of Rice Research, is moderately resistant to pests that cause leaf blast disease and can be kept longer.
- It also has low glycemic index, so helpful for diabetic patients as it makes one feel satiated for longer.

### 4.10. INDIA’S FIGHT AGAINST GROWING HEPATITIS

**Why in news?**
- Hepatitis is the inflammation of the liver caused by viruses A, B, C, D or E. These viruses can be distinguished depending on the predominant mode of transmission — water or blood — and show significant differences in their epidemiology, presentation, prevention and control.
- The Integrated Disease Surveillance Programme of the NCDC received notification of 290,000 cases of acute viral hepatitis in 2013.
- While no official data exists today, WHO believes that nearly 40 million have Hepatitis B and 6 million have Hepatitis C in India.

**What lesson can be learnt from Egypt?**
- In 2006, when Egypt formed a national committee to control the spread of Hepatitis, the country was known to have the highest burden of the disease globally.
- Over the past decade it has reduced Hepatitis prevalence from 4.5 to 1 per cent.
- Its success can act as a role model for developing countries.

**Important features**
- **Syringe safety** to prevent new cases of hepatitis from arising.
- **Awareness drives** on the use of sterile razors in barber shops, use of new instruments for pedicure and manicure and on the use of disposable syringes for patients.
- Multiple stakeholders like the government, politicians, the media and individuals from different sectors.
- **Lower cost of Hepatitis drug.** The country was able to treat its patients, at 1/10 the global price of the drugs.
- It carried out its first hepatitis survey in 1996 and its latest in 2015. India is yet to conduct one.
- Egypt has now introduced a birth-dose policy to prevent new infections.

**Way forward**
- India has to take cue from Egypt and follow a similar approach here with modification to suit our needs.
- The Ministry of Health and Family Welfare has begun a vaccination drive for new borns against Hepatitis B under Mission Indradhanush, that is aimed to prevent seven diseases in infants.
- Although delayed, the government is slowly moving towards disposable syringes with Maharashtra becoming one of first states to embrace one-time usable syringes.
- India still needs to work in areas of generating data for evidence based policies, implementing preventive measures, raising awareness and partnerships, and screening and management of viral hepatitis.

### 4.11. CENTER’S VIEWS SOUGHT ON TRIPLE TALAQ

**Why in News?**
- SC Bench heard petition by a West Bengal-based Muslim woman to declare the practices of "talaq-e-bidat" (triple talaq), "nikah halala" and polygamy under the Muslim personal laws illegal and unconstitutional.
- The SC Bench issued notice to Ministries of Women and Child Development, Law and Justice, Minority Affairs, the National Commission for Women, seeking their opinion on this issue.

**Background**
- In June, SC bench gave the parties eight weeks to prepare their arguments for and against referring this petition to a larger Bench.
- SC observed that this is a very important issue and it affects a very large section of the population and agreed to hear all stakeholders equally in the matter.

**Note:** For more details on this issue, please refer Vision October, 2015 Current Affairs.

### 4.12. TASK FORCE FOR NEXT 3 OLYMPICS

**Why in news?**
- India had to content itself with two medals in the Rio Olympics, although a larger number of sportspersons qualified for the 2016 Games than for the previous events.
- The medal tally came down from six in London Olympics of 2012 to just two.
- This led the PM to announce the setting up of a task force which will help to plan for the “effective participation” of Indian sportspersons in the next three Olympics, to be held in 2020, 2024 and 2028.

**Functions and aims of task force**
- It will prepare an overall strategy for facilities, training, selection procedures and other related matters.
- The task force will consist of Indian and foreign experts in sports administration.
- The task force in place will come up with long-term plan for three Olympics.

**Significance**
- It’s a step in the right direction, provided the right people are inducted into it.
- The task force shouldn’t have a large number of people.
- The core group should not be of more than 20 people and it should have well-known sportspersons, prominent industrialists and leading professionals from the business of sports promotion.
- The efforts of the committee should not be limited to only improving medal count, but to improve the overall sports structure.
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5. SCIENCE AND TECHNOLOGY

5.1. COPYRIGHT INFRINGEMENT: GOVT POLICY AND MEASURES

Why in News?
- The government has planned for strict enforcement of copyright law to tackle piracy in the country through its IPR (Intellectual Property Rights) Policy.
- A nation-wide awareness campaign is set to be launched on IPR by the Department of Industrial Policy and Promotion (DIPP).
- The government has issued strict warning against copyright infringement online stating the punishable offences under its copyright law.

Problem at Hand
- India is experiencing rampant copyright infringement in the case of music, books and movies as well as other products.
- The online media being a significant participant of copyright infringement.

Common Copyright Infringements
- Making infringing copies for sale or hire or selling or letting them for hire.
- Permitting any place for the performance of works in public where such performance amount to copyright infringement.
- Distributing infringing copies for the purpose of trade or to such an extent that is harmful to the interest of the owner of copyright;
- Public exhibition of infringing copies by way of trade.
- Importation of infringing copies into India.

Positives of the Government Initiative
- Awareness campaigns are expected to sensitize the public about intellectual property rights.
- The new IPR policy puts a legal framework in place for the IPR regime.
- It has also reduced the time taken by govt. to approve a trademark from about a year to a month by 2017.

Loopholes
- The recent approach by the government of stronger penalising of copyright infringement is a misguided one.
- Piracy is being exclusively viewed as destructive force and its productive aspect such as sharing of knowledge has been totally neglected.
- Moreover, the root cause of media piracy i.e. the global pricing problem (high prices for media goods, low incomes and cheap digital technologies) is not being considered.

Copyright Law in India
- The Copyright Act, 1957 governs the subject matter of copyright law in India.
- It has been amended 6 times since 1957, the latest being in 2012.
- India is a member of many important international conventions governing the area of copyright law. They are Berne Convention of 1886, The Universal Convention of 1951, The Rome Convention 1961 and the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

Penal Provisions of the Copyright Act
- Section 63 deals with offence of infringement. It provides that any person who ‘knowingly’ infringes copyright or is party to it may be punished with imprisonment and fine.
- The minimum imprisonment is of 6 months (extendable up to 3 years) and a fine up to Rs. 3 lakhs.
- Section 63-A deals with repeat offences and provides for a higher fine and imprisonment for a repeat offenders.
- Section 65 deals with the possession of plates for the purposes of making infringing copies.

5.2. SUCCESSFUL TESTING OF SCRAMJET ENGINE

Why in News?
- ISRO carried out successful testing of scramjet engine from the Satish Dhawan Space Centre, Sriharikota.
- India became only the fourth country to successfully test the scramjet engine after United States, Russia and the European Space Agency.
More About The Flight Test

- ISRO used an Advanced Technology Vehicle (ATV), a sound rocket for the test.
- The initial launch of ATV was by regular solid fuel rocket motor.
- Two scramjet engines were at the sides of the rocket.
- The scramjet engines were ignited 55 seconds later and physically operated for 6 seconds.
- The engine achieved ignition and maintained combustion at six times the speed of sound (Mach 6).

What is Scramjet?

- Scramjet stands for Supersonic Combustion Ramjet.
- Scramjet breathes air and uses high speed vehicle to forcefully compress the incoming air before combustion.
- Conventional aircraft engines on the other hand compresses air using fan before combustion.
- It is also called the air breathing engine as it uses atmospheric oxygen to burn the hydrogen fuel.
- Scramjets are efficient only at supersonic speed.

Significance of the Launch

- The fact that scramjet uses atmospheric oxygen to burn the fuel in the first phase will considerably reduce the amount of oxidiser to be carried aboard.
- This in turn will reduce cost-to-payload ratio.
- A rocket using scramjet engine would be significantly lighter, smaller and therefore cheaper. It will also be able to carry more payloads.
- Scramjet also has many other applications in cruise and other missiles.
- This flight test is a big technological achievement for India and also highlights ISRO’s capabilities.

Challenges

- The scramjet engine needs to test at higher Mach speeds and prolong the period of combustion.
- Since the scramjet engine comes into play only when the rocket goes beyond the speed of Mach 5 therefore an engine needs to be developed that initially works as subsonic (ramjet) and later as scramjet engine.

5.3. ADVANCED ULTRA SUPER CRITICAL TECHNOLOGY (AUSC)

Why in news?

- Govt. approved Rs 1,554 crore to develop advanced ultra-supercritical (AUSC) technology for power plants.
- It will be used for thermal power plants of future, envisaging reduced coal consumption and CO2 emission.

Significance

- This will be the first time large power plant equipment will be manufactured with advanced technologies without any technological collaboration/licensing agreement with foreign companies.
- This technology is still not matured and demonstrated anywhere in the world.

Other important facts

- Conventional coal-fired power plants, which make water boil to generate steam that activates a turbine, have efficiency of about 32%.
- Supercritical (SC) and ultra-supercritical (USC) power plants operate at temperatures and pressures above the critical point of water, at which point there is no difference between water gas and liquid water. This results in higher efficiencies of above 45%.
5.4. CYBATHLON 2016

Why in news?

- For the first time, Cybathlon, is going to be organized in Zurich on October 8 this year.

About Cybathlon

- It will host 74 athletes from 25 countries.
- It will feature six disciplines
  - Functional Electrical Stimulation (FES) bicycle race
  - Powered Leg Prosthesis Race
  - Powered Wheelchair Race
  - Powered Exoskeleton Race
  - Powered Arm Prosthesis Race
  - Brain-computer interfaces game (BCI Race).
- Unlike the Paralympics, the Cybathlon looks for excellence and innovation in the way of interfacing the human and the robotic components.
- It intends to promote the development and widespread use of bionic technology.
- It is organized on behalf of the Swiss National Competence Centre of Research in Robotics (NCCR Robotics).
- An Indian team, trained and supported by Riselegs (a Bengaluru-based organization that specializes in devising prosthetic legs and mobility devices made of cane) will participate.

Bionics Technology in medicine

- In medicine, Bionics usually means the replacement or enhancement of organs or other body parts by mechanical versions or electrical add ons.
- Bionic implants differ from mere prostheses by mimicking the original function very closely, or even surpassing it.

5.5. FLOODED CANYONS FOUND ON SATURN’S MOON TITAN

Why in News?

- NASA’s spacecraft Cassini has discovered steep sided canyons flooded with hydrocarbons on Saturn’s Moon Titan.
- The canyons have been found to be hundreds of metres deep.
- The findings are the first evidence of both liquid filled channels and deep canyons on Titan.

NASA’s Cassini-Huygen’s Mission

- NASA’s Cassini’s Mission is one of the most ambitious missions ever launched into space.
- The spacecraft was launched in two elements: the Cassini orbiter and the Huygens probe.
- The spacecraft is loaded with powerful instruments and camera.
- It is capable of taking accurate measurements and detailed images in a variety of atmospheric conditions and light spectra.

5.6. STEPHEN HAWKING’S PREDICTION ABOUT BLACK HOLES

- Scientists who created a virtual black hole in the lab claim to have observed for the first time a phenomenon according to which some particles can escape black holes.
- It was predicted by British physicist Stephen Hawking more than 40 years ago.
- Before this, it was believed by scientists that nothing could ever escape from a black hole, not even light.

Antimatter - Antimatter is a material composed of antiparticles, which have the same mass as particles of ordinary matter but opposite charges, as well as other particle properties.
However, in 1974, Stephen Hawking suggested particles, that are now called Hawking radiation, could escape black holes.

As per him if a particle and its antimatter appeared spontaneously at the edge of a black hole, one of the pair might be pulled into the black hole while the other escaped, taking some of the energy from the black hole with it.

5.7. PROXIMA B

Why in news?

It is recently discovered Earth-like planet orbiting Proxima Centauri (the closest star to our solar system), in its Goldilocks Zone.

Features

- It is 4.22 light-years away.
- Its "year" is only 11 days.
- The planet is in a “temperate” zone compatible with the presence of liquid water.
- It is 25 times closer than Earth is to our sun, but since its star is only 12 percent as massive as our sun and much dimmer so it’s in the habitable zone.
- The find has been called “the biggest exoplanet discovery since the discovery of exoplanets.”

Associated fact: “Breakthrough Starshot”

- The mission by Russian billionaire Yuri Milner who pledged US$100 million toward a plan to visit another star system.
- Initially their destination was to be Alpha Centauri. But the recent discovery of a nearby planet Proxima b could switch things up for Starshot.

5.8. PAVA SHELLS

Why in news?

- PAVA, a chilli based non-lethal munition will replace pellet guns in Jammu & Kashmir, decided an expert panel of the Home Ministry.

What is it?

- PAVA stands for Pelargonic Acid Vanillyl Amide. It is also called Nonivamide.
- It is an organic compound characteristically found in natural chilli pepper.
- On the Scoville scale (the degree to measure the power of chilli), PAVA is categorised as “above peak”.
- It has the ability temporarily but severely irritate and paralyse humans.

5.9. FIRST HUMAN GENETIC EDITING TRIAL

Why in News?

- Chinese scientists are set to perform the world’s first genetic editing trial on humans in August 2016 in order to find a cure for lung cancer.
- Oncologists will inject patients with cells that have been modified using a specific gene-editing technique.

What is it?

- The process of genetic editing will be carried out through CRISPR-Cas9 technique.
• **CRISPR** (clustered regularly interspaced short palindromic repeats) is a collection of DNA sequences that lets scientists to selectively edit genome parts and replace them with new DNA stretches.
• **Cas9** is an enzyme that can edit DNA allowing the alteration of genetic patterns through genome modification.
• CRISPR directs Cas9 where to cut and paste.

**How will it work?**

• Doctors will extracts **T-cells** (a type of immune cell) from lung cancer patients and edit them.
• The edited cells will then be multiplied in the laboratory before being reintroduced into the patient’s body.
• T-cells are then expected to attack **tumour cells**.

**Conclusion**

• If successful, this technology can revolutionise the treatment of blood diseases, tumours and other genetic diseases.
• Edited T-cells injected into a patient can also attack normal tissue making the process unsafe.

### 5.10. NEED FOR AN HPV VACCINE

**Why in News?**

• It is being debated whether **HPV (Human Papilloma Virus) Vaccine** should be included in the **universal immunisation programme** or not.

**What is it?**

• The vaccine offers protection against sexually transmitted Human Papilloma Virus.
• The vaccine also averts the risk of contracting cervical cancer.
• It needs to be administered before the first intercourse.
• **WHO (World Health Organisation)** recommends two doses of the vaccine preferably in the age of 9-13 years.

**What is The Debate?**

• The cervical cancer cases in India has decreased potentially in the last 10 years due to improved personal hygiene, availability of running water in washrooms and better nutrition.
• In such a scenario, the need for the vaccine is a matter of debate as it is an expensive intervention.
• Moreover, it is difficult to determine its efficacy in averting the risk of cervical cancer.
• Also, regular screening (such as the pap smear test) in India is given more importance.
• On the other hand, WHO says that interventions such as screening and vaccination need to coexist and can even help eliminate cancer.

**Current Status**

• Two vaccines: **Gardasil and Cervarix** are available in India.
• The decision to include the vaccine in the immunization programme is pending with the Health Ministry.
• **Delhi** became the first state in the country to launch this vaccine as a public health programme for schoolchildren.

### 5.11. MADE-IN-INDIA LEPROSY VACCINE

**Why in news?**

A first-of-its-kind leprosy vaccine developed in India is to be launched on a pilot basis in Bihar and Gujarat.

**Significant Facts**

• Vaccine name is **Mycobacterium Indicus Pranii** (MIP).
• It is developed by National Institute of Immunology (NII).
This vaccine will be administered as a preventive measure to those staying in close contact with leprosy patients.

**Important facts about leprosy**

- Leprosy, caused by Mycobacterium leprae, affects around 127,000 people in India every year. About 59 per cent of the world’s leprosy patients live in India.
- National Leprosy Eradication Programme was launched in 1983.
- India achieved the goal of elimination of leprosy as a public health problem in Dec 2005.
- Chhattisgarh and Dadra & Nagar Haveli have still not achieved elimination.

### 5.12. SCIENTISTS RECYCLE CO2 TO CREATE USABLE FUEL

**Why in News?**

- According to a study published in journal *Science*, Scientists have developed a highly effective method of converting carbon dioxide into methanol.
- Methanol can be used as low emission fuel for vehicles.

**What is it?**

- The gas produced by the burning of fossil fuels can be converted into usable energy source by using sunlight, similar to the way plants convert CO2 into sugar.
- Plants use catalysts in the conversion; similarly here scientist used tungsten diselenide as catalyst to convert carbon dioxide to carbon monoxide. Carbon monoxide being highly reactive can then easily converted into useful fuel such as methanol.
- **Significance:** This method directly targets the conversion of CO2 making it highly effective for environment protection.
6. SECURITY

6.1. NATIONAL CRIME RECORDS BUREAU DATA, 2015

A. Crime against women

The year 2015 has witnessed a reduction in crime against women as compared to 2014.

- Cases of rape have fallen by 5.7%. **Offender known to victim in 95% cases.**
- There has been an increase of 2.5%, however, in other sexual offences against women. The category includes offences such as sexual harassment, assault or use of criminal force to women with intent to disrobe, voyeurism, and stalking.
- **Kidnapping and abduction of women** also increased in 2015. Forcing a woman into marriage continues to be the chief reason to kidnap her.
- Delhi has the highest rate of crimes against women overall.

B. Human trafficking victims

- More than **50% cases of human trafficking involved minors** and close **90% of them were girls** trafficked to be forced into prostitution in 2015.
- **Assam and West Bengal** have recorded the highest number of trafficking cases both among adults and children. The two states also have a high rate (incidents per 1 lakh population) of trafficking. The high numbers of cases were linked to the fact that these **states bordered Bangladesh**.
- According to the NCRB data, Assam, West Bengal, Bihar and Haryana alone accounted for 85% of child trafficking cases in the country.

C. Crimes against children

- Crimes against children rose 5.3% over 2014.
- **Kidnapping and abduction of children**, the offence constituted 44.5% of total cases of crimes against children. It was closely followed by sexual offences
- Sexual offences along with kidnapping and abduction constituted 81% of all cases of crimes against children in 2015.
- Classification on the basis of relation between accused and the victim shows that close to **95% victims knew the accused. This is in line with all rapes in general in India.**

D. Atrocities against Dalits

- A staggering 45,003 cases of crimes were reported against individuals belonging to the SCs.
- As per estimates of the Dalit population made by the NCRB, this works out to a crime rate of **22.3 per 100,000.**
- Reported cases of crimes against Scheduled Tribes in 2015 were fewer — 10,914 cases countrywide, working out to a rate of **10.5 per 100,000 ST population.**

E. Incidents of rioting

Incidents of rioting remained almost the same in 2015 as compared to 2014, but as communal riots decreased, big increases were seen in other categories - agrarian, sectarian and student riots and caste conflicts.

- Recorded incidents of **agrarian riots jumped 327 per cent** from 628 in 2014 to 2,683 in 2015.
- **Sectarian riots** - defined as violence between sects of the same religion not considering caste conflict - showed a significant jump in incidents and convictions from a low base in 2014. Much of these incidents occurred in Uttar Pradesh.
- The **decrease in communal riots** recorded by NCRB - from 1,227 in 2014 to 789 in 2015
- The incidents of **student riots increased** by 85 per cent, from 261 to 485.
- Kerala is the hotbed of **political riots in the country** with more than half (1,031) of the overall 1960 incidents.
6.2. FIRST NATIONAL CONFERENCE OF INVESTIGATING AGENCIES

The Union Home Minister inaugurated the first National Conference of investigating agencies. The conference was being organised by the Bureau of Police Research and Development (BPR&D) in coordination with National Investigation Agency (NIA).

Objective

The conference is aimed at providing a platform for the country’s different law enforcement agencies to come together and discuss a coordinated strategy to tackle crime.

Highlights of Home minister Speech

- Crime control has basically two dimensions: prevention and detection. Prevention is the best remedy since crime is nipped in the bud. However once the crime is committed, quality of investigation is the foundation on which detection is based.
- As per the National Crime Records Bureau, the conviction rate of the crimes is very low, that is why Quality of investigation is crucial in ensuring justice for the victims and punishment for the offender.
- Government has taken various steps to improve the quality of investigation.
  - In case of general crime, the Government has revamped the Crime and Criminal Tracking Network Systems (CCTNS) project for complete computerization of the working of police and extended it to court, jail, prosecution and forensic laboratories.
  - Women safety: To investigate the crime against women, dedicated Investigative Units on Crime against Women (IUCAW) are being established in 564 districts of India.
  - Crime against SC/ST: Government has strengthened Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act by amending it in 2014 and by this amendment, a new category of offences has been added.
- Cyber Crime cases
  - Central Government has established Indian Cyber Crime Coordination Center (I4C) at National Level to deal with all types of cyber-crime.
  - The I4C can be utilized for investigation of Cyber-Crime including Child Pornography and Online Abuse.
  - I4C will act a nodal point in fight against Cyber Crime and also as Early Warning System for Law Enforcement Agencies.
  - It will also set up a platform for victims to lodge Cyber Crime complaints.
- Challenges of social media
  - Due to widespread use of internet based Social Media by terrorists, we are facing new threats.
  - To face these challenges, the present capabilities of specialized organization like Indian Computer Emergency Response Team (CERT-IN), Centre for Development of Advanced Computing (C-DAC) need to be strengthened.

6.3. CYBERCRIMES

The number of cybercrime cases registered in India has risen by 350 per cent in the three-year period from 2011 to 2014, according to a joint study by PwC and Assocham.

- In the past, attacks have been mostly initiated from countries such as the U.S., Turkey, China, Brazil, Pakistan, Algeria, Turkey, Europe, and the UAE.
- However, with the growing adoption of the Internet and smart-phones, India has emerged “as one of the favourite countries among cyber criminals.”

6.4. ORGAN TRAFFICKING (ORGANIZED ILLEGAL TRADE IN ORGANS)

Why in News?

Arrest of several high-powered doctors engaged in organ transplant work at a top private hospital in Mumbai.

Organ trafficking, according to World Health Organization (WHO), is a commercial transplantation, where there is profit, or transplantations occur outside of national medical systems.
Reasons of such trade

- **Demand-Supply Gap:** There is a huge unmet demand for organs by people suffering from organ failure that puts their life under threat. Such people will procure organs by whatever means possible.
- Very few registered donors.
- Low rates of donation from brain dead or deceased patients.
- On the supply side, as it were, there are a lot of **poor people who are lured**.
- While in some cases people sell their kidneys for money, there are cases where the kidneys are **removed without the patient’s consent**.

Legal provision

- The Transplantation of Human Organ Act, passed in 1994, makes ‘unrelated transplants’ criminal and to be allowed only through a rigorous process.
- The Act states that approval from an authorization committee is required before an unrelated organ donation can take place.
- The committee can be based at the State/regional level for small hospitals. For a large hospital conducting more than 25 transplants in a year, the committee can be internal.

Way forward

- The demand for organs could be met if the country taps into the **pool of people who are brain dead and promotes organ donations**.
- As the demand increases for organs (kidney, liver, heart, other tissues), a key method to outlaw the commercial trade of organs is by increasing voluntary supplies. And for that much greater awareness is needed.
- Many doctors have suggested that **legalising incentives for donors** is the best way to prevent exploitative middlemen. But in a country like India, beset with wide socio-economic disparities, providing incentives for organ donation **could institutionalize the exploitation of the poor** to provide organs for the rich.

### 6.5. MAHARASHTRA PROTECTION OF INTERNAL SECURITY ACT

**Why in news?**

The Maharashtra government has created a draft internal security Act meant to deal with challenges posed by “terrorism, insurgency, communalism and caste violence”. Maharashtra is the first State in the country to draft its own internal security act.

**Key features of Maharashtra Protection of Internal Security Act (MPISA), 2016**

The act has defined internal security as a situation ‘posing threat to state within its borders’.

- The draft makes it compulsory for all public spaces – whether publicly or privately owned – to have CCTV surveillance and security arrangements as mandated by the police.
- **Special Security Zones (SSZ)** will be set up under the Act, where the movement of arms and explosives and the inflow of unaccounted funds will be prohibited. The act has also clearly defined the SSZs as having a separate police infrastructure.
- It defines **Critical Infrastructure Sectors (CIS)**, and bringing nuclear reactors, dams, major projects, coastal areas under its ambit.
- There draft also calls for a ‘**state internal security committee’**, with home minister as ex-officio chairman and the minister of state (home) and the chief secretary as members.
- The draft has a provision for **a jail term of up to three years** and fine for those threatening the State’s security.

**Concerns with proposed Act**

- **No liability of state:** citizens wrongly charged under this law cannot sue the state or demand compensation because the state is protected from all such actions.
Human rights violation: In virtually every instance, unrestricted powers in the hands of the police under such laws have resulted in arbitrary arrests, cooked-up charges, long detention without trial, torture, and custodial deaths. An example of this, as relating to Maharashtra, is the 2006 Malegaon blasts case.

Compulsory installation of CCTV is against the individual’s right of privacy.

Multiplicity of laws: To manage internal security, the state has Maharashtra Control of Organised Crime Act (MCOCA), 1999, the Unlawful Activities (Prevention) Act (UAPA), 1967, amended twice in 2008 and 2012 and the National Security Act (NSA), 1980.

6.6. QUANTUM EXPERIMENTS AT SPACE SCALE (QUESS)

China successfully launched the world’s first quantum satellite.

- It is nicknamed ‘Miccius’, after a 5th century BC Chinese philosopher and scientist who has been credited as the first one in human history conducting optical experiments.
- In its two-year mission, QUESS is designed to establish “hack-proof” quantum communications by transmitting uncrackable keys from space to the ground, and provide insights into the strangest phenomenon in quantum physics - quantum entanglement.

6.7. SCORPENE SUBMARINE DATA LEAK

Scorpene is a conventional powered submarine weighing 1,500 tonnes and can go up to depths of 300m. Mazgaon Docks Limited (MDL) is building 6 Scorpene submarines with technology transfer from DCNS of France.

Data Leak

- A massive data leak detailing the combat and stealth capabilities of the Indian Navy’s soon-to-be inducted French Scorpene submarines has been reported.
- The report states that the leak could provide crucial intelligence data to India’s strategic rivals, such as Pakistan or China.
- India began multiple investigations to determine the extent of damage caused by the reported leak.
- Defence officials underplayed the impact of the data leak on Scorpenes, stating that the information released related to technical specifications were given by the manufacturer while the operational specifications would be determined by the Navy once the submarine was inducted.

Concerns for India

- One, the contents of the report will undermine India’s maritime security.
- Two, it will disrupt the country’s Indian Ocean strategy. Chinese submarine activity in the Indian Ocean has increased dramatically the past few years.
- Three, it is another reminder of India’s need to re-look at its cyber security and defence production norms.
  - One vulnerability is the fact India continues to import almost all of its military needs. The multiplicity of players this introduces means the likelihood of leaks and hacks increases.
  - Two is that, India remains a laggard in terms of securing its more sensitive systems. Cyber security remains a policy domain fragmented among over a dozen agencies. Recommendations for a cyber security command remain on paper.
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- A current affairs classroom course of PT 365 & Mains 365 of year 2018/2019 (for students enrolling in 2019 program)
7. ENVIRONMENT

7.1. ENVIRONMENT AWARENESS ACTIVITIES BY MOEF

Swacchta Pakhwada Campaign
- It is a part of the Government’s effort to accelerate efforts to achieve total sanitization and cleanliness by October 2, 2019 under Swachh Bharat Mission.
- Under it, a Swacchh Bharat Fortnight is being organised theme-wise by different Ministries.
  - For e.g. in June 2016, the Corporate Affairs Ministry observed Swachhta Pakhwada and asked firms and other stakeholders to carry out activities related to cleanliness for a fortnight.
  - Similarly, the Ministry of Environment, Forest and Climate Change organised the Swacchh Bharat Pakhwada earlier this month.
- It is totally voluntary and aims at creating awareness, targeting programmes, inviting pledges, spending of CSR etc.

Eco-Clubs
- The Eco-Clubs established under the National Green Corps programme of the Ministry carried out various activities relating to Swacchhta such as Safai Abhiyan at nearby commercial areas and cleaning of public wells, ponds and rivers of the locality.
- Other activities like tree plantation drive/greening neighbourhood, nukkad ‘nataks‘ were performed;
- Volunteers took pledges on related themes; organised rallies and poster and slogan competitions on related themes.

National Green Corps Programme
- **National Green Corps** is a major initiative of MoEF for creating environmental awareness.
- It was launched in 2001-02 and aims at building cadres of young children working towards environmental conservation and sustainable development.
- It is operated through **Eco-clubs** which are set up in schools and registered as members of NGC.
- This programme exposes school children to in-depth field experiences, and provides opportunities to convert their ideas into creative action.
- The programme has a cascading effect as it seeks to redirect the consciousness of students towards environment friendly attitudes and actions and goes beyond schools, promoting school-society interactions to sensitize the society.

UPSC IN PAST: Pre 2016
Q. ‘Rashtriya Garima Abhiyaan’ is a national campaign to
(a) Rehabilitate the homeless and destitute persons and provide them with suitable sources of livelihood
(b) Release the sex workers from their practice and provide them with alternative sources of livelihood
(c) Eradicate the practice of manual scavenging and rehabilitate the manual scavengers
(d) Release the bonded labourers from their bondage and rehabilitate them

7.2. FINANCE MECHANISM OF DISASTER MANAGEMENT IN INDIA

Present Mechanism: National Disaster Response Fund (NDRF)
- We have an NDRF under Section 46 of the Disaster Management Act, 2005 (DM Act). It replaced the erstwhile National Calamity Contingency Fund (NCCF) on the recommendations of 13th Finance Commission.
- It is managed by the Central Govt for meeting the expenses for emergency response, relief and rehabilitation.
- NDRF is constituted to supplement the funds of the State Disaster Response Funds (SDRF) of the states to facilitate immediate relief in case of calamities of a severe nature.
- NDRF is financed through the levy of a cess on certain items, chargeable to excise and customs duty, and approved annually through the Finance Bill. The requirement for funds beyond what is available under the NDRF is met through general budgetary resources.
Need for a Mitigation Fund?

- NDRF only takes care of post-disaster issues.
- However, the spirit of DM Act 2005 and also the new National Disaster Management Plan and Sendai Framework, demands the focus to be on disaster prevention, preparation and mitigation.
- Thus, projects exclusively for the purpose of mitigation need to have sufficient financial support and a separate fund called National Disaster Mitigation Fund needs to be constituted.
- The Supreme Court, earlier in May 2016, had asked the government to constitute such a Fund.

Arguments Against

- The central government has, however, recently ruled out the need for such a fund as the purpose of mitigation is already being served by the existing Centrally Sponsored Schemes / Central Sector (CS) Schemes such as Pradhan Mantri Krishi Sinchai Yojana, Krishonnati Yojana, National Mission on Sustainable Agriculture, MGNREGA, Major Irrigation projects, Namami Gange-National Ganga plan, River Basin Management, National River Conservation Plan and Water Resource Management.
- A separate Mitigation Fund would lead to duplication of efforts.
- Additionally, Ministry of Finance has made a provision of 10% of total outlay for all CSS schemes (except for schemes that emanate from legislation eg. MGNREGA), as flexi fund which could be used for mitigation.

7.3. FLOOD MANAGEMENT

Why in news?

Uttar Pradesh, Bihar and Madhya Pradesh were devastated by floods in August, this year. The main reasons were heavy rainfall in Himalayan foothill region, while U.P and Bihar at the times of floods had under normal rainfall recorded.

What is Flood?

Flood is a state of higher water level along a river channel or on coast leading to inundation of land that is not normally submerge. Flood therefore is a natural disaster which causes considerable damage to the crops, livestock and human life.

Causes of contemporary floods

- The rivers bring heavy sediment load from catchments. These, coupled with inadequate carrying capacity of rivers are responsible for causing floods.
- Drainage congestion and
- Erosion of river-banks.
- Obstruction of free-flow in rivers: Silting in deltaic areas

Other General Causes

- About 75% of the annual rainfall in India is concentrated in 3-4 months of the monsoon season. As a result there is very heavy discharge from rivers during the period causing widespread floods.
- Cyclones and Cyclonic circulations and cloud bursts cause flash floods and lead to huge losses.
- Storm Surges and Coastal Inundation.
- Meandering tendency of rivers
- Urban Flooding: In the cities and the towns is a recent phenomenon caused by increasing incidence of heavy rainfall in a short period of time, indiscriminate encroachment of waterways, inadequate capacity of drains and lack of maintenance of the drainage infrastructure. For ex: Chennai floods.
Vulnerability

- 40 million hectares out of a geographical area of 3290 lakh hectares is prone to floods.
- Every year 1600 lives are lost and the damage caused to crops, houses and public utilities is Rs. 1800 crores due to floods.
- This year nearly 160 were dead in Bihar and at least 2,00,000 had to be rehabilitated.

Institutional Framework

- As per the constitutional provisions, flood management is a state subject.
- The central government has taken various initiatives: enactment of the National Disaster Management Act, December 2005 and setting up of the NDMA.
- The National Executive Committee (NEC) with the Secretary of GOI of the ministry; and State Executive Committees (SECs) will cover the disaster aspect of flood management.
- **FMPS** Flood management Plans: The central ministries and departments concerned and the state governments will prepare their FMPs which will be holistic, participatory, inclusive, eco-friendly and gender-sensitive in nature and the implementation of which will result in a flood-resilient India. The plans will focus on the community and the collective efforts of the government and NGOs.
- Various programmes like Neeranchal-Watershed, River linking etc., are discussed below.

Flood Management

I. Minimizing flood risk

- Phase-I: These activities include identification and marking of flood prone areas on maps, preparation of close contour and flood vulnerability maps by the Central Water Commission (CWC)/ Ganga Flood Control Commission (GFCC)/Brahmaputra Board,
- Phase-II: These include implementation of the schemes for expansion and modernisation of the flood forecasting and warning network, execution of flood protection and drainage improvement schemes,
  - The efforts of the CWC, IMD, NRSA and the state governments will be integrated
- Phase-III: Implementation of activities, which include construction of dams and catchment area treatment (CAT) works in India as well as neighboring countries.

II. Hard management techniques

- **Dams**: used to trap and store water, which can be released later.
- **Embankments or Artificial levees**: these are raised banks which makes the river's cross section larger and so it can hold more water. They can be expensive but are effective. In the US they are called levees, some where breached during Hurricane Katrina and flooded large amounts of adjacent land
- **Flood walls/ River defences/ Coastal defences** are built around settlements to protect them from floods. They look artificial and are expensive but are effective.
- **Storage areas**: Where water can be pumped out of the river and stored in temporary lakes. It can then be pumped back later.
- **Dredging the river basins**
- **Inter-basin transfers**
III. Soft management techniques:

Washlands: are sections of the flood plain which are allowed to flood, therefore they are usually left as sports fields and nature parks.

Land use zoning/ flood plain zoning: is designed to prevent development in areas most prone to flooding and developments is only allowed in 'safe' areas.

Afforestation: The planting of trees in a river’s catchment to increase interception, reduces soil runoff and also the uptake of water through the soil.

Warning systems: issued by flood protection agencies to enable people to react to the danger.

IV. Capacity Development and Response:

- Flood Education
- Emergency search and Rescue
- Emergency relief

Way forward

- More consultative decision-making process in operations of large and medium dams that have an impact across state boundaries. This is important, the floods in Bihar can be attributed to release of waters from Bansagar dam, MP.
- A nation-wide Silt Management Policy. This can prevent the future floods of those types which took place in Bihar.

NDMA guidelines:

- Shifting the focus to preparedness by implementing FMPs.
- Ensuring regular monitoring of the effectiveness and sustainability of various structures and taking appropriate measures for their restoration and strengthening.
- Continuous modernization of flood forecasting, early warning and decision support systems.
- Ensuring the incorporation of flood resistant features in the design and construction of new structures in the flood prone areas.
- Drawing up time-bound plans for the flood proofing of strategic and public utility structures in flood prone areas.
- Improving the awareness and preparedness of all stakeholders in the flood prone areas.
- Introducing appropriate capacity development interventions for effective FM (including education, training, capacity building, research and development, and documentation.)
- Improving the compliance regime through appropriate mechanisms.
- Strengthening the emergency response capabilities.
7.4. CPCB SURVEY FINDINGS: AIR POLLUTION

Why in news?
As per the latest analysis released by the Central Pollution Control Board (CPCB), in 2015, 41 Indian cities with a million-plus population faced bad air quality in nearly 60% of the total days monitored.

Report details
- **Climate**: Most cities recorded high percentage of good days during monsoon season and low percentage of good days during winter season.
- **Geography**: Coastal cities have recorded higher percentage of good days compared to the land locked cities,
- **Regional**: Southern and western cities have recorded higher percentage of good days.
- **Causes**: major sources being fuel wood and biomass burning, fuel adulteration, vehicle emission and traffic congestion.
- **In autumn and winter months**, large scale crop residue burning in agriculture fields
- **On Action**: In Delhi, there is some action as there is a very strong public opinion against it. But in rest of the country, especially tier-II cities which are rapidly growing, the air quality condition is rapidly deteriorating. Smaller cities are more polluted

Impacts
- Air pollution in India is so bad that it kills half a million (5th largest killer) people every year.

Steps taken
- A **pilot programme** to run two-wheeler scooters on CNG was launched in New Delhi.
- Scrapping old cars, and stepping to BS VI standards.
- The Construction and Demolition Waste Management Rules, 2016 notified by the environment ministry **aim at creating a process to recover, recycle and reuse this waste.** Construction activity is one of the main reasons for high air pollution in Indian cities.
- New measures like Congestion charges, license quota system, registration capping, parking charges, staggered working hours etc. should also be considered

(For more on air pollution look in 7.14- April CA, and 7.2 July CA, 2016)

7.5. UDAYPUR DECLARATION: BRICS

Why in news?
- A meeting of BRICS ministers on Disaster Management was held in Udaypur, Rajasthan. It ended with the adoption of Udaypur Declaration.

Major takeaways
- It laid bare the common thread of challenges on disaster issues faced by all the BRICS nations. These were:
  - mainstreaming of disaster risk reduction,
  - use of advanced technology in providing early warning,
  - need for adequate funding to deal with rehabilitation and reconstruction after a disaster
  - the impact of climate change on disasters
• Member nations have resolved to set up a dedicated Joint Task Force for Disaster Risk Management for regular dialogue, exchange, mutual support and collaboration.
• Agreement on a road map for implementation of the three-year Joint Action Plan on exchange of Information/ experiences on disaster management, research & technology exchange on forecasting and early warning for floods and extreme events and capacity building.

Significance
• This is a new milestone in collaboration and cooperation among BRICS countries in the field of disaster management.
• Since all member nations face similar challenges it would be effective to address them jointly.

7.6. ECOLOGICAL EXPERIMENTAL ZONES

Why in news?
• China will set up several national ecological experimental zones to carry out reforms in the “ecological civilization” in a bid to improve the environment damaged by fast-paced development in the past three decades.

Aim
• The aim is to incorporate certain ecological friendly practices in these zones which are also aligned with the development needs.
• Consequently, these zones can be projected as ‘ecological civilizations’
• The best practices will be replicated all across the country.
• Major progress to be achieved by 2017 and full-fledged systems to be established by 2020.
• Targets were set in the plan, including the water quality of over 90 per cent of water systems in the province will reach optimal level, 23 cities will enjoy good air quality on over 90 per cent of days, and forest coverage will pass 66 per cent by 2020.

Implementation
• Main experiments will include the following:
  ✓ Establishing a property rights system of natural resource assets as well as systems that reflect market values of ecological products, thereby introducing economic incentives into ecological protection.
  ✓ Optimising land and space planning by explicitly reserving land and space for ecological protection, and never overstepping the ‘red line’.
  ✓ Improving officials’ performance evaluation to reflect their ‘ecological performance’ such as resource depletion or environmental degradation on their watch.
  ✓ Compiling natural resource balance sheet and natural resource asset auditing.

Significance
• The strategy is something which the world especially developing countries like India would look forward to and to replicate the efficient policies.
• Its success can be a boon to the world environment as China is the biggest polluter in the world.

7.7. PORTABLE KIT FOR DETECTION OF CHROMIUM CONTAMINATION

Why in news?
Bhabha Atomic Research Centre (BARC) has developed a portable kit to check chromium contamination in water.

Significance
• As per Indian standard IS10500 for drinking water, the maximum permissible concentration of Cr(VI) in drinking water is 50 microgram per litre.
• Detection of Cr(VI) at such low levels is technically challenging and involves collection of water samples from affected areas, transport to laboratory, storage and finally analysis.
BARC has developed a simple, user friendly, quick and cost effective kit for onsite determination of Cr(VI), which meets IS10500 as well as EPA criterion.

About Chromium
- Chromium is widely used in various industries like leather, steel, chrome plating, paint manufacturing, wood preservation etc.
- Hexavalent Chromium Cr(VI) is toxic and the World Health Organization has classified it as carcinogenic and can cause stomach ulcers and cancers and severe damage to kidneys and liver.

7.8. GLOBAL WARMING IMPACT ON OCEAN CURRENTS

Why in news?
Scientists have used a group of elephant seals to observe changes in the circulation of the world’s oceans.

Details
- The research showed how “bottom water” - a dense type of water created by salt leaching out of sea water when it freezes over during the Antarctic winter - is being affected by melting ice shelves.
- Thermohaline circulations: are thereby affected. Also its depth is getting affected, making it shallower.

Impact
- Melting rate of ice-shelves can increase.
- Affect the production of bottom water.
- Changes in the production of bottom water would also impact Antarctic sea life that relies on the nutrients and gases in the water to survive.
- Can have far reaching impacts on climate i.e., on Gulf stream and North Atlantic Drift over the long term.

7.9. STEPS TAKEN FOR PROTECTION OF ENDANGERED SPECIES: MOEF

Why in news?
In a written reply to a question in Lok Sabha on steps taken for protection of Endangered species, this information was given by Minister of Environment, Forest and Climate Change.

Details
1. **Legal protection**: has been provided to wild animals against hunting and commercial exploitation under the provisions of the Wild Life (Protection) Act, 1972. (For ex: Schedule 1 animals etc.,)
2. The **Wild Life (Protection) Act, 1972 has been amended** and made more stringent.
   - The punishment for offences under the Act has been enhanced. The Act also provides for forfeiture of any equipment, vehicle or weapon that is used for committing wildlife offence(s).
3. **Protected Areas**:
   - National Parks, Sanctuaries,
   - Conservation Reserves and Community Reserves
   
   Covering important wildlife habitats have been created all over the country under the provisions of the Wild Life (Protection) Act, 1972 to conserve wild animals and their habitats.
4. **Financial and technical assistance by centre under**:
   - ‘Integrated Development of Wildlife Habitats’ -- Recovery programs for sixteen species have been prioritized for taking up such recovery programs which include:
     i. Mammals: Snow Leopard, Bustards (including Floricans), Hangul, Nilgiri Tahr, , Asian Wild Buffalo, Manipur Brow-antlered, Malabar civet, the great one-horned rhinoceros, Asiatic Lion, Swamp deer
     ii. Aquatic: River Dolphin, Marine Turtles, Dugongs and coral reefs,
     iii. Birds: Edible-nest Swiftlets, Nicobar Megapode, , Vultures, and Jerdon’s Courser.
   - ‘Project Tiger’ and ‘Project Elephant’ for providing better protection to wildlife, and improvement of its habitat.
7.10. DISASTER RISK INDEX OF THE WORLD

Why in news?
- India has been ranked 77th on the World Risk Index, topped by Island state of Vanuatu.

About the Report
- The World risk report analyses the role that infrastructure plays in shaping a country’s disaster risk.
- The Index, calculated by the University of Stuttgart, ranks 171 countries according to their risk of becoming a victim of a disaster as a result of natural hazards.

Details
- **Risk**: Inadequate infrastructure and weak logistic chains substantially increase the risk that an extreme natural event will become a disaster.
- **Response**: Challenges mostly lie in the ‘last mile’ of the logistics chain: organising transportation despite destroyed streets or bridges and ensuring fair distribution when there is a shortage of (for example) water, food, and shelter.
- **Relief**: Crumbling transport routes, unreliable electricity grids, and dilapidated buildings not only hinder humanitarian aid from overseas, but also delay crucial aid.

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<td>Bangladesh</td>
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7.11. DEFORESTATION REDUCES SUMMER RAIN IN GANGLA BASIN, NORTH-EAST

Why in news?
Using satellite data and regional climate models, IIT Bombay researchers have found that deforestation (converting woody savanna to crop land) in north-east India and north-central India has led to a 100-200 mm reduction in summer monsoon rainfall in these two regions.

Observations
- During the initial phase of a monsoon, oceanic sources play a major role in bringing rain and charging the soil with moisture.
- But at the end of the monsoon period, evapotranspiration from vegetation contributes to rainfall. Evapotranspiration is a local moisture source for rainfall. Recycled precipitation contributes to 20-25 per cent of the total monsoon rainfall during the end of the monsoon and is very prominent in the Ganga Basin and north-east India.
- Because of deforestation, there is 1-2 mm reduction per day in rainfall during the end of the monsoon in the Ganga Basin and north-east India.
- So Land use and Land-cover changes has to be regulated.

7.12. IMPACT OF DEFORESTATION ON RAINFALL

Why in news?
A team from IISc sought to gauge the composition of the rain in the city through isotopes of oxygen and hydrogen. The quantities of these isotopes vary in the ocean and land, and their composition in the rainfall can give an indication to the source of the rain.

Details
- The phenomenon of oceans heating up during Indian summers —and other global weather phenomena — leads to much of the moisture during the monsoon.
- However, as the swirls of wind and cloud make their way inland, they pick up evaporation and moisture of the rainforests, vegetation and inland waterbodies.
• This recycling over time makes a significant contribution to the rainfall as the monsoon progress inlands and loses some of the oceanic contribution,
• For the Northeast monsoon, when moisture is picked up from the Bay of Bengal, the patches of green in the Eastern Ghats contribute to the rainfall here.

7.13. CLOUDS, POLLUTION AND MONSOON

Why in news?
Researchers have found that the high pollution in Northern and Central India, can affect the monsoonal systems. This happens due to change in formation of clouds.

How?
• The Indian summer monsoon season begins when the land surface becomes hot enough to drive a powerful rising motion of air in the atmosphere, producing heavy precipitation. Cooler, humid air over the Arabian Sea flows inland to compensate for the rising air. Air in this compensating circulation encounters the surface heating and also rises, perpetuating the cycle.
• At the smallest scales, an increase in tiny particles in the atmosphere can shade the land surface while absorbing sunlight aloft, causing a reduction in the heat that reaches the surface.
• Clouds that do form in these polluted environments are less likely to rain and more likely to persist because the droplets are smaller. These longer-lived clouds further cool the surface and weaken the circulation.
• In this way more air pollution can mean weakening of monsoonal systems.

7.14. EASTERN HIMALAYAN SYNTAXIS IS MOVING NORTHWARDS

• Optically Stimulated Luminescence (OSL) thermochronometry is a new technique being used to study the northward movement of the Himalayan syntaxis (convergence of mountain ranges, or geological folds), a gorge along the Parlung river in Tibet.
• The eastern Himalayan syntaxis is an ideal location to study the effects of erosion on tectonics — very tall mountains over 7,000 metres high and powerful rivers.
• As rocks rise to the surface from the earth’s crust, they start cooling down.
• At specific temperatures, the minerals such as quartz contained in the rocks start capturing electrons while continuing to rise, and they cool correspondingly.
• In this new technique, by observing the history of concentrations of electrons, the researchers estimate the temperature profile against the time and then translate this into knowledge of the depth as a function of time.
• This gives them an understanding of the rate at which the rocks rose to the surface.
• The new data showed that the rate of erosion had increased in the last 1 million years, to rates which could not be explained simply by river incision but the help of tectonic uplift was essential to explain it.
• Previous studies on the wider geological context, also indicated continued northward migration of the dome, which are consistent with the new data.
7.15. GLOBAL GREEN AWARD

Why in news?

The steering committee of the International Union for Conservation of Nature and Natural Resources (IUCN) informed Dr. Dhrubajyoti Ghosh, the first Indian environmental activist to receive the Luc Hoffman award.

Details

- He mapped the area of East Kolkata wetland which is a swathe of water bodies spanning over 100 sq. km.
- This is fast shrinking due to illegal filling of fishponds.
- He innovatively calculated the economic value of its loss and presented it in Net Present Value which could be easily used in GDP and other mathematical calculations.
- For this he was presented Luc Hoffman award.
- He also studied about what happens to the city sewage, after it reaches wetlands.
- East Kolkata Wetlands is "wetland of international importance" under the Ramsar Convention.

7.16. INDUSTRIAL WASTE RECYCLE: NANO TECH

- Traditional methods available for treating industrial dyes are expensive and do not completely break them down to non-toxic constituents but merely concentrate them.
- Scientists have developed a photo-catalytic degradation agent using titanium dioxide nano-particles doped with sulphur and carbon by treating it with red seaweed polymer carrageenan.
- There are several advantages of this doping as the energy required to activate the catalyst is less when it is doped, making the dye degradation faster than the traditionally available ones.
- The scientists have been able to completely degrade three industrial dyes - methyl orange, methylene blue and reactive black-5 - in the presence of sunlight.
- When a solar concentrator is used the intensity of visible light is more and this plays an important role in the degradation process.
- Another advantage is that the nano-composites are thermally stable and can be reused up to six times with the degradation efficiency remaining at over 97 per cent.

7.17. COUNTRY'S FIRST TIGER REPOSITORY

- Country’s first repository on tigers, under the new Tiger Cell of Wildlife Institute of India (WII)
- Working with the National Tiger Conservation Authority (NTCA) on tiger conservation and population estimation, the WII has generated a huge database of more than 23,000 images of tigers to be maintained by the tiger cell.
- The repository will help in identification of possible source of tiger skin if caught at any place, studying projects before clearances.
- The Tiger Cell will assist in population assessment of tigers, law enforcement, wildlife forensics, infrastructure development, smart patrolling and advisory role in policy formulation.
8. CULTURE

8.1. TIROT SING

Why in News?
- A function was organised in Meghalaya to commemorate the sacrifices of Tirot Sing, the legendary freedom fighter who was hanged to death by British rulers in the 19th century.
- The function was part of a 15-day campaign undertaken by the GOI to hold a series of programmes across the country to commemorate the sacrifices of the freedom fighters at their respective places of origin.

Who was Tirot Sing?
- U Tirot Sing was one of the chiefs of the Khasi people in the early 18th century.
- He fought against British attempts to take control of the Khasi hills.
- He died on 17 July, 1835. His death is commemorated as U Tirot Sing Day in Meghalaya.

8.2. ENCYCLOPAEDIA OF VILLAGE FOLKLORE

Why in News?
- The Indian Council of Historical Research (ICHR) has decided to document stories and legends across villages in India into an encyclopaedia.
- This decision has been taken in a bid to “connect” people better with oral and folk traditions.

Other Important Initiatives of ICHR
- To study the princely states of modern India.
- To carry out studies to fill the gap between the Harappan civilisation and (the first Indian urbanisation) and 6th century BC (the second urbanisation).

8.3. 2016 DASARA THEME

Why in News?
- The Mysuru Dasara festival has adopted the theme of water conservation for 2016.

Dasara Festival
- Mysuru Dasara is Nadahabba (state festival) of the state of Karnataka in South West India held annually during Navratri.
- It is a 10-day festival and is celebrated in the city of Mysuru. The Dasara festivities have a rich history of over 400 years.

8.4. JUANG TRIBE OF ORISSA

Why in News?
- Death of 19 Juang children in 3 months atop the Nagada hills in Odisha’s Jajpur district has woken up the government to the problem of malnutrition in the tribe.
- The tribe has been deprived of basic facilities such as drinking water, primary health care, electricity, and primary education due to lack of road connectivity.

Juang Tribe
- Juangs are a tribal (Adivasi) group of people from the Munda Ethnic group.
- They mainly reside in the Keonjhar, Dhenkanal, Angul and Jajpur districts of Odisha.
- They speak the Juang language which is accepted as a branch of Austroasiatic languages.
- The tribe has been identified as Particularly Vulnerable Tribal Groups (PVTGs)
8.5. SATYARTHI LAUNCHES CAMPAIGN FOR YOUTH AGAINST CHILD

Why in News?

- **Kailash Satyarthi** announced the **100 million for 100 million Campaign** under his new organisation **The Kailash Satyarthi Children’s Foundation**.
- The aim of the campaign is utilise the energy and enthusiasm of 100 million youth in order to pull 100 million children from the shackles of slavery.

Kailash Satyarthi

- Kailash Satyarthi is an Indian **children’s right and education advocate**. He is also known as an **activist against child labour**.
- He was born in 1954. In 1980, he founded the **Bachpan Bachao Andolan (BBA)**.
- Bachpan Bachao Andolan has freed **thousands of children from slave-like conditions**.
- It was due to his efforts that the **International Labour Organisation (ILO) adopted Converntion no. 182 on the worst forms of child labour**.
- He also received the **Nobel Peace Prize 2014 for his struggle against the suppression of children and young people and for the right to education for all children**.
- He shared the Nobel Prize with **Malala Yousufzai of Pakistan**.
9. ETHICS

9.1. PREVENTION OF CORRUPTION AND PERSONAL INTEGRITY

Why in news?

Recently case related to indictment of coal secretary under ‘coal scam’ allegations has been taken up in SC.

Stakeholders: Coal Secretary, Political bosses, Ministry, society in general.

Ethical issues involved

- **Objectivity v/s Confidentiality** – He had to take decisions with objectivity, but he also had to maintain confidentiality to preserve the team spirit and decision making.
- **Integrity vis a vis Obedience to the law** – The coal secretary may have integrity, but he didn’t protest in the first instance when the decision was going against the spirit of the law.
- **Self-Regulation or Autonomy v/s External control** – more events like coal scam will reduce the legitimacy of autonomy demanded by the ministry and will put them under control such as under ombudsman.
- **Negligence v/s Duty of obedience** – there are doubts of negligence while he has dutifully respected the hierarchy.
- **Probity** – as there was loss to public exchequer.
- **Section 13(1) (d) (iii)** - burden of proof in criminal cases, which normally rests with the prosecution, shifts here to the public servant arraigned by law.
- Abuse of office.

Values under question

- Professional competence and due care
- Selflessness, integrity
- Legal and Judicial accountability
- Political neutrality

Values shown by stakeholder 1

- Prudence – signifies practical political wisdom
- Fortitude – moral strength or moral courage in endurance of pain
- Teleology or Consequentialism— i.e., the stakeholder has not strictly followed deontology or strictly doing one’s duty.

Way forward

- **By Ministry:**
  ✓ Codifying ethical norms and practices.
  ✓ Providing norms for qualifying and disqualifying a public functionary from office.
  ✓ Structure of decision making to be made transparent. Cumbersome procedures of dealing with various matters have to be simplified.
  ✓ Preventive and punitive vigilance.
- **For Civil servants:**
  ✓ Using the best judgement – as mentioned in code of conduct. But there always scope for doubt on the integrity on the officers.
  ✓ Written orders and civil service boards for transfers.
- **For Political Authorities:**
  ✓ Fixing of accountability and responsibility of a particular duty on a particular person.
PoCA to be amended to combat collusive corruption.
CBI should be made autonomous, so that it can interrogate political authorities with impartiality.

**Conclusion:** As Honorary Secretary of the Central IAS Officers Association has said “An honest civil servant should not be harassed by anybody or agency or institution while in service or after retirement. It would make the civil servants working in the system nervous and edgy, which would not be in the interest of the country.” But at the same time the system should be made such that it is rewarding for the honest and punishing for the dishonest.

### 9.2. COMMERCIAL SURROGACY

**Why in news?**
Union Cabinet recently cleared the Surrogacy (Regulation) Bill, 2016, banning commercial surrogacy in India and allowing only the altruistic surrogacy to infertile parents.

**Overview**
At a glance, surrogacy seems like an attractive alternative as:
- a poor surrogate mother gets very much needed money.
- an infertile couple gets their long-desired biologically related baby and
- the country earns foreign currency.

Although this arrangement appears to be beneficial for all parties, when human reproduction meets commerce, gender inequality, and wealth disparity, the potential for ethical transgression becomes great indeed.

**Ethical issues as to commercial surrogacy**
- In general, the ethics behind the commercial surrogacy is that it is helpful for women who are naturally not in a position to become a mother. It helps them to enjoy the motherhood.
- At the same time, those families which are having the problem of lack of peace due to absence of child can overcome the said quandary and for achieving this goal commercial surrogacy is no doubt a way out.
- Many argue that surrogate arrangements depersonalize reproduction and create a separation of genetic, gestational, and social parenthood. Others argue that there is a change in motives for creating children.
- According to them children are not conceived for their own sakes, but for another’s benefit. Whereas some other consider it as a moral duty to alleviate the “curse” of infertility from the women who purchase their services.

**Some of the ethical issues regarding commercial surrogacy**
- What is the degree of stress on the couple and especially on the surrogate mother? What kind of medical and psychological screening should be provided to all parties? What can be the emotions associated with relinquishing a child?
- Can true informed consent ever be given by the surrogate?
- What are the possible adverse psychological effects on the child? What identity crisis might ensue, and will there be a desire on the part of the child to know his/her gestational mother? Should the child be told?
- Will surrogate arrangements be used not only by infertile couples but also for the sake of convenience, or by single men or women?
- Should the surrogate be paid? Would this lead to commercialization of surrogacy and expose the surrogate mother to possible exploitation?
- What happens when no one wants a handicapped newborn?
- Should the couple and surrogate remain unknown to each other? What kinds of records should be kept, and should the child have access to them?
• When doctor is being paid by only one party and he has to pay to the other party, will it not create a conflict of interest?

9.3. CELEBRITY ENDORSEMENTS

Why in news?

The parliamentary panel on consumer affairs, in its recommendations on the Consumer Protection Bill, 2015, has called for stringent provisions, including jail term for up to five years and penalty of up to Rs 50 lakh if a celebrity endorsed product misfires.

When Celebrity Endorsements Aren’t Ethical

Authenticity: Usage of by famous Celebrities may look unethical when he is non-user of the product. Moreover it is quite complex to find out whether a celebrity is a common user of the product.

Unsafe or ineffective product endorsement: Unethical aspects pave its way again when celebrities endorse some products which are hazardous for society.

Misleading information: when celebrities say something deceptive / make false claims than the endorsement is lacking in ethics.

Conflict of interest: when a particular ad conflicts with the celebrity’s image, principles, interests etc., Celebrity is totally money minded, hence the ethical implications can be very serious.

Override expert opinion: It is especially unethical when a celebrity endorsement overtake the expert judgment. i.e., when he interjects his non-expert opinion he undermines the opinion of more qualified individuals.

Conclusion

In general, celebrity endorsements have existed for decades and likely to continue in the future. But the performance of these celebrities is not always ethical. Although the severity arising from such unethical behaviors of celebrities can vary, it is necessary for the enterprise and the celebrity that to consider all ethical considerations prior to publicly supporting a product or service.

9.4. ISSUE OF ABORTION- LEGAL OR ETHICAL?

Background

The abortion debate deals with the rights and wrongs of deliberately ending a pregnancy before normal childbirth, killing the foetus in the process. Abortion is a very painful topic for women and men who find themselves facing the moral dilemma of whether or not to terminate a pregnancy.

• Worldwide, it is estimated that 46 million women seek abortion every year and the World Health Organisation estimates that close to half of these happen in unsafe conditions. In India, around 20 million women seek to terminate an unwanted pregnancy every year.

• Even today, due to the stigma around women’s sexuality and abortion itself, a woman dies every two hours of an unsafe abortion.

Arguments against Abortion

• Since life begins at conception, abortion is akin to murder as it is the act of taking human life. Abortion is in direct defiance of the commonly accepted idea of the sanctity of human life.

• No civilized society permits one human to intentionally harm or take the life of another human without punishment, and abortion is no different.
• Adoption is a viable alternative to abortion and accomplishes the same result.
• An abortion can result in medical complications later in life; the risk of ectopic pregnancies doubles, and the chance of a miscarriage and pelvic inflammatory disease also increases.
• In the instance of rape and incest, proper medical care can ensure that a woman will not get pregnant. Abortion punishes the unborn child who committed no crime; instead, it is the perpetrator who should be punished.
• Abortion should not be used as another form of contraception.
• For women who demand complete control of their body, control should include preventing the risk of unwanted pregnancy through the responsible use of contraception or, if that is not possible, through abstinence.
• It's morally wrong to use tax money to fund abortion.
• Those who choose abortions are often minors or young women with insufficient life experience to understand fully what they are doing. Many have lifelong regrets afterwards.
• Abortion frequently causes intense psychological pain and stress.

Arguments for Abortion
• Nearly all abortions take place in the first trimester, when a foetus cannot exist independent of the mother. As it is attached by the placenta and umbilical cord, its health is dependent on her health, and cannot be regarded as a separate entity as it cannot exist outside her womb.
• The concept of personhood is different from the concept of human life. Human life occurs at conception, but fertilized eggs used for in vitro fertilization are also human lives and those not implanted are routinely thrown away. Is this murder, and if not, then how is abortion murder?
• Adoption is not an alternative to abortion, because it remains the woman's choice whether or not to give her child up for adoption.
• Abortion is a safe medical procedure. The vast majority of women - 88% - who have an abortion do so in their first trimester.
• In the case of rape or incest, forcing a woman made pregnant by this violent act would cause further psychological harm to the victim. Often a woman is too afraid to speak up or is unaware she is pregnant, thus the morning after pill is ineffective in these situations.
• Abortion is not used as a form of contraception. Pregnancy can occur even with responsible contraceptive use. The ability of a woman to have control of her body is critical to civil rights. Take away her reproductive choice and you step onto a slippery slope. If the government can force a woman to continue a pregnancy, what about forcing a woman to use contraception or undergo sterilization?
• Taxpayer money is used to enable poor women to access the same medical services as rich women, and abortion is one of these services. Funding abortion is no different from funding a war in the Mideast. For those who are opposed, the place to express outrage is in the voting booth.
• Teenagers who become mothers have grim prospects for the future. They are much more likely to leave of school; receive inadequate prenatal care; rely on public assistance to raise a child; develop health problems; or end up divorced.
• Like any other difficult situation, abortion creates stress. Psychologists found that stress was greatest prior to an abortion, and that there was no evidence of post-abortion syndrome.

Way forward
• The ethical issues here are not just of the rights of the foetus. The foetus is not an independent entity and depends completely on the welfare of the woman. So it’s a matter of rights of foetus vs rights of mother.
• The abortion dilemma has overlapping issues from different realms like legal, medical, ethical, philosophical, religious and human rights. It should be analysed from different perspectives. There cannot be any hard and fast rule over abortion. It must be discussed and deliberated to evolve a common consensus.
10. ALSO IN NEWS

10.1. SUPREME COURT ON STAR CAMPAIGNER’S EXPENDITURE

Why in News?
Recently, Supreme Court ruled that Air travel expenditure incurred by a star campaigner to propagate the programmes of a political party cannot be included in the election expenses of a candidate.

Details
• The court observed that this exemption was limited to the campaign travels of a star campaigner.
• Hence, the expenditure incurred in connection with arrangements such as erection of pandals for a meeting of a star campaigner does not form part of the exempted expenditure.
• And court also observed that the star campaigner’s travel expenditure must have been incurred by the star campaigner himself.

Section 77 of Representation of the People Act
• Section 77 obligates every candidate to keep a separate current account of expenditures incurred for the election.
• However, clause (a) of explanation (1) to Section 77 declares that money spent by leaders of a party on air travel or other means of transport for propagating the programme of the party should not be included in the candidate’s expenses.

10.2. PROPOSAL TO BRING ALL NGOS UNDER HOME MINISTRY

Why in News?
• The Home Ministry wants the Finance Ministry to surrender its powers to monitor non-governmental organisations (NGOs) under the Foreign Exchange Management Act (FEMA).

Present Situation
• Presently, there are nearly 100 international NGOs and associations that receive foreign funds through their liaison offices and disburse them to NGOs across India.
• The Home Ministry monitors foreign funds donated to NGOs and organisations through the Foreign Contribution Regulation Act (FCRA).
• International donors such as the Ford Foundation, the U.K.’s Department for International Development and Canada’s International Development Research Centre are registered under FEMA but not the Foreign Contribution Regulation Act (FCRA).

Impact
• Since FEMA is regulated by the Finance Ministry, there are many occasions when home ministry is not able to monitor the flow of funds effectively.
• By bringing all NGOs which receive foreign contributions under one umbrella will be better monitoring and regulation.

10.3. HYBRID ANNUITY MODEL: UPDATES

Why in news?
The average pace of construction for the first quarter of the current fiscal — April-June 2016 — is pegged at 21.86 km/day, up from a daily average of 16.60 km last fiscal and just over 12 km in 2014-15.

Also Projects awarded under HAM have been increased two fold.
(For more on Hybrid Annuity Model – refer Vision IAS current affairs, May 2016 edition)
10.4. WEB PORTAL FOR STAR RATING OF MINES

- The Ministry of Mines launched a web portal for the easy access to information regarding the mining sector in India, including a framework for star rating mines.
- The portal will also have information of the Sustainable Development Framework (SDF) for the mining sector.
- The rating system is a two-layered system where a self-evaluation by the mine operator will be validated by the Indian Bureau of Mines under the Ministry of Mines with penalties for those providing false information.
- The rating system will be based on parameters such as efforts taken to mitigate environmental impact of the mines and to resettle and rehabilitate the people affected and the adoption of international standards for mining operations and reporting.
- The main objective of this system is to bring all mines to minimum 4- or 5-star in a 5-star rating in the shortest possible time.

10.5. VEHICLE MODERNIZATION PROGRAMME

Why in news?

- Road transport and highway ministry has proposed the Voluntary Vehicle Fleet Modernization Programme (V-VMP).

About V-VMP

- Under V-VMP, vehicle owners scrapping their old vehicles will get monetary incentives to buy a new vehicle.
- Its primary intention is to reduce emissions and the priority is to get old fuel-guzzling and polluting trucks off the roads.
- Sellers of old vehicles will be incentivized with the scrap value from old vehicle, automobile manufacturers’ special discount and some partial excise duty exemption.
- The scheme is likely to be applicable on vehicles that were bought before 31 March 2005 or are below BS IV standards.
- The finance ministry had serious objections over a few aspects, like the number of vehicles to be scrapped, excise duty exemption, infrastructure creation for the scheme and investments along with some figure mismatches.
- However, on the excise duty loss, the road ministry states that with the old vehicles running on road, the revenue loss would be more as the new vehicles will generate some additional revenue when purchased, at least there would be some additional revenue for the government.
- It will give a boost to automobile industry as well as generate steel scrap worth Rs.11,500 crores annually.

10.6. HABITAT COMMITMENT INDEX

- The Habitat Commitment Index (HCI) has been released before the United Nations conference on Urban Development, to track every country’s performance record against the non-binding commitments made during Habitat II in Istanbul in 1996.
- India has fared worse than even other South Asian countries such as Pakistan and Nepal, and lower than the South Asian average.
- The HCI creates an index that tracks the progress made in 6 broad categories of the Habitat II agenda namely Infrastructure, Poverty, Employment, Sustainability, Institutional Capacity, and Gender.
- In the absence of any monitoring mechanism or binding commitment, there has been little meaningful change in the overall urban conditions since Habitat II.
- India has registered negative scores on urban infrastructure and institutional capacity and shown marginal improvement on other scales in the last 20 years.
10.7. NATIONAL HIGHWAYS INTERCONNECTIVITY

- Govt. approved Rs 6,461-crore for development of 1,120 km national highways under National Highways Interconnectivity Improvement Project (NHIIP) in 5 states - Karnataka, Odisha, Bihar, Rajasthan and Bengal.
- The work for development to two-lane standards are under Phase-I of the with World Bank assistance.
- The project will ensure safe, fast and all weather movement of traffic on the proposed National Highways mostly located in backward regions thereby improving socio economic development.
- The approved project cost includes cost of land acquisition, resettlement and rehabilitation and other pre-construction activities.

10.8. TARANG MOBILE APP, “E-TRANS” AND DEEP

Why in News?
- Union Minister of State (IC) for Power, Coal, New & Renewable Energy and Mines, Piyush Goyal launched TARANG mobile app, e-trans and DEEP e-bidding portals.
- The portals have been launched with the objective to bring transparency in the power transmission sector of the country.

TARANG (mobile app and web portal)
- It stands for Transmission App for Real Time Monitoring and Growth.
- It will act as a monitoring tool to track upcoming projects.
- It will also be utilized to monitor the progress of inter-state and intra-state transmission systems in the country.
- It would also include status of stalled/delayed transmissions of the country which would all the stakeholders to complete the projects promptly.
- It will also monitor Green Energy Corridors.

e-trans
- It is web platform for e-bidding and e-reverse auction for Tariff Based Competitive Bidding (TBCB) for transmission projects.
- Till now, transmission sector providers have been participating in transmission bids through the manual mode. The interface will be electronic with e-trans.
- Reverse auction is also being introduced in the transmission sector with e-trans.

DEEP (Discovery of Efficient Electricity Price)
- It is an e-bidding portal for medium term (1-5 years) purchase of power.
- It will provide a common e-bidding platform with e-reverse auction facility to facilitate nation-wide power procurement through a wider network.

What is Reverse Auction?
- It is a type of auction in which the roles of buyers and sellers are reversed.
- In this type of auction, sellers bid for the prices at which they are willing to sell.

10.9. INDIA AMONG REGIONAL LEADERS IN SME SECTOR

- India has been ranked among regional leaders in the SME (small and medium enterprises) sector in the Asia Pacific region by a report published by Master Card.
- India scored 50.4 according to the report’s SME Business Environment Index. A score above 50 reflects a positive outlook.
- India came fourth while China, Australia and Indonesia were the top three respectively.
- The Digital Engagement Category was the highest scoring category for India.
- Significance: The ranking highlights how business owners have a positive outlook on economic and business conditions for growth.


10.10. MASALA BONDS

Why in News?
• Housing Development Finance Corporation (HDFC) has raised Rs. 3000 crore by issuing masala bonds. It is the first company to do so since RBI cleared it in September 2015.

What is it?
• Masala Bonds are rupee-denominated bonds sold by Indian entities in the overseas market.
• As of right now, these bonds are being traded at the London Stock Exchange.
• Masala bonds were named so by the International Finance Corporation (IFC), an arm of the World Bank after it issued rupee denominated bonds worth Rs. 1000 crore to fund infrastructure projects.
• Significance: Masala Bonds can help Indian borrowers tide over exchange rate fluctuations and minimize losses. It will also help put rupee on the global map.

10.11. EASING POLICY REGIME FOR E-COMMERCE PLAYERS

Why in news?
• The Union Govt has decided to constitute a committee to look into all issues including FDI norms pertaining to the fast growing e-commerce industry in the country.
• Setting up of this panel assumes significance as the government has recently permitted 100 per cent FDI in food processing sector.
• Also the Department of Industrial Policy and Promotion (DIPP) has allowed 100% FDI through automatic route in the marketplace format of e-commerce retailing.

Composition of the committee
• The committee will be headed by the NITI Aayog CEO Amitabh Kant.
• The other members in the committee include officials from the Commerce and Industry Ministry and Department of Electronics and IT.
• Representatives from four states including Punjab, Maharashtra and Karnataka will also be the members of the committee.

The terms of reference of the Committee
• The committee will look at all the issues including FDI pertaining to the e-commerce sector which is a fast growing industry in the country.
• The committee would suggest ways to promote the growth of the sector through further liberalisation in the sector.

Way forward
• The committee should look into issues that are major irritants in growth of e-commerce industry.
• There are issues related to regulation of selling pharmaceuticals through e-commerce which should be resolved.
• There are also issues with respect to tax evasion and loss to manufacturing states as e-commerce leads to shifting base to low tax states.
• It can also look into options of allowing FDI in inventory-based model of e-commerce.

10.12. POSCO E-BUTTON

• Protection of Children from Sexual Offences (POCSO), e-Box, is an online complaint management system for easy and direct reporting of sexual offences against children and timely action against the offenders under the POCSO Act, 2012.
• The online system has been launched by the Ministry for Women and Child Development.
• According to a study, about 53% of children surveyed, reported having faced one or the other form of sexual abuse in their lifetime.
However, a large number of incidents of abuse against children go unreported as they are against close relatives, friends or acquaintances.

E-Box is very simple to operate and will help to maintain the confidentiality of the complaint.

The e-Box is incorporated prominently in the home page of National Commission for Protection of Child Rights (NCPCR) website ncpcr.gov.in where a user has to simply push a button named POSCO e-Box.

On pushing the e-Button, an animation movie will be played to motivate children facing such offences. This will be followed by submitting the complainant details along with choosing pictures showing the nature of offences. Complainants will get an auto-generated number to track their cases.

10.13. SUGAMYA PUSTAKALAYA

“Sugamya Pustakalaya” launched by department of empowerment of persons with disabilities, (DEPwD), is an online library for Persons with print disabilities as part of the Accessible India (Sugamya Bharat) Campaign.

The online library has been created in collaboration with National Institute of Visually Handicapped (NIVH), member organization of Daisy Forum of India (DFI), Bookshare and powered by TCS Access.

There are 52 lakh people with visual impairment (2011 census) in India who cannot access printed texts.

The library will focus on collection of all accessible materials from all over the country in single online library system.

The e-library platform will work in collaboration with international agencies such as 'Bookshare' and 'Accessible Books Consortium' to make accessible books from all over the world available to users in India.

Person with Print Disability, School/College/Library, Publisher/Government House/Textbook Production House, NGO, Corporate can be the end user of this online library.

10.14. MY HOSPITAL/MERA ASPATAL INITIATIVE

Ministry of Health and Family Welfare has launched “Mera Aspatal /My Hospital” aimed at empowering patients by seeking their views on the quality of experience in a public healthcare.

The ICT-based Patient Satisfaction System (PSS) “Mera Aspatal / My Hospital” will be implemented in public and empanelled private hospitals.

A multi-channel approach will be used to collect patients’ feedback through web portal, mobile app, SMS and Interactive Voice Response System (IVRS).

‘Mera Aspatal’, together with the Kayakalp awards, as part of Swacchata Abhiyaan will spur the States in a spirit of friendly competition to get highest ratings for all their facilities.

10.15. FOOT & MOUTH DISEASE (FMD)

Ministry of Agriculture has allocated 100.00 crore rupees for FMD control under Rashtriya Krishi Vikas Yojana in order to achieve the objective of FMD Mukt Bharat’ in next few years.

Background

Foot & Mouth Disease (FMD) is one of the most economically devastating contagious viral animal diseases affecting all susceptible cloven-footed animals.

As per the estimates by the Indian Council of Agricultural Research (ICAR), direct loss due to milk and meat is to the tune of RS. 20,000 crores per annum.

In order to prevent economic losses due to Foot and Mouth Disease, a programme named ‘Foot and Mouth Disease Control Programme (FMD-CP)’ is under implementation since 10th Plan Period.
10.16. GIFT MILK SCHEME

Why in News?

- Union Government has approved a proposal for setting up an Institution for promotion of nutrition through milk/milk products (especially for children) utilizing Corporate Social Responsibility funds of NDDB.
- Initiative is known as “Gift Milk” to improve child nutrition thought consumption of milk & milk products by providing milk free of cost.
- The supply of milk / milk product would be facilitated through dairy cooperatives only.

The National Dairy Development Board (NDDB)

- The National Dairy Development Board is an institution of national importance set up by an Act of Parliament of India - the NDDB Act 1987. The main office is in Anand, Gujarat with regional offices throughout the country.
- Objective of NDB is to replace exploitation with empowerment, tradition with modernity, stagnation with growth, transforming dairying into an instrument for the development of India’s rural people.

10.17. MAHARASHTRA GOVT TO USE DRONE TO MONITOR TRAFFIC

Why in News?

- Drones were used for the first time on the Mumbai-Pune expressway to monitor vehicular traffic.

Need

- Drones are being used keeping in mind the increasing number of accidents on the Mumbai-Pune expressway due to rash driving and indiscipline of vehicles.
- Also, drones are better at monitoring the traffic than CCTV cameras.

10.18. NEW SPECIES OF EEL FOUND ON BAY OF BENGAL

Why in news?

Scientists have discovered a new species of eel, a snake-like fish, from the northern Bay of Bengal along the West Bengal coast.

Details

- The species Gymnothorax indicus is slender-bodied, about one feet-long and edible.
- Eels are found mostly at the bottom of rivers and seas. This species was found at 35 m depth in the sea.
- With over-exploitation of fishing resources both freshwater and marine, scientists believe that these newly discovered species may contribute to food security in the future.

10.19. EARTH’S HOTTEST MONTH IN MODERN TIMES

Why in news?

According to NASA’s records, July month was the hottest month ever on the planet since we started taking records back in 1880.

July 2016 was 0.84°C hotter than the 1951 to 1980 average for July, and 0.11°C hotter than the previous record set in July 2015.
Reasons
- A combination of global warming and El Niño, which spreads warm water across the Pacific, giving a boost to global temperatures.
- The El Niño itself has dissipated, but the effects on global air temperatures lag for between three and six months.

Concerns
- 93% of the extra energy trapped by the greenhouse gases emitted gets sunk into the oceans – just 1% ends up in atmosphere where temperature is most often and thoroughly measured.
- The Arctic in particular experienced terrific warmth throughout the winter. Temperatures at the north pole approached 0°C in late December – 30°C to 35°C above average.
- In Siberia, melting permafrost released anthrax that had been frozen in a reindeer carcass for decades, starting a deadly outbreak.

Way forward
- The Natural climatic fluctuations and extreme climatic events are on the rise due to Global Warming and Climate Change.
- The web is so delicate that we don’t know what disasters we are going to face if we cross the 2 deg. C mark. So the INDC’s have to be properly implemented.

10.20. NEXT LEVEL OF TSUNAMI WARNING

Why in news?
Indian National Centre for Ocean Information Services (INCOIS) is likely to get a more advanced and precise Tsunami Warning System.

Steps taken
- For complete mapping of the shoreline, National Remote Sensing Agency (NRSA) has taken up airborne mapping on the East Coast from Paradip to Kochi.
- INCOIS is creating inundation models with the help of buoys and Argo floats meant for checking ocean temperatures and currents.
- To solve complex mathematical models, Faster data determination and quicker a super computer is going to be operational by 2017.

Key Benefits
- Will be in a position to predict waves hitting the shore of 50 km radius.
- Foresee and narrow down the affected shoreline.
- Predict the wave height so that quicker evacuations can be done.
- All this will lead to quicker alerts and panic reduction.

10.21. USE OF FUNGI TO RECYCLE BATTERIES
- Scientists are working to use naturally-occurring fungi for a green recycling process to extract cobalt and lithium from waste batteries.
- Fungi naturally generate organic acids, and the acids work to leach out the metals.
- About 85 per cent of the lithium and up to 48 per cent of the cobalt - from the cathodes of spent batteries were extracted using the organic acids generated by the fungi.
- Three strains of fungi - Aspergillus niger, Penicillium simplicissimum and Penicillium chrysogenum are to be used for the purpose.
10.22. GREENLAND SHARK

- Scientists have estimated that Greenland shark is the Earth’s oldest living animal with a backbone.
- For the age estimates, a complex and indirect system combining chemical tracking, mathematical modelling and growth measurements focusing on the shark eye lens was used.
- The shark eye lens form while the shark is still developing inside the mother’s uterus and measures of carbon in them won’t change after birth.
- As per the estimates, the female gray shark or the Greenland shark, was born in the icy waters roughly between 272 to 400 years ago, and died only recently.
- Until now, that record holder was a bowhead whale that hit 211 years old.

10.23. HUNTING, FARMING CAUSE MORE HARM THAN CLIMATE CHANGE

- As per a study on over 9,000 “threatened” or “near threatened” species by scientists published in the journal, “Nature”, wildlife extinction is caused mainly by the ever growing demand for food, fuel and other medicines from plants and animals and not climate change.
- For example, demand for body parts has driven the Western gorilla and Chinese pangolin to near extinction.
- Conversion of the natural habitats into industrial farms and plantations is threatening more than half of the several species of plants and animals studied.
- On the other hand, only 19 per cent of these species are currently affected by climate change.
- So, as per a group of scientists, these threats, rather than climate change should be the main focus of conservation agenda.
- The analysis acknowledges that global warming could become an increasingly dominant menace for biodiversity in the coming decades.
- Earth, as pointed out by the report, has now entered a “mass extinction event” in which species are disappearing 1,000 to 10,000 times more quickly than a century or two ago.

10.24. FISHING CONTRIBUTE TO CLIMATE CHANGE: STUDY

- Fisheries scientists of Central Institute of Fisheries Technology, Kochi have found that inefficient fishing is contributing significantly to climate change by adding huge amounts of carbon dioxide.
- As per study, one tonne of oil sardine, would release as high as 402 kg of carbon dioxide, when fished and brought to shore in a kerosene-fueled motorised vessel, with figures being even higher in case of trawl nets.
- Life Cycle Assessment (LCA) involving operational issues onboard boats and ships was adopted to quantify the emissions.
- However, mechanised ring seiners with onboard diesel vessels, went caused significantly low emissions.