

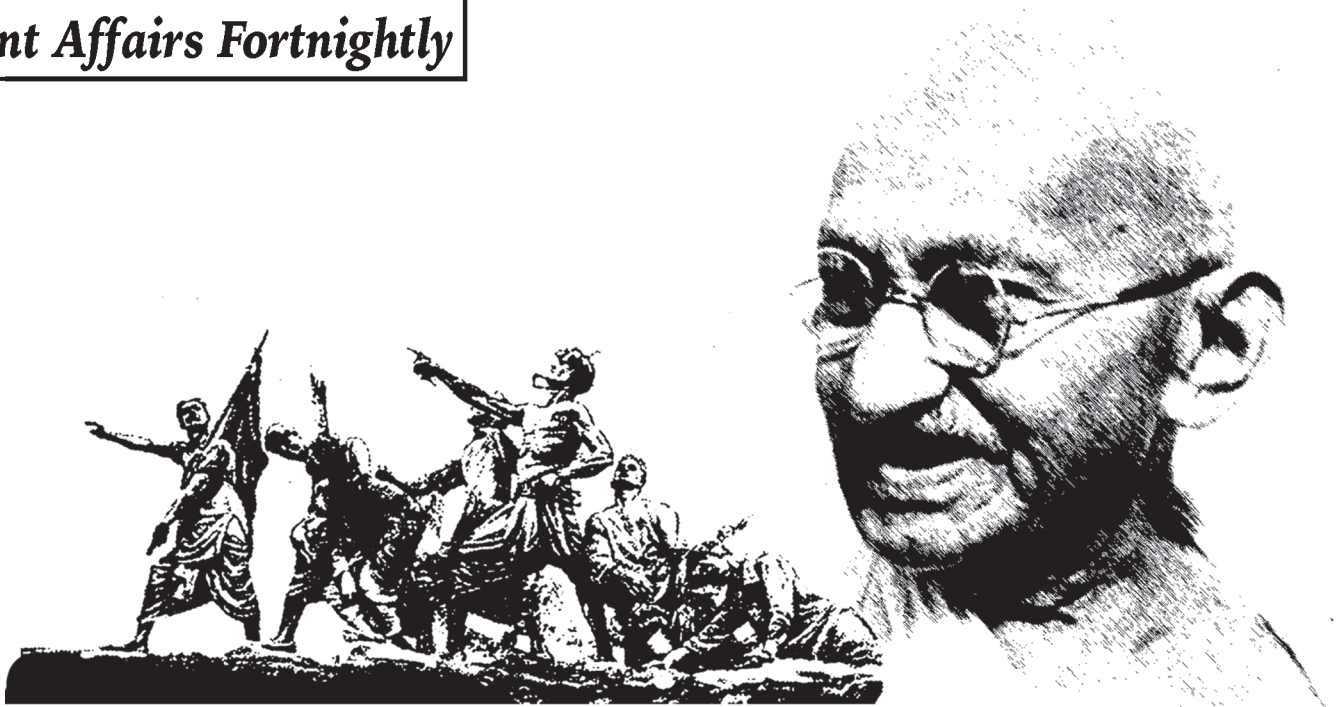
GS SCORE

ANALYST

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Issue- I (1-15) August, 2017

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**TOPICAL
ANALYSIS**

LEGACY & SIGNIFICANCE OF

QUIT INDIA MOVEMENT

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1. Governance Issue

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- ▶ Changes Proposed in No Detention Policy
- ▶ Whistle Blowers Protection (Amendment) Bill, 2015
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2. Economic Issue

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- ▶ Low Tax to GDP Ratio: Reasons and Suggestions

- ▶ GST Issue in Petroleum Exploration Sector
- ▶ The Code on Wages, 2017
- ▶ ATM Expansion Slows Due to Note Ban
- ▶ Impact of GST on Logistics Industry

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- ▶ India's Role to Counter ISIS in Philippines
- ▶ Farmer Suicides and Climate Change
- ▶ Sino-Pak Highway: Only Beneficial for China

- ▶ ASEAN at 50

- ▶ China's RCEP Push Veils Grand Plan

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- ▶ High Courts Oppose All-India Judicial Service
- ▶ Low Attendance of Celebrity in Rajya Sabha
- ▶ Significance of Strong Opposition in Democracy

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- ▶ Significance of Canal Irrigation

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THE STATES' CONTENTION

THOSE IN FAVOUR

MAHARASHTRA: The policy has reduced school drop rates and helps in building self-esteem... States should be given freedom to decide whichever policy to follow.

TELANGANA: Enables a child to learn better without the fear of failure, detention and stigma. CCE should be strengthened... doesn't focus on rote learning.

KARNATAKA: Is important to sustain students' interest in education... Year-end evaluation should be conducted and students with low scores should be helped.

THOSE AGAINST

KERALA: There is no harm in allowing a student one more year to re-cope rather than allowing her to pass to the next stage in an unbaked condition.

HARYANA: Decreased commitment levels of stakeholders... Test/exam provide students with competitive spirit, besides motivating them to study.

DELHI: Results in unreasonable, undisciplined behaviour of students or their dropping out of school. No-detention policy may be restricted up to Class III.

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Who can opt for surrogacy?

- Indian citizens who have been married for at least five years
- Woman should be aged 23-50 and the man, 26-55 years
- Couple shouldn't have any surviving child (biological, adopted or surrogate), except one who is mentally or physically challenged or suffers from a life-threatening disorder or fatal illness.

Who can be a surrogate mother?

- A close relative of the couple
- A married woman with a child of her own, aged 25-35

- She can be a surrogate mother only once in her lifetime
- Should be certified as medically and psychologically fit

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Toilets in rural areas and their use (in %)	Better performing states (%)		
	Coverage	Use	
			Kerala
			Haryana
Bihar	30	87	Manipur
Jharkhand	37	65	Nagaland
UP	37	87	Tripura
			Himachal
Odisha	40	80	All India
			Coverage
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COVER STORY

Legacy and Significance of Quit India Movement

Context

The failure of the Cripps Mission in April 1942 made it clear that Britain was unwilling to offer an honorable settlement and she was determined to continue India's unwilling partnership in the War efforts. After Cripps departure in 1942, Mahatma Gandhi framed a resolution on August 9th, calling for British withdrawal and a non-violent, non-cooperation movement against any Japanese invasion.

In the history of our freedom movement, the 9th August movement known as Quit India Movement has been such an important, extensive and intense movement which, even the British could not imagine.

Every person became a leader and every crossroad became the office of the 'Do or Die' movement.

All means of transport were stopped. The Court proceedings were stalled. The news of the bravery of the people of India and the brutality of British government was reaching every corner.

To commemorate the 75th Anniversary of the Quit India Movement August 9th 2017, Indian Government has remembered the chronology of events, contributions of many personalities in the movement and taken a new pledge to free India with social evils such as corruption, poverty, unemployment etc. by 2022.

The present Article presents the chronology of events during the Quit India Movement, outcomes and implications of the Quit India on India's Freedom struggle, Quit India Movement 2 was launched in Maharashtra in 2016 to end the social evils and the recent initiative of "Sankalp se Siddhi" to develop India by 2022.

Introduction

India became a free country in 1947. The period between 1857 to 1957 was a witness to different stages in India's freedom movement as many people laid down their lives for the nation and there were several ups and downs.

However, the movement in 1942 was in a way the final and landmark mass struggle that the Indian citizens waiting for. The 1942 movement prepared the ground work for India's independence.

To commemorate the Quit India on its 75th Anniversary Government of India has launched campaign of Quit India against Social Evils for next five years 2017–2022.

Background

Mahatma Gandhi returned from abroad in 1915, Lok Manya Tilak called for Poorna Swarajya (Total Self Governance), followed by Mahatma Gandhi Dandi march in 1930, Netaji Subhash Bose created INA inspired the people who laid down their lives for the motherland. All these events provided the momentum for the freedom and it was a situation of 'now or never'.

In 1942 after the failure of Cripps Proposal, Gandhiji himself began to talk of the struggle and it was at the Working Committee meeting at Wardha on 14 July, 1942 that the Congress first accepted the idea of a struggle. The All-India Congress Committee was then to meet in Bombay in August to ratify this decision.

Gandhiji in his speech gave a unique message for the nation. He said, **"From today onwards, everyone should consider himself as an independent woman or a man and should act accordingly. I'm not going to be content with anything less than complete independence. We will do or die"**.

Following the message of Mahatma Gandhi, 1942 movement had spread to every region and every social class in the country. One of the most striking features of this movement was that the sentiment which appeared in the minds of the people was 'We shall do or die'.

After the start of the Quit India Movement, Mahatma Gandhi and all senior leaders were put behind the bars. This led many new leaders come to the forefront like - Lal Bahadur Shastri, Ram Manohar Lohia, Jaiprakash Narayan and many other youngsters. They joined the movement to give it the desired momentum. Such movement was seen as a new inspiration, new energy, new resolve and the spirit of innovation among the people of India.

All sections of the society; the villages, the farmers, the laborers, the teachers, the students joined this movement with the slogan 'Do or Die'.

Reasons for the Struggle - QIM

- ▶ The failure of the Cripps Mission to solve the constitutional deadlock exposed Britain's unchanged attitude on constitutional advance and made it clear that any more silence would be tantamount to accepting the British right to decide the fate of Indians without consulting them.
- ▶ There was popular discontent because of rising prices and shortage of rice, salt, etc.
- ▶ There were also fears of Britain following a scorched earth policy in Assam, Bengal and Orissa against possible Japanese advance.
- ▶ Popular faith in the stability of British rule was so low that people were withdrawing deposits from banks and post offices.
- ▶ The manner in which the British evacuated from South-East Asia leaving the subjects to their own fate which exposed the selfish and indifferent tendencies of the rulers.
- ▶ The Indian leadership wanted to condition the masses for a possible Japanese invasion.

Objectives of the August 8 Resolution

In AICC Meeting—Gowalia Tank, Bombay (August 8, 1942), the Quit India Resolution was ratified and the meeting resolved to:

- ▶ Demand an immediate end to British rule in India.

- ▶ Declare commitment of free India to defend itself against all types of Fascism and imperialism.
- ▶ Form a provisional Government of India after British withdrawal.
- ▶ Sanction a civil disobedience movement against British rule.

Mahatma Gandhi's Instructions to Different Sections

They were directed at various sections of society:

- ▶ **Government servants:** Do not resign but declare your allegiance to the Congress.
- ▶ **Soldiers:** Do not leave the Army but do not fire on compatriots.
- ▶ **Students:** If confident, leave studies.
- ▶ **Peasants:** If zamindars are anti-government, pay mutually agreed rent, and if zamindars are pro-government, do not pay rent.
- ▶ **Princes:** Support the masses and accept sovereignty of your people.
- ▶ **Princely states' people:** Support the ruler only if he is anti-government and declare yourselves to be a part of the Indian nation.

How QIM was it Organized?

Three broad phases can be distinguished in the Quit India Movement:

- ▶ **Phase I:** The first phase (from 9th to 15th August 1942), massive and violent but quickly suppressed, was predominantly urban and included hartals, strikes and clashes with police and army in most cities. Bombay, as so often before was the main storm centre during this phase. Calcutta witnessed many hartals. There were violent clashes with heavy casualties in Delhi and in Patna, control over the city was virtually lost for two days. The violence of Delhi was largely due to 'mill hands on strike', and strikes by mill-workers were also reported in Lucknow, Kanpur, Bombay, Nagpur, and Ahmadabad. The Tata Steel Plant was totally closed down for 13 days in a strike in which the sole labour slogan was that they would not resume work until a national government has been formed. At Ahmadabad, the textile strike which began during this period lasted for 3 months, and a nationalists chronicle later described the city as the "Stalingrad of India". The urban middle class was extremely prominent in this first phase, spearheaded by students.
- ▶ **Phase II:** From the beginning of the second phase (from 15th August to 30th September 1942), the focus shifted to the countryside with militant students fanning out from centers like Banaras, Patna and Cuttack, destroying communications on a massive scale and leading a veritable peasants' rebellion against white authority strongly reminiscent in some ways of the Revolts of 1857. Northern and Western Bihar, Eastern U.P., Midnapur in Bengal and pockets in Maharashtra, Karnataka and Orissa were the major centers of this second phase which saw the installation of a number of local National Governments, which, were usually short-lived.
- ▶ **Phase III:** Weakened by the brutal repression (no less than 57 army battalions were used), the movement from about the beginning of October 1942, entered its longest but also the least formidable phase, i.e., the third and final phase. This phase was characterized by terrorist activity by educated youth directed against communications, police and army installations, occasionally rising to the level of guerrilla war, such as the one along the north Bihar-Nepal border led by Jayaprakash Narayan. Part-time peasants engaged in farming by day and sabotage activities by night. In some pockets, secret parallel 'National Governments' functioned most notably in Midnapur WB, Satara in Maharashtra and Talcher in Orissa.

Spread of the Movement across India

- ▶ Mahatma Gandhi had carefully built the tempo through individual civil disobedience movements, organizational revamping and a consistent propaganda campaign. The Government, however, was in no mood to either negotiate with the Congress or wait for the movement to be formally launched.
- ▶ In the early hours of August 9, in a single sweep, all the top leaders of the Congress were arrested and taken to unknown destinations. Removal of established leaders left the younger and militant elements at their own initiative.
- ▶ The general public attacked symbols of authority, hoisting national flags forcibly on public buildings. Satyagrahis offered themselves up to arrest, bridges were blown up, railway tracks were removed and telegraph lines were cut. This kind of activity was most intense in eastern UP and Bihar.
- ▶ Students responded by going on strikes in schools and colleges, participating in processions, writing and distributing illegal News sheets (patrikas) and acting as couriers for underground networks.
- ▶ Workers went on strike in Ahmedabad, Bombay, Jamshedpur, Ahmednagar and Poona.

Underground Activity by the Activists

- ▶ Underground activities were undertaken by the Socialists, Forward Bloc members, Gandhi ashramites, revolutionary terrorists and local organizations in Bombay, Poona, Satara, Baroda and other parts of Gujarat, Karnataka, Kerala, Andhra, UP, Bihar and Delhi.
- ▶ Some of the personalities involved were Rammanohar Lohia, Jayaprakash Narayan, Aruna Asaf Ali, Usha Sharma, Biju Patnaik, Chhotubhai Puranik, Achyut Patwardhan, Sucheta Kripalani and R.P. Goenka.
- ▶ Usha Sharma started an underground radio in Bombay. This phase of underground activity was meant to keep up popular morale by continuing to provide a line of command and guidance to distribute arms and ammunition.
- ▶ Active help was provided by businessmen (through donations, shelter and material help), students (acting as couriers), simple villagers (by refusing information to authority), pilots and train drivers (by delivering bombs and other material) and government officials including police (who passed on secret information to activists).

Parallel Governments were the outcome of QIM

- ▶ Parallel governments were established at many places: Ballia (in August 1942 for a week)—under Chittu Pandey. He got many Congress leaders released.
- ▶ Tamluk (Midnapore, from December 1942 to September 1944)—which undertook cyclone relief work, sanctioned grants to schools, supplied paddy from the rich to the poor, organised Bidyut Bahinis etc.
- ▶ Satara (mid-1943 to 1945)—named “Prati Sarkar”, was organised under leaders like Y.B. Chavan, Nana Patil, etc. Village libraries and Nyayaclan Mandals were organised, prohibition campaigns were carried on and ‘Gandhi marriages’ were organised.

Mass Participation in the QIM

The participation was on many levels.

- ▶ Youth, especially the students of schools and colleges, remained in the forefront.

- ▶ Women, especially school and college girls, actively participated, and included Aruna Asaf Ali, Sucheta Kripalani and Usha Mehta.
- ▶ Workers went on strikes and faced repression.
- ▶ Peasants of all strata were at the heart of the movement. Peasants concentrated their offensive on symbols of authority and there was complete absence of anti-zamindar violence. This made the August movement so formidable in certain areas, leading officials to make curious discoveries like an entire Bihar region (Saran) being 'notoriously a criminal district', or of students finding 'very willing allies from widespread criminal population of Bihar villages'.
- ▶ Government officials, especially those belonging to lower levels in police and administration, participated resulting in erosion of government loyalty.
- ▶ Muslims helped by giving shelter to underground Activists. There were no communal clashes during the movement.
- ▶ Communists, despite their anti-war line, felt the irresistible pull of the movement.
- ▶ Princely states showed a low-key response.
- ▶ The role of the laborers was somewhat limited and short lived. The mill workers in general dropped out by August 14-15. The industrial belts of Calcutta and Bombay were largely quiet, probably because of the communist opposition to the movement. Labour participation in the movement was, however, considerable in some centers like Jamshedpur, Ahmadabad, Ahmadnagar and Poona, where there had been little communist activity and where Gandhian influence had contributed to cordial relations between labour and capital.
- ▶ The extent of business participation was considerable at least in the city of Bombay.

Women associated with Quit India Movement

- ▶ **Aruna Asaf Ali:** She is remembered for the daring act of raising the Tricolour at the Gwalior tank in the midst of police brutality following the Bombay Resolution. She was proclaimed an offender by the police and her property was seized. Subsequently, she got involved in the Royal Indian Navy revolt of 1946.
- ▶ **Matangini Hazra:** In 1942, at the age of 73, Hazra led a procession of 6,000 people, mostly women, to ransack a local police station. When they were nearing their destination, the police opened fire and she lost her life in the process.
- ▶ **Sucheta Kripalani:** Before the inception of Quit India, Kripalani had founded the women's department of the Indian National Congress in 1940 with the aim to increase political consciousness among women. When she came to know of the arrest of Congress leaders following the Bombay Resolution, she was entrusted with the job of coordinating efforts among participating groups. Applying every effort to keep out of the eyes of the authorities, she travelled from place to place carrying messages between various local leaders.
- ▶ **Tileshwari Mahanta:** Hoisted the Tricolour at the Behali thana in Assam.
- ▶ **Sashibala Devi:** Involved in the distribution of pamphlets issued by underground organisations.

British Government Repression

- ▶ Although martial law was not applied, the repression was severe. Agitating crowds were lathi-charged, tear-gassed and fired upon.
- ▶ The number of those killed is estimated at 10,000.
- ▶ The military took over, many cities; police and secret service reigned supreme. Rebellious villages were fined heavily and in many villages, mass flogging was done.

Gandhi Fast, Next Steps

In February 1943, a striking new development provided a new burst of political activity. Gandhiji commenced a fast on 10 February in jail. He declared the fast would last for twenty-one days. This was his answer to the Government which had been constantly exhorting him to condemn the violence of the people in the Quit India Movement. Gandhiji not only refused to condemn the people's resort to violence but unequivocally held the Government responsible for it.

It was the violence of the state which had provoked the people. And it was against this violence of the state, which included the unwarranted detention of thousands of Congressmen that Gandhiji vowed to register his protest by fasting.

The popular response to the news of the fast was immediate and overwhelming.' All over the country, there were *hartals*, demonstrations and strikes. Calcutta and Ahmedabad were particularly active. Prisoners in jails and those outside went on sympathetic fasts. Groups of people secretly reached Poona to offer Satyagraha outside the Aga Khan Palace where Gandhiji was being held in detention. Public meetings demanded his release and the Government was bombarded with thousands of letters and telegrams from people from all walks of life — students and youth, men involved in trade and commerce, lawyers, ordinary citizens, and labour organizations. From across the seas, the demand for his release was made by newspapers. The U.S. Government, too, brought pressure to bear.

The fast achieved the following purposes:

- ▶ Public morale was raised again.
- ▶ Anti-British feeling was heightened.
- ▶ An opportunity was provided for political activity.

What was the impact of QIM?

- ▶ The British on their part realized that it would be wiser to try for a negotiated settlement rather than risk another confrontation as massive and violent as the Revolt of 1942.
- ▶ By the end of 1942, the British had come out victorious in their immediate total confrontation with Indian nationalists and the remaining two years of the war in the country. Yet the victory was ambiguous and with several limitations and was possible only because war conditions had allowed really ruthless use of force.
- ▶ British realized that it would be impossible to hold India by force after the war given the likely state of world opinion and army attitudes, as well as the economic exhaustion of Britain.
- ▶ Besides, imprisonment and defeat, it brought certain benefits to the Congress leaders. Isolation in jail helped them to avoid taking a clear public-stand on the anti-Japanese war issue.
- ▶ Also the more important fact was that the glamour of jail served to wipe out the unimpressive record of the Congress ministers in office, thereby restoring the popularity of the organization among the masses.
- ▶ Moreover, the Revolt of 1942 weakened the left alternative in two ways. Brutal repression exhausted temporarily many peasant bases, built up through years of Gandhian constructive work or radical Kisan Sabha activity.

- ▶ It was not only the freedom of India, after 1942 the way this flame erupted against the colonial rule across the world, India's freedom became a source of inspiration for colonies in Africa and Asia. The way this inspiration had spread to various parts of the world had become a cause of tribute to the masses of India.

Quit India Movement 2 – 2016 Maharashtra

- ▶ On the occasion of the Platinum Jubilee anniversary of the Quit India Movement the Government of Maharashtra launched the Quit India Movement 2 against various social ills/evils, in the presence of Union Minister Shri M Venkaiah Naidu. He said that **it is time to convert our 'Swaraj' into 'Suraj'**.
- ▶ The launch took place at the historic August Kranti Maidan in Mumbai, from where Mahatma Gandhi had given the clarion call of Quid India in 1942.
- ▶ Union Minister said that there is a need for the people to respond with similar passion, zeal and commitment to "quit" several social and other evils plaguing the nation and take India to newer heights.
- ▶ Poverty has to be completely eradicated from the country. Providing education to all, Creating employment, Combining development with welfare measures are all part of the larger 'Quit Poverty' campaign and every Indian should supplement the efforts of the government in this regard. Antyodaya is the only way forward.
- ▶ For the nation to achieve faster progress on all fronts, every section of the society irrespective of caste, creed, religion and region should be part of the growth story.
- ▶ To achieve this goal we need to say 'Quit India' to illiteracy, discrimination, disunity and disharmony, terrorism and anti-nationalism, to take the country from 'Swaraj' to 'Suraj'.
- ▶ This time the fight is not against the British, but against the social evils plaguing the state like corruption, farmer suicides, malnutrition, water wastage and terrorism.

75th Anniversary of Quit India Movement

- ▶ Government of India also celebrated this year's Independence Day as 'Azadi 70 Saal – Zara Yaad Karo Qurbani' in a bid to rekindle patriotism among citizens of India, especially among the younger generation.
- ▶ Also, all the Central Ministers and also Chief Ministers of the States have been assigned with two places each for visiting birth places of national icons and places of historical importance related to India's independence movement such as Jallianwala Bagh, Chauri Chaura, Cellular Jail, Sabarmati Ashram, Dandi etc.
- ▶ **Lok Sabha Discussion on 75th Anniversary of QIM** - On the 75th anniversary, Lok Sabha had a special discussion on Quit India Movement. The Prime Minister saluted all the women and men who took part in the Quit India movement and also urged people to take pledge for creating a 'New India' by 2022.
- ▶ **Sankalp se Siddhi Tak** – "Sankalp se Siddhi" campaign has been launched by Government to achieve the goal of a corruption-free India. Prime Minister called for launching this mega campaign, to mark the 70th anniversary of India's freedom, resolving to free the country of corruption, communalism, casteism, terrorism, filth and poverty. He said that another five-year period, from 2017 to 2022, is crucial to solving the major problems of India.

Highlights of the PM Speech in Lok Sabha

- ▶ If we look at the history of the society of the last 100, 200 years, the journey of development was incremental. Slowly the world was moving; gradually the world was changing itself. But in the last 30-40 years, there was a sudden change in the world. There was a sudden change in life. And technology played a greater role. No one can imagine what has changed in the world in these 30-40 years.
- ▶ In 1942, the need of the hour was to free India from colonialism. Now, 75 years later the issues are different. We need to pledge to free India from poverty, dirt, corruption, terrorism, casteism, and communalism & create a 'New India' of our dreams by 2022.
- ▶ PM urged everyone to work shoulder to shoulder to create the India that our freedom fighters would be proud of "#Sankalp Se Siddhi".
- ▶ The world is undergoing a crisis today. Just like in the year 1942 we became the source of inspiration for the world, similarly we can set an example for the world today as well and can be the source of inspiration. Today we are standing at this juncture, where we can avail the opportunity and should take upon this responsibility. We should take inspiration from these episodes of history.
- ▶ If there are 1.25 crore people in the country, then we can easily progress by bringing the solutions to these problems successfully.
- ▶ Corruption can destroy the country like a termite - be it a political corruption, social corruption, or personal corruption. We should celebrate honesty and lead the country with honesty.
- ▶ Poverty, malnutrition, illiteracy are the challenges in front of us. These challenges are not considered as challenges of the government but that of the country.
- ▶ There are grave questions in front of the poor and therefore we all have the responsibility of fulfilling this commitment for the country and to die for the country.
- ▶ Toilets and cleanliness are not a matter of mockery. Those mother and sisters have to spend so much time waiting for the darkness to relieve. Thus, the mind-set of the society needs to be changed. It is necessary to educate the public to use the toilets. We have to be alive to this matter and these values can be instilled not by the law.
- ▶ From 2017 to 2022, 75 years of Quit India and 75 years of independence respectively; within these five years, the same mood that existed between 1942 and 1947 shall prevail.
- ▶ In 2022, we will celebrate 75 years of independence, by that time we should fulfil the dreams of the heroes of the freedom struggle.

Conclusion

In 1942, Mahatma Gandhi had given the slogan of 'Do or Die' but today, in 2017, we need to take the resolution that how will India get rid of corruption and other social evils by 2022.

Inclusive growth, rights to the poor, giving young people more opportunities of self-employment, ending the problem of malnutrition from the country, ending and eliminating the hindrances that stop women from moving ahead are needed now to establish a Better and Prosperous India.

In these five years, from 2017 to 2022, we should fulfil the dreams of the freedom fighters.

GOVERNANCE ISSUE

Parliamentary Panel Report on Surrogacy Bill

Context

In 2002, the Indian Council of Medical Research (ICMR) laid out guidelines for surrogacy, which made the practice legal, but did not give it legislative backing. This led to a booming surrogacy industry which had lax laws and no enforcements.

Then the Surrogacy (Regulation) Bill, 2016 proposes to regulate surrogacy in India. Recently Rajya Sabha Parliamentary Panel Report was laid which have criticized few provisions of the Bill.

Hereby, critically analyzing the surrogacy bill and recommendations of the Panel Report.

What is Surrogacy?

Surrogacy is an “arrangement in which a woman agrees to a pregnancy, achieved through assisted reproductive technology, in which neither of the gametes belong to her or her husband, with the intention of carrying it to term and handing over the child to the person or persons for whom she is acting as surrogate; and a ‘surrogate mother’ is a woman who agrees to have an embryo generated from the sperm of a man who is not her husband, and the oocyte for another woman implanted in her to carry the pregnancy to full term and deliver the child to its biological parents(s)”.

The forms of surrogacy are:

- ▶ **Commercial Surrogacy:** Commercial Surrogacy is a form of surrogacy in which a gestational carrier is paid to carry a child to maturity in her womb and is usually resorted to by higher income infertile couples who can afford the cost involved or people who save or borrow in order to complete their dream of being parents. This procedure is legal in several countries including India. Commercial surrogacy is also known as ‘wombs for rent’, ‘outsourced pregnancies’ or ‘baby farms’.
- ▶ **Altruistic Surrogacy:** Altruistic Surrogacy is a situation where the surrogate receives no financial reward for her pregnancy or the relinquishment of the child (although usually all expenses related to the pregnancy and birth are paid by the intended parents such as medical expenses, maternity clothing, accommodation, diet and other related expenses).

In the past, surrogacy arrangements were generally confined to kith and kin of close relatives, family, or friends, usually as an altruistic deed. But, with the introduction of financial arrangements in the process, surrogacy has extended its network beyond family, community, state, and even across the country. The concept of surrogacy has turned a normal biological function of a woman’s body into a commercial contract. Surrogate services are advertised. Surrogates are recruited, and operating agencies

make huge profits. The commercialization of surrogacy has raised fears of a black market and of baby selling and breeding farms; turning impoverished women into baby producers and the possibility of selective breeding at a price. Surrogacy degrades a pregnancy to a service and a baby to a product.

Thus, to address the issue, government has released the Surrogacy (Regulation) Bill, 2016.

Highlights of the Bill:

- ▶ The intending couple must be Indian citizens and married for at least five years with at least one of them being infertile. The surrogate mother has to be a close relative who has been married and has had a child of her own.
- ▶ No payment other than reasonable medical expenses can be made to the surrogate mother. The surrogate child will be deemed to be the biological child of the intending couple.
- ▶ Central and state governments will appoint appropriate authorities to grant eligibility certificates to the intending couple and the surrogate mother. These authorities will also regulate surrogacy clinics.
- ▶ Undertaking surrogacy for a fee, advertising it or exploiting the surrogate mother will be punishable with imprisonment for 10 years and a fine of up to Rs 10 lakh.
- ▶ The child born through surrogacy will have the same rights as are available for the Biological child.
- ▶ National Surrogacy Board shall exercise the powers and shall perform functions conferred on the Board under this Act.
- ▶ The Board shall consist of the Minister in-charge of the Ministry of Health and Family Welfare, as the Chairperson, Secretary to the Government of India in-charge of the Department dealing with the surrogacy matter, as Vice-Chairperson and three women Members of Parliament, of whom two shall be elected by the House of the People and one by the Council of State as Members.
- ▶ The National Surrogacy board and State Surrogacy board shall be the Policy making bodies and Appropriate Authority will be the Implementation body for the Act.
- ▶ The appropriate authority shall comprise of an officer of or above the rank of the Joint Director of Health and Family Welfare Department, as Chairperson, an eminent woman representing women's organization, as member, an officer of Law Department of the State or the Union territory concerned not below the rank of a Deputy Secretary, as member and an eminent registered medical practitioner, as a member.
- ▶ The surrogacy clinics shall be registered under this Act after the Appropriate Authority is satisfied that such clinics are in a position to provide facilities and can maintain equipments and standards including specialised manpower, physical infrastructure and diagnostic facilities as may be prescribed in the rules and regulations.

Critical analysis of the Bill and recommendations of the Panel

- ▶ **Regressive Legislation:** The Surrogacy (Regulation) Bill, 2016, introduced ostensibly to provide a legal framework for surrogacy in India, is a regressive legislation that seeks to control women's bodies and reinforces heteronormative notions of what a family is. By limiting surrogacy to "altruistic surrogacy" only, it creates space for women being pressured to bear children for family members.

- ▶ **Lack of clarity on ART Clinics:** The committee observes the “inordinate delay” in the follow up to the ART Bill, which includes provisions for regulation of ART/surrogacy facilities. The committee raises the lack of clarity on the “reasons behind bringing a fresh Bill specifically on surrogacy, when a detailed, comprehensive and all-encompassing Bill on ART services had already been drafted by the Department”. The committee asks to be apprised of the reasons behind the decision to draft a separate legislation for surrogacy. It, moreover, opines that bringing the “ART Bill before the Surrogacy (Regulation) Bill, 2016 would have been an ideal attempt for regulation of such clinics.”

This is an important issue raised by the committee, albeit at the very end of the report, given that the highly commercial and unregulated ART industry, located overwhelmingly in the private healthcare sector, has been completely disregarded. Since the surrogacy Bill only permits gestational surrogacy, irrespective of whether commercial or altruistic, it involves procedures such as in vitro fertilisation (IVF) and embryo transfer (ET), which entail a critical role for IVF clinics. It is important to focus on the phenomenon of surrogacy but at the same time, the ART industry that drives it must not remain beyond the realm of regulation.

- ▶ **Commercial vs. Altruistic Surrogacy:** Surrogacy is the practice where one woman carries the child for another with the intention of handing over the child after birth. The Bill prohibits commercial surrogacy and allows altruistic surrogacy. Altruistic surrogacy involves no compensation to the surrogate mother other than the medical and insurance expenses related to the pregnancy.

The Committee recommended a surrogacy model based on compensation rather than altruistic surrogacy. The compensation must take care of several things including the wages lost during the pregnancy, psychological counselling, and post-delivery care. The Committee noted that there is potential for exploiting poor women who become surrogates due to the lack of regulatory oversight and legal protection. However, it also noted that the economic opportunities available to surrogates through surrogacy services should not be dismissed entirely. It further stated that under altruistic surrogacy, permitting women to provide reproductive labour for free without them being paid is unfair and arbitrary.

- ▶ **Rights of Altruistic Mother:** Under the Bill, the surrogate can only be a ‘close relative’ of the intending couple. The Committee noted that altruistic surrogacy by close relatives will always be out of compulsion and coercion, and not because of altruism. Such an arrangement within the family may have:
 - Detrimental psychological and emotional impact on the surrogate child,
 - Parentage and custody issues, and
 - Inheritance and property disputes.
- ▶ The Committee recommended that the criteria of being a ‘close relative’ should be removed to allow both related and unrelated women to become surrogates. Further, the Committee recommended that the Bill must unambiguously state that the surrogate mother will not donate her own eggs for the surrogacy.

It also recognises that “Given the patriarchal familial structure and power equations within families, not every member of a family has the ability to resist a demand that she be a surrogate for another family member. A close relative of the intending couple may be forced to become a surrogate which might become even more exploitative than commercial surrogacy.”

The committee recommends, that altruistic surrogacy be replaced with the “compensated surrogacy model”. Compensation, however, appears to be a deliberate discursive choice, further validated by what the committee recommends

as compensation: “the lost wages for the duration of pregnancy, medical screening and psychological counseling of surrogate; child care support or psychological counseling for surrogate mother’s own child/ children, dietary supplements and medication, maternity clothing and post delivery care”.

Protection of Vulnerable sector

Surrogate mothers are mostly from socio-economically marginalised communities and are part of the informal labour force (such as domestic workers) which provides neither fair conditions of employment nor adequate payment. Thus, calculation of compensation based on the loss of wages is unjust and unethical. The payment to surrogates should, on the contrary, affirm and be founded on the labour that she performs through the process of surrogacy.

The committee’s recommendation of a comprehensive medical insurance cover for the surrogate mother for a period of six years along with life insurance to address any long-term health issues arising from the surrogacy, regardless of the outcome of the process – “...even if there is no take home baby” – is a significant recognition of potential health consequences including in the long term and the surrogate mother’s right to care.

- ▶ **Persons who can avail surrogacy services:** The Bill limits the option of surrogacy to legally married Indian couples. The Committee noted that this overlooks other sections of the society who may want a surrogate child. It recommended that the eligibility criteria be widened and include live-in couples, divorced women, and widows. Further, this facility must be extended to Non-Resident Indians, Persons of Indian Origin, and Overseas Citizen of India card holders but not to foreign nationals.

Under the Bill, the intending couple can undertake a surrogacy arrangement following the inability to conceive after five years of unprotected coitus or other medical conditions preventing conception. The Committee recommended that the definition of ‘infertility’ in the Bill should be as per WHO’s definition where it is the inability to conceive after at least one year of unprotected coitus. The Committee observed that the requirement of a five year waiting period violates the right to reproductive autonomy.

Abortion: Under the Bill, the approval of the appropriate authority (appointed by the central or state government) is required to undertake an abortion during the surrogacy. The Committee recommended a review of this requirement considering the existence of the Medical Termination of Pregnancy Act, 1971 which regulates abortions. Further, it noted that time is crucial in medical emergencies during pregnancy. In such cases, there may not be enough time to seek permission from an authority for performing an abortion to save the life of the surrogate mother.

Conclusion

There is a strong need to modify and make the adoption procedure simple for all. This will bring down the rates of surrogacy. Laws should be framed and implemented to cover the grey areas and to protect the rights of women and children.

There is a need to move for ethical surrogacy. Ethical Surrogacy includes a set of guidelines that ensure that the welfare of the surrogate mother is given fundamental importance.

ECONOMIC ISSUE

Subsidize Rail Losses

Context

After the merger of Railway and Union Budget, the Finance Ministry discontinued the practice of providing annual subsidy to the railways. To end the tussle between Railways and Finance Ministry, PMO has directed the Ministry of Finance to fund the losses incurred by the railways in operating non-profitable trains on strategic lines and backward areas.

Introduction

Every year, the Ministry of Finance reimburses the railways' operational losses incurred on six strategic railway lines and the lines in hilly, coastal and backward areas.

However, after the budget merger, the Finance Ministry argued that since the 'capital-at-charge' of the railways, which represents the total investment made by the Union government in the railways, would be wiped-off, subsidy payment in the form of reimbursement of losses on the strategic lines and other concessions will be discontinued.

Recently, the Railway Ministry had sought compensation but the Finance ministry opposed the motion. Then two parliamentary bodies – Standing Committee on Railways and Estimates Committee recommended that the Finance Ministry should continue compensating the Railways for losses in operating strategic lines. Therefore to solve the issue The Prime Minister's Office (PMO) came in between and has directed the Ministry of Finance to fund the losses incurred by the railways.

Bibek Debroy Committee report on Financial Condition of Indian Railways

Mr. Debroy, an economist, headed the Committee for Mobilization of Resources for Major Railway Projects and Restructuring of Railway Ministry and Railway Board, which submitted its report to the Railways Minister in June 2015.

Report argued that many decisions "like increase in fare, introduction of new trains, provision of halts and establishment of new projects" are taken for reasons other than "commercial considerations".

Further, because of the nature of the accounting systems it uses, the gains and losses of the Railways on its investments are impossible to measure. So the committee made an attempt to work out the cost of running 16 trains – the faster and more expensive Rajdhani, Shatabdi and Duronto – as well as the revenue earned in ticket sale from each train, to work out whether the train runs – literally – on a profit or loss.

Findings of the Report are discussed below:

- ▶ Half the trains are running at a loss, every trip. This includes all the five Durontos, two Rajdhani and one Shatabdi.
- ▶ On average, across the 16 trains, every train runs a loss of Rs 1.7 lakh per trip. Only the Shatabdi, on average, run on a profit, with the Delhi-Bhopal Shatabdi being the most profitable.

- ▶ Even on routes that serve relatively better-off travellers, train tickets are simply priced too low.
- ▶ This has an impact on the Railways' faltering finances - there has been a growing divergence between earnings from passenger fares, and from freight, over time.
- ▶ In 2012-13 for instance, the Railways made just over Rs 37 from each passenger. The bulk of the Railways' long-distance passenger earnings still come from its three cheapest ticket segments, who make up over 95 per cent of all passengers (on non-suburban routes).

Indian railways suffering losses in passenger sector every year

Railways is incurring losses on passenger operations every year. It incurred losses of Rs 33,491 crore on passenger operations in 2014-15 while in 2015-16 the figure was Rs 35,918 crore.

The losses incurred on account of passenger fare are not separately maintained. In order to reduce the loss and earn profit, railways has evaluated various alternatives relating to rationalisation of passenger fare structure and it is an ongoing process.

- ▶ Dynamic fare structure has been introduced in new trains such as Humsafar and Antodaya Express to increase earnings.
- ▶ Flexi-fare scheme has also been introduced in Rajdhani, Shatabdi and Duronto train.
- ▶ Besides, Suvidha and special trains on special charges have been pressed into service to meet the surge in demand during peak seasons, holidays and festivals.

Railways Subsidy from Ministry of Finance

- ▶ Every year, the Indian Railways used to get subsidy from the Finance Ministry for losses incurred on railway operations on strategic lines. After the Budget merger, the Finance Ministry had discontinued the practice of providing annual subsidy to the Railways for operating loss-making strategic routes as the Railways was no longer required to pay an annual dividend.

What are these Strategic Lines? These lines mainly cater to defence movement on border areas and development of social and backward region, in hilly, coastal areas.

- ▶ Recently, two Parliamentary bodies — Standing Committee on Railways and Estimates Committee — recommended that the Finance Ministry should continue compensating the Railways for losses in operating strategic lines.
- ▶ Committee argued that considering the role of Railways in nation building, reimbursement to Railways on their operating losses on strategic lines is justifiable.
- ▶ In 2014-15 the subsidy provided to the Indian Railways by FM for non-profitable routes stood at 4,024 crore and in 2015-16 it was 3723 crore.
- ▶ However in 2016-17, the Railways had budgeted subsidy of 4,301 crore on unviable routes which it didn't receive from the FM as its annual dividend.
- ▶ The Panel felt that compensation helped the Railways in providing relief towards "Socially desirable projects" which are usually loss-making projects.

PMO Directive and Relief to Railways

At a meeting, the PMO directed the Finance Ministry to reimburse the losses following the merger of the Budgets. The meeting was chaired by Nripendra Misra, Principal Secretary to the Prime Minister, to resolve the issue.

The decision comes as a relief to the railways, which feels that the social service obligation borne by it in running non-profitable lines of national and strategic importance should be funded by the Central government.

Conclusion

To fast-track the modernisation of the Railways, the costs of meeting attendant social obligations need to be speedily reimbursed. It would then make it possible for the Railways to better allocate resources for revamping and express upgradation of facilities, and, in the process, opt for modular investments. True, the Railways must, in tandem, boost non-fare revenue and rationalise overheads and sundry costs. But without transparent accounting for and meeting social costs, the Railways would fall short in its economic role in transport and haulage. We must seek clear objectives and not merely muddle along the beaten track of populism and giveaways.

ENVIRONMENTAL ISSUE

Alternative Fuels in India

**Context**

India's energy demand is expected to rise at a compounded annual growth rate (CAGR) of 3.5% till 2040 as it advances on the path of development. Most of it is likely to be imported as currently 80% of crude oil demand is imported. So it is important to look at alternate fuels to reduce import dependence. In this context, government is promoting coal gasification to convert high ash coal into methanol that can be used as cooking gas or fuel for vehicles. We shall look at basics of alternate fuels like Methanol and Dimethyl ether and opportunities available in India for such alternate fuels.

Brief description of Methanol and DME

Methanol (CH_3OH) is a single carbon compound which can be produced from coal, natural gas, biomass (i.e. products which are capable of producing syngas), whereas DME (CH_3OCH_3) which is the simplest ether compound can be produced from methanol or directly from syngas. Methanol is an efficient fuel (octane number 100) and emits lesser NOx and Particulate matter (PM) than gasoline and produces no SOx as there is no sulphur in methanol. It can be blended (or be completely substituted) with gasoline to use as a transport fuel along with other applications. However, methanol is more corrosive than gasoline and may require new equipment for storage and distribution of the same and is also toxic to humans if ingested. Like Methanol, DME is also an efficient fuel and burns with lesser NOx and PM. It is a viable and clean diesel alternative and can also be blended with LPG. It is a non-toxic compound and is safe to handle. The tailpipe emissions from methanol usage are quite low in comparison with conventional fuels like gasoline and diesel, however, the well to wheel (from extraction to final consumption) emissions for coal to methanol production in comparison with gasoline are more which can be reduced with suitable technology.

China – A Role Model

China is leading the world with the largest production of Methanol & DME. China produces 70% of its methanol from Coal as it has the third largest coal reserves in the world. India can also follow the footsteps of China as our Country has the 5th largest coal reserves in the world. Consumption of methanol in China has seen a rapid expansion at a CAGR of 18% over the last decade. In 2016, China blended around 21 MT of methanol with gasoline, whereas India has not started using methanol as a transportation fuel. Let alone, India's gasoline consumption was 22 MT in 2015-16 which is approximately equal to the amount of methanol blended with gasoline in China. Moreover, 90% of the total DME production in China goes into LPG blending. This shows that China has been aggressively pursuing the agenda of alternative fuels, especially using methanol to reduce its import dependence.

Status of Methanol in India

India is at a nascent stage in methanol production and usage, but it has a large potential given its wide applications. Currently, 90% of methanol requirement is met through imports. This is primarily because, it is cheaper for India to import methanol in comparison with domestic production. India imports most off its methanol from Iran (1.31 MT) and Saudi Arabia (0.38 MT), where methanol is produced from natural gas which is abundantly available in latter countries at extremely low prices. On the other hand, India relies on imported natural gas for methanol production due to which it loses its competitiveness in comparison with imports.

However, India does not have a commercial coal to methanol plant. Since, India has large coal reserves, it can produce methanol using coal as a feedstock at competitive prices and save foreign exchange.

Economic Viability of Methanol Production in India

India shall use coal for methanol production which is expected to make it economically viable to produce methanol in India. It is estimated that a coal based production plant with capacity of 1600 tonnes per day would be able to produce methanol at INR 17-19 per liter which is comparable with the cost of imported methanol. Apart from using coal as a feedstock, biomass/municipal solid waste and flared natural gas can also be used for methanol production.

Opportunity for India

Encouraging development of coal based Methanol plant can offer the following opportunities in India:

- ▶ **Methanol and DME to be used as a Transportation fuel:** Methanol & DME can be blended with gasoline and diesel, or can completely substitute the latter fuels respectively giving us an opportunity to reduce our dependence on imported crude oil. India has already set itself an ambitious target of 10% reduction in import dependence of oil & gas by 2022 in comparison with 2014-15 levels which can gel quite well with the use of methanol and DME as alternate fuels.
- ▶ **Methanol and DME to help in achieving the objective of access to clean cooking fuels:** India houses nearly 800 million people without access to clean cooking fuels which largely rely on biomass to meet their cooking requirements. In view of the above, the Government launched an initiative, Pradhan Mantri Ujjwala Yojana (PMUY) under which 5 Cr LPG connections will be distributed to Below Poverty Line (BPL) households which depend on solid biomass for cooking. India imported (9 MT) 46% of its LPG requirements in 2015-16 and in view of the Government's ambition of increasing access to clean cooking fuels through LPG, its imports are only going to rise in the near future. Since, crude oil prices have softened and the crude oil import bill has declined to \$64 billion in 2015-16 from \$144 billion in 2012-13, LPG imports are not hurting much owing to lower prices. However, keeping in mind the scarcity value of crude and its rising demand, the price of crude is going to increase in the long term. Therefore, methanol or DME blending with LPG or the complete substitution of latter through former can not only gradually displace LPG imports, but would also help in enhancing the access to clean cooking fuels in India.
- ▶ **Production of various chemicals:** Methanol can be used for producing various chemicals like formaldehyde, acetic acid and olefins which can be exported and can be high foreign exchange earners.
- ▶ **Compatibility with Swachh Bharat Mission:** Apart from coal, biomass to methanol can also be a viable option for India. Moreover, it can be an opportunity for India to use its landfills to convert it into methanol and avoid problems such as toxins leaching into the soil and release of GHG emissions etc.

Conclusion

The first and foremost step should be create an innovation fund that will support the R&D activities for methanol/DME in India. Secondly, there should be simultaneous development of flexi-fuel vehicles which would be able to run on methanol/DME fuel blends. Moreover, India must set up a mega coal based complex for production of power, methanol and fertilizer in an integrated manner which would significantly reduce the cost of various commodities produced. A task force has been constituted which would work towards the development of overall framework of Methanol production, distribution and utilization in the country. India can and must leapfrog to a Methanol Economy which could significantly reduce its import dependence and carbon footprint.

ECONOMIC ISSUE

Change in Repo Rate and its Implications

Context

The Reserve Bank of India cut repo rate by 25 basis points to 6% in its latest credit and monetary policy review, reducing the key policy rates for the first time in this fiscal year given falling inflation which has come down to around 1.5% in July. Accordingly, the revised reverse repo rate and the marginal standing facility rate will now stand at 5.75% and 6.25%, respectively. Meanwhile, the government is rooting for a rate cut to boost falling GDP growth rate.

In this context, we shall try to understand what repo rates are and how its adjustment impact economic growth.

What are Repo rates?

Repurchase Options or in short Repo, is a money market instrument, which enables collateralised short term borrowing and lending through sale/purchase operations in debt instruments. This is an instrument used by the Central Bank and banking institutions to manage their daily/short term liquidity.

A legal definition of 'repo' and 'reverse repo' was inserted in Reserve Bank of India (RBI) Act, 1934, vide The Reserve Bank of India (Amendment) Act, 2006. The definition is as follow:

- ▶ "Repo" means an instrument for borrowing funds by selling securities with an agreement to repurchase the securities on a mutually agreed future date at an agreed price which includes interest for the funds borrowed;
- ▶ "Reverse repo" means an instrument for lending funds by purchasing securities with an agreement to resell the securities on a mutually agreed future date at an agreed price which includes interest for the funds lent."

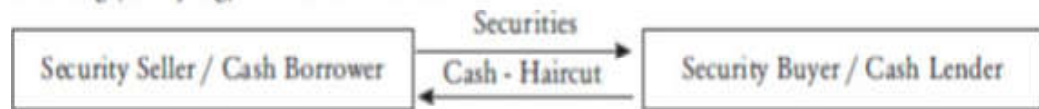
This is the general definition of Repo and Reverse Repo in India. The securities transacted here can be either government securities or corporate securities or any other securities which the Central bank permits for transaction. Non-sovereign securities are used in many global markets for repo operations. Unlike them, Indian repo market predominantly uses sovereign securities, though repo is allowed on corporate bonds and debentures.

Structure of Repo and Reverse Repo

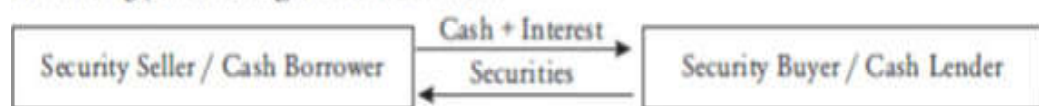
The Repo transaction, as adopted in India, has two legs: in the first leg seller (RBI) sells securities and receives cash while the purchaser buys securities and parts with cash. In the second leg, securities are repurchased by the original holder (RBI). RBI

pays to the counter party the amount originally received by it plus the return on the money for the number of days for which the money was used by it, which is mutually agreed.

First Leg (Ready leg): Initial Transaction



Second Leg (Forward Leg): Forward Contract



Types of Repo Market operating in India and its economic implication

The repo markets operating in India can be broadly classified into two, based on the nature of securities used for repo transactions.

- ▶ **Repo on corporate Debt Securities:** As part of the measures to develop the corporate debt market, RBI has permitted select entities (scheduled commercial banks excluding Regional Rural Banks (RRBs) and Local Area Banks (LABs), Primary Dealers (PDs), all-India Financial Institutions, Non-Banking Financial Companies (NBFCs), mutual funds, housing finance companies, insurance companies) to undertake repo in corporate debt securities since January 2010. This is similar to repo in Government securities except that corporate debt securities are used as collateral for borrowing funds.

Relation between LAF and Repos

LAF is a facility extended by the Reserve Bank of India to the scheduled commercial banks (excluding RRBs) and primary dealers to avail of liquidity in case of requirement or park excess funds with the RBI in case of excess liquidity on an overnight basis against the collateral of Government securities including State Government securities. Basically LAF enables liquidity management on a day to day basis.

The operations of LAF are conducted by way of repurchase agreements (repos and reverse repos) with RBI being the counter-party to all the transactions.

- ▶ **Repo on sovereign securities:** What is typically known as 'Repo market in India' is the repo market based on sovereign securities. It has got actually three different functional segments-
 - RBI Repo or Liquidity Adjustment Facility Repo (LAF) at a fixed rate: The operations of LAF are conducted by way of repos and reverse repos with RBI being the counter-party to all the transactions. It is conducted at a fixed time on a daily basis and on special occasions if liquidity situation warrants so.
 - Market repo among banks and institutions at market determined rates: Market repo rate is determined by the credit worthiness of the borrower, liquidity of the collateral and comparable rates of other money market instruments. Here the seller and buyer can be banks or any authorised financial institution and the collateral used is government securities.
 - Term Repo under the Liquidity Adjustment Facility (LAF) for 14 days and 7 days tenors for banks (scheduled commercial banks other than RRBs) introduced since October 2013, in addition to the existing daily LAF (repo and reverse repo), but the rates are market determined.

In the LAF window, Repo rate, or repurchase rate, is the rate at which RBI lends to banks for short periods. This is done by RBI buying government bonds from banks with an agreement to sell them back at a fixed rate. Reverse repo rate is the rate of interest at which the RBI borrows funds from other banks in the short term. Like the repo, this is done by RBI selling government bonds to banks with the commitment to buy them back at a future date.

In India, overnight repo rate in the LAF window, as fixed by the RBI during its monetary policy announcements, is considered as the policy rate (the key rate based on which all other short term interest rates move). Repo rate changes transmit through the money market to alter the other interest rates in the financial system, which in turn influence aggregate demand - a key determinant of inflation and growth.

If the RBI wants to make it more expensive for banks to borrow money, it increases the repo rate. Similarly, if it wants to make it cheaper for banks to borrow money, it reduces the repo rate. In other words, an increase in the repo rate will lead to liquidity tightening and vice-versa, other things remaining constant.

The policy framework of the RBI aims at setting the repo rate based on a forward looking assessment of inflation, growth and other macroeconomic risks, and modulation of liquidity conditions to anchor money market rates at or around the repo rate. From 2016 onwards, the task of fixing the policy rate is assigned to the Monetary Policy Committee.

Conclusion

Repo and reverse repo are instruments through which RBI modulate interest rates in the economy. Interest rate plays a key role to drive economic growth. In case of low inflation and growth rate, a lowering of repo rates and reverse repo rate would reduce interest rates and stimulate economic growth as consumers can increase borrowing which in-turn increases demand at the same time lower interest rates, makes investment by firms more lucrative thus increasing supply in the economy. Both actions in combination increase output and growth in the economy.

INTERNATIONAL ISSUE

India's Role to Counter ISIS in Philippines

Context

Recently, India has decided to provide financial Aid to the tune of Rs. 3.2 crores to Philippines to help the country war against ISIS. This is for the first time that India has provides Aid to another country specifically to fight ISIS. In this context, we shall look at reason for expansion of ISIS in Philippines and why India provides such financial Aid.

Introduction

Republic of the Philippines is a sovereign island country in South East Asia situated in the western Pacific Ocean. It consists of about 7,641 islands. The Philippines is an officially secular state, although Christianity is the dominant faith. Census data from 2010 found that about 80.58% of the population professed Catholicism. Islam is the second largest religion. Marawi, the capital of Mindanao's Lanao del Sur province and whose mostly Muslim 200,000 population make the city the biggest Islamic community. The battle for Marawi began on May 23, when the Philippine military tried to capture Isnilon Hapilon, the head of a southern militia that has pledged loyalty to ISIS leader Abu Bakr al-Baghdadi. But the army met fiercer than expected resistance. Allied with another pro-ISIS brigade called the Maute Group, Hapilon's fighters overran the city.



Background of Conflict

The siege of Marawi, about 800 km south of the capital Manila, began in May when the Philippine security forces launched an offensive to capture Isnilon Hapilon, leader of the IS-affiliated Abu Sayyaf group. Despite the military offensive, militants remain in control of Marawi which they view as key to their efforts to create an IS province. The civilian toll has been rising, with more than 500 people killed and nearly 4,00,000 civilians displaced. Philippine President Rodrigo Duterte has taken a hard line, vowing to “crush” the militants and declaring martial law over the entire southern Philippines.

Another way of looking at the development is that a little over 5% of the Philippines’ total population of 100 million is Moro, a collective term for various Muslim indigenous groups. Most live on Mindanao, where poverty rates are higher and the provision of education is lower than in the rest of the country. So, in some way this movement is motivated more by poverty and political disenfranchisement than militant jihad.

Marawi is the latest front in what has been a recent surge of apparently ISIS-linked attacks beyond the carnage in Iraq and Syria. But perhaps this conflict’s most crucial significance is the potential for ISIS and its affiliates to grow and spread in Southeast Asia, where many countries are Muslim-majority or have sizable Muslim populations. If the situation in Marawi is allowed to escalate or entrench, it would pose decades of problem as it can prove a pulling ground for would-be jihadists.

So, the whole South East Asia may become a battle ground as evident from ISIS activities in that region. Malaysia suffered its first ISIS attack last June and disrupted another seven plots. Indonesia, the world’s biggest Muslim-majority nation, is particularly concerned about ISIS using the southern Philippines as a gateway to establish a foothold in South East Asia. In long run if this battle is not contained then it may transfuse to Indian sub-continent.

Role of India in Offensive

India has decided to provide a financial assistance of \$5,00,000 (Rs. 3.2 crore) to the Philippines to aid its fight against the Islamic State (IS)-affiliated terror groups in the troubled Mindanao province. This is the first time India is sending aid to another nation to help it fight terrorism, thereby becoming an important marker in New Delhi’s attempts to burnish its credentials as an emerging security provider to the wider Asian region.

India has been putting its view across the world that India remains one of the worst victims of terrorism originating from Pakistan. In this context, India’s support to Manila shows a new-found sense of urgency in standing shoulder to shoulder with other victims of terror.

India has expressed its concerns at the situation and used this crisis to enhance its anti-terror and de-radicalisation partnership with the Philippines. India is also conducting cyber-security training for the Philippine security forces, focusing on de-radicalisation. And with this financial aid, India has emerged as the largest donor in efforts to contain the crisis.

A move to counter China

China has provided 15 million pesos (approximately \$ 3,00,000) in aid compared to India’s 25 million pesos (\$ 5,00,000). India’s engagement with the Philippines is also key to underscoring its growing role in South East Asia where China’s rise has already created serious challenges for the wider region. The regional states are looking at external balancers at a time when America’s commitment to regional security has come under a scanner under the Donald Trump administration. The regional security architecture there is under strain as China’s divide-and-rule policy has made it difficult for regional states to put up a united front.

The Philippines has also been trying to recalibrate its ties with China, the relation between both countries are under stress because Manila dragged China to the Permanent Court of Arbitration (PCA) in the Hague challenging Beijing's claim to almost all of the South China Sea. Though Manila won the case last year, it has not been able to push Beijing to moderate its stance on the maritime dispute and China rejected outcome of PCA ruling in favour of Philippines. However, China pledged \$24 billion in infrastructure investment and loan to pacify Philippines. India cannot easily match China's growing economic profile but it has other means to build partnership with a very important region in its foreign policy matrix. The recent outreach to Manila is an important step in that direction.

Conclusion

Aid to Philippines, a member of ASEAN, is a direct consequence of multiple reasons which include India's own suffering from militancy, a genuine urge to help other victims of Islamic terrorism, a move to demonstrate India's will to provide security in Asia, especially South East Asia and arrest tilt of South Asian countries towards China.

ECONOMIC ISSUE

Low Tax to GDP Ratio: Reasons and Suggestions

Context

The tax-GDP ratio in India is the lowest in its league as compared to China, Brazil and the overall emerging markets' average at 21.4 per cent. The efforts like Demonetization, impetus to digital transaction and laws against black money could be seen in this direction.

In this context, we shall try to understand the concept of Tax to GDP ratio, understand how this ratio differs in Developed and Developing countries, look at the trends of this ratio in India's context. We shall also look at reasons for low tax to GDP ratio and ways to increase it.

What is tax to GDP ratio?

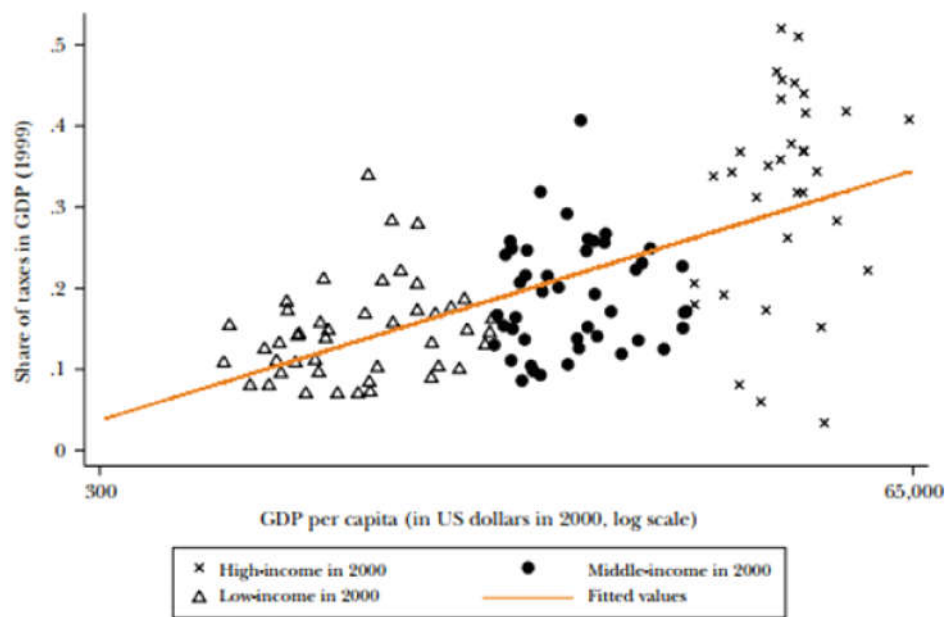
The tax-to-GDP ratio is the ratio of tax collected compared to national gross domestic product (GDP). The ratio gives policymakers and analysts a metric that they can use to compare tax receipts from year to year. In most cases, because taxes are related to economic activity, the ratio should stay relatively consistent. Essentially, as the GDP grows, tax revenue should grow as well thereby ratio remaining constant. However, in cases of major shifts in tax law or during serious economic downturns, the ratio can shift, sometimes dramatically. For example, GST system is expected to increase Tax to GDP ratio because of higher compliance due to simplicity of structure and input tax credit system. During economic downturns, tax revenues typically fall because consumers earn less and spend less, tax receipts tend to fall at a faster rate than GDP, pushing the ratio down.

Tax to GDP ratio: Developed v/s Developing world

Low-income countries typically collect taxes of between 10 to 20 percent of GDP, while the average for high-income countries is more like 40 percent. Poor countries are poor for certain reasons and these reasons can also help to explain their weakness in raising tax revenue.

The above figure provides a further window on the link between tax shares and GDP per capita. It plots the total tax take as a share of GDP against the log of GDP per capita, both measured around the year 2000. Different markers distinguish observations by income level, dividing countries into three equal-sized groups. Clearly, tax shares are positively correlated with income. This means as per capita income increases tax to GDP ratio increases. According to Thomas Piketty, Higher-income countries today raise much higher taxes than poorer countries and the tax share in GDP of today's developing countries looks very similar to what it did a century ago in the now-developed economies of the world.

Country-level Taxes and Income



Another important difference between developed and developing countries is the nature of tax to GDP ratio. High-income countries depend more on income taxes and less on indirect taxes. On the other hand, middle-income countries and especially, low-income countries use indirect taxes much more.

Similarly, low-income countries typically have different and narrower tax bases than high-income countries. This suggests that broadening the tax base, rather than changing the tax rates would be the key to increasing tax revenues in many low-income countries.

Tax to GDP ratio in India

The Tax to GDP ratio in India shows developing country characteristics. The Tax to GDP ratio is in 10% range which has increased from 8.2% in 1974 to around 11% in 2013. The rate of growth has been slow and with patches of ups and down. The highest ratio was achieved during the boom years of 2000-2008 before crisis in Western World.



Reasons for low Tax to GDP ratio

- ▶ **Informal and Small-Scale Firms:** The large informal sectors in poor economies are inherently hard to tax. The incomes of these informal firms and their owners are hard to measure for tax purposes, and taxing their transactions is largely impossible in the absence of formal record keeping. Across countries, the size of the informal sector is strongly negatively related to income taxation. Having a large informal sector makes broad-based taxation of income next to impossible.
- ▶ **Aid and Resource Dependence:** Another reason why the tax take is low in poor countries is that many countries receive significant aid flows, which are a significant fraction of GDP and often larger than domestically generated tax revenues. Availability of aid diminishes the incentive to take actions that would increase the domestic revenue base. Similarly, abundant natural resources have similar consequences, reducing the incentive to generate taxation from domestic sources.
- ▶ **Failure to Take Government Action:** Even though economic growth is important in widening the tax net and increasing the tax base, it does not mechanically translate into a higher tax to GDP ratio. To take advantage of growth and economic development requires the government to invest in improvements in the tax system like VAT and more recently GST introduction in India.
- ▶ **Culture, Norms, and Identity:** Intrinsic motives to pay taxes and to follow the law are also important determinants for tax compliance. One reason why low-income countries have lower levels of taxation may be a weaker ethic of tax-paying than the one that has evolved in high-income countries.

Ways to improve Tax to GDP ratio

- ▶ Political institutions, namely the strength of Executive Constraints (constraints on the power of the executive) have a strong positive correlation with the share of taxes. This means have high tax to GDP potential. So strengthening democracy at field level shall improve tax to GDP ratio.
- ▶ State effectiveness improves the tax to GDP ratio. Some measures of state effectiveness such as low level of corruption and high level protection of property rights leads to higher Tax to GDP ratio.
- ▶ Formalization of informal sector is a key part of the process by which taxation increases with development. Ease of doing business, whip against black money and GST will help in creating incentives for firms to become a part of formal sector economy.
- ▶ Creating a culture of compliance may be central to raising revenue. This require constant motivation to citizens to pay tax and become a part of nation building.

Conclusion

The evolution of taxing power is central not only to the state's capacity to raise revenue, but also to its capacity to provide Public goods and services and to support a market economy. Thus, the power to tax is about much more than raising tax revenues—it is at the core of state development. The most important challenge is taking steps that encourage development, rather than special measures focused exclusively on improving the tax system.

GOVERNANCE ISSUE

Changes Proposed in No Detention Policy


Context

The Union Cabinet has approved the scrapping of the no-detention policy in schools till Class VIII.

An enabling provision will be made in the Right of Children for Free and Compulsory Education Amendment Bill which will allow states to detain students in class 5 and class 8 if they fail in the year-end exam.

Introduction

The Right of Children to Free and Compulsory Education Act or Right to Education Act (RTE) passed in the year 2009 makes education a fundamental right of every child between the ages of 6 and 14 under Article 21A and specifies minimum norms in elementary schools. The Act requires all private schools (except the minority institutions) to reserve 25% seats for the poor and other categories of children (to be reimbursed by the state as part of the public-private partnership plan).

Concerning the higher dropout rate due to being unable to read, write and pass, the Act prohibits schools from detaining or expelling any student up to Class VIII for reducing the higher dropout rate and to have a minimum educated citizenry.

The policy was implemented under RTE Act in 2010 for the holistic development of the students throughout the year and not just twice a year. The idea was also to reduce the number of dropouts from the schools.

Provisions under No-detention policy

- ▶ No student up to class VIII can be failed or expelled from school. All the students up till Class VIII will automatically be promoted to next class.
- ▶ The policy was introduced under Continuous and Comprehensive Evaluation (CCE). It is a process of assessment under the Right to Education Act of India.
- ▶ The main aim of CCE is to evaluate every aspect of the child during their presence in the school. It was also done to reduce the workload of children by taking continuous tests of the students throughout the year.
- ▶ Under the new system, the student's marks will be replaced by grades which will be evaluated throughout the year through a series of circular and extra-circular activities.
- ▶ Under the scheme, grades will be awarded instead of marks to the students. The grades will be awarded based on work experience skills, dexterity, innovation, steadiness, teamwork, public speaking, behavior, etc.

The essence of the policy is that children should not be “failed” and detained up to Class 8. This also means there are no “examinations” in the narrow traditional sense of the word up to Class 8. Instead, the Act mandates a process of Continuous and Comprehensive Evaluation (CCE) to assess and evaluate the student’s learning. CCE regularly assesses student progress in multiple ways and uses the feedback in the teaching-learning process. It gives a continuous progress record and specific inputs for improving learning. Unlike exams, it can also assess things such as social attitudes, creativity, emotional development and perseverance. Research evidence across the world suggests that such methods (called formative assessments) tend to improve student learning.

However, after few years of its implementation the policy has proved to be counter-productive and a wide range of criticism on the issue has been witnessed from various factions of the society.

Faults in the policy

- ▶ The policy has led to students developing a lackadaisical attitude towards their studies. Parents also didn’t bother as their children cannot be held back in the class. This has reduced the quality of education and has led to no difference between good and bad students.
- ▶ This is adversely affecting the children in many ways. It is affecting their education and their all-round development.
- ▶ The fact that the students will be promoted to the next class up till 8 is making them carefree and they have developed an easy-going attitude. They don’t study as there is no fear of failing in them.
- ▶ There is no distinction between the studious and unscholarly students. The students are kept at the same parameter because even if they don’t work hard, they will be promoted to the next class.
- ▶ The policy makers forgot the fact that all the students don’t learn at the same rate. There are some slow learners who require extra attention and care from the teachers. There is a large strength of the students in the schools these days; the slow learners are often ignored.

All this has really deteriorated the quality of students in the country. Many states have asked the Union Human Resource Development Ministry to scrap the no-detention policy.

Teachers especially resent this policy as it takes away the power they have over their students. The teachers cannot hold back or expel the weak students.

The teachers complain about the children developing a lackadaisical attitude. A large number of teachers have reported that some of the students don’t even come for the exams as there is no fear of repeating the class.

The efforts of the teachers go to vain as the students don’t come to schools and even if they come, they don’t pay attention in class or even worse, they disturb the teaching environment of the class.

The instruments for applying CCE have not been properly thought through. They are difficult to understand and are leading to mechanical filling by teachers. The tools for assessment and evaluation thus leave the teachers and children confused, besides being extremely tedious to use.

Parents have not been made aware of the new system and why it has been introduced. Parents have not been told about the new indicators of assessment and the fact that they include a wide range of learning outcomes to the benefit of the child.

Current changes proposed in the policy

- ▶ An enabling provision will be made in the Right of Children for Free and Compulsory Education amendment bill which will allow states to detain students in class V and class VIII if they fail in the year-end exam. However, the students will have to be given a second chance to improve via an examination before detaining them. The Bill will now be placed in Parliament for approval.

Impact of removing No Detention Policy

The removal of No Detention Policy **hits girls and children from SC and ST communities**, as a majority of low achievers who have secured less than 30% have been from SC, ST and OBC backgrounds.

The indirect consequences of moving from no detention to detention is **likely to manifest as increase in child labour and incidences of child marriage** as well as, perhaps a lost opportunity for many children to have at least one nutritious meal in a day.

Way forward

Rather than detaining a child early through a stigmatising test, a progressive system would open avenues for skills training after the elementary level for those who would prefer that over academic studies. Such a model has served industrial nations such as Germany for decades, raising the standard of living for all, while ensuring economic productivity.

The objective is not to relegate academic attainments to a second order priority. On the contrary, the RTE Act has a provision for continuous and comprehensive evaluation, which governments have not found the time to develop scientifically. Raising the quality of classroom teaching, continuous monitoring of teacher attendance and introduction of free vocational and industrial skills training for all those with such an aptitude after elementary schooling should be the priority. Transferring the onus of performance in a narrow testing framework to children, many of whom come from underprivileged backgrounds, can only produce a less literate citizenry. A more open and liberal approach to schooling will have good long-term outcomes.

Conclusion

Learning needs to be viewed comprehensively. It cannot be restricted only to cognitive development but must encompass physical, emotional, social and spiritual development.

All children need love, encouragement, and support, and such positive reinforcement can help ensure that they emerge with a strong sense of self-worth, confidence, and the determination to keep going even when things are tough.

The quality of education of the child determines the quality of life in a nation.

ECONOMIC ISSUE

GST Issue in Petroleum Exploration Sector

Context

Currently, GST is levied on profit petroleum or royalty paid by the petroleum exploration firm to the government. This is a contentious issue as this increases tax liability and consequently reduces incentives to explore petroleum domestically.

Secondly, there are technical issues in the way GST is levied. In this context, a proposal to exempt the profit petroleum paid to the Centre from the Goods and Services Tax (GST) is under consideration and the proposal to rectify this is likely to be taken up by the GST Council at its next meeting in September.

In this article, we should look at various technical terms which are important to understand the issue and look at various facets of levying tax on profit petroleum.

Introduction

The oil and gas exploration and production business is likely to get a boost following a proposal to exempt the profit petroleum paid to the Centre from the Goods and Services Tax (GST).

However, there are many issues related to it. Firstly, we will discuss different terms related to it and then issues.

What is New Exploration Licensing Policy (NELP)?

It is a policy adopted by Government of India in 1997 indicating the new contractual and fiscal model for award of hydrocarbon acreages towards exploration and production (E&P). NELP is still applicable for all contracts entered into by the Government between 1997 and 2016. In March 2016, Hydrocarbon Exploration and Licensing Policy (HELP) replaced NELP. The main objective of NELP was to attract significant risk capital from Indian and Foreign companies, state of art technologies, new geological concepts and best management practices to explore oil and gas resources in the country to meet rising demands of oil and gas.

What is a production sharing contract?

Production Sharing Contract (PSC) is a term used in the Hydrocarbon industry and refers to an agreement between Contractor and Government whereby Contractor bears all exploration risks, production and development costs in return for its stipulated share of (profit from) production resulting from this effort. The costs incurred by the contractor are recoverable in case of commercial discovery. Thus, PSC is a fiscal regime existing in the exploration and production of hydrocarbons.

The Production Sharing Contracts (PSCs) under NELP are based on the principle of “profit sharing”. When a contractor discovers oil or gas, he is expected to share with the Government the profit from his venture, as per the percentage given in his bid. Until a profit is made, no share is given to Government, other than royalties and cesses.

Thus, in production sharing contract (PSC), Government’s take depends on biddable share of profit petroleum/gas after allowing for cost recovery. In other words, PSC allows the contractor to recover his cost, before giving Government its share in the contractor’s revenues.

What is Profit Petroleum?

The production sharing contracts (PSCs) signed for exploration and development of oil fields require operators to pay a pre-determined share of the surplus petroleum output to the Centre as a form of royalty. Currently, such profit petroleum is subject to GST as it has been construed as a payment made by firms for a service.

So, for the purpose of levying GST providing right to exploration to a firm by government is considered as a service. And, exploration firm is buying such a service from Government in exchange for a royalty to the government. However, industry contends that paying a share in profit petroleum to the government is a profit-sharing arrangement rather than a payment for a service so question of levying GST doesn’t arise.

Profit petroleum is a bidding parameter for players under the NELP regime and they are required to share varying amounts of the surplus oil drilled beyond a particular threshold with the government.

What is the issue?

Though profit petroleum is legally taxable, the levy of GST doesn’t appear to be in sync with the PSCs signed under the New Exploration Licensing Policy (NELP). As GST is to be levied on the government’s share of profit petroleum, disputes could arise on whether the contractor can pay the GST out of his own pocket.

Implication of GST on Profit Petroleum

- ▶ GST is not good for reducing India’s dependence on imported oil and gas as it reduces incentives for domestic exploration. So, exempting government’s share of profit petroleum from the GST is necessary.
- ▶ The idea of treating profit petroleum as a cost and levying GST appears odd, as profit petroleum is a royalty and not a cost per se.
- ▶ Levying of GST goes against the idea of ease of doing business and may create negative business sentiments which may deter investment in other sectors also. Already, business sentiments are at all time low due to twin balance sheet problem.

Conclusion

Government should clarify that value of petroleum that a contractor can accrue to themselves in order to recover all contract costs for exploration during a year could be taxable rather royalty paid to the Government. Further, the stance taken for existing NELP on the issue will also extend to the new HELP regime where a revenue-sharing arrangement is proposed. Moreover, proposed change in GST applicability on profit petroleum may give a strong signal for exploration and production players that government is serious about scaling up exploration business domestically.

GOVERNANCE ISSUE

Whistle Blowers Protection (Amendment) Bill, 2015



With the Whistle Blowers Protection (Amendment) Bill, 2015, that severely seeks to undermine the powers under the original Act, being taken up in the Rajya Sabha in the monsoon session, Right To Information activists have written a letter to members of the Upper House urging them to refer the Bill to a select committee. The Whistle Blowers Protection (Amendment) Bill, 2015 amends the Whistleblowers Protection Act, 2014.

Introduction

The Whistleblowers Protection Act, 2014 enables any person (i.e. a whistleblower) to report an act of corruption, willful misuse of power or discretion, or criminal offence by a public servant. This includes all public servants, including Ministers, Members of Parliament, the lower judiciary, regulatory authorities, central and state government employees, etc. Such disclosures are made to a specified Competent Authority who must conduct a discreet inquiry and conceal the identity of the complainant and public servant.

Under the Whistleblowers Protection Act, 2014, any person may make a public interest disclosure against a public servant. Such disclosures are made before a Competent Authority. The Act specifies the Competent Authority for each category of public servant. For example, it would be the Prime Minister for a Union Minister; Speaker/ Chairman for Members of Parliament; the Chief Justice of the High Court for district court judges, the Central or State Vigilance Commission for government servants.

Different countries have enacted laws to protect whistleblowers and provide some exemptions. Table compares the exemptions under whistleblower laws of different countries:

Table 2: Comparison of exemptions in federal whistle-blower laws across various jurisdictions

UK	USA	Australia	Canada	South Africa
<ul style="list-style-type: none"> ▪ National Security [including three intelligence agencies]; ▪ If a person making the disclosure commits an offence by making it; ▪ If it results in breach of legal professional privilege (between a lawyer and client). 	<ul style="list-style-type: none"> ▪ National defence or foreign affairs exempted <i>only</i> if there is a specific Executive Order to keep the information secret; ▪ If a disclosure is specifically prohibited by law. 	<ul style="list-style-type: none"> ▪ Intelligence information; ▪ Information that risks damage to national defence or security; ▪ Cabinet papers not publicly disclosed; ▪ Information received in confidence from foreign government; ▪ Courts and tribunals. 	<ul style="list-style-type: none"> ▪ Special operational information, including those from confidential sources, intelligence, military operations, a foreign entity or terrorist group; ▪ A confidence of the Queen's Privy Council for Canada.* 	No exemptions.

Why the WBP Act is important?

It is the moral obligation of the state to protect people who, at great risk and peril, expose corruption and wrongdoing in the system.

Unless proper institutions and systems are put in place to empower whistleblowers by offering them protection and ensuring that their complaints are effectively investigated into and acted upon, corruption will continue to thrive with impunity in society.

What are the major concerns of the Amendment Bill?

The Bill suggests removal of the clause which safeguards whistleblowers from prosecution under the Official Secrets Act (OSA) if they make a disclosure under the WBP Act. Thus OSA, clause against disclosures will curb freedom of whistleblowers.

It states that no disclosures should contain information which would prejudicially affect the sovereignty, integrity, security, strategic, scientific or economic interests of the state.

The amendment Bill also lays down that “information which relates to commercial confidence, competitive position of a third party etc. also cannot form part of the disclosure made by a whistleblower, unless the information has been obtained under the RTI Act.” The proposed amendment also provided that “if the competent authority receives a disclosure containing information of the nature mentioned above, then the disclosure will not be inquired into and the person making such disclosure will also not be provided any protection under the Act.” The amendments also state that, “No information on any of the above mentioned subjects will be provided during the course of inquiring into a disclosure, even if the disclosure itself did not contain any such information.”

The amendment Bill also provides for creation of an authority by the central/state government which will certify whether or not any information which is a part of the disclosure, or any information sought during inquiry, is of a sensitive nature as specified in the Bill. The certificate issued by this authority will be binding and following certification, the competent authority will not inquire into such disclosure and also, such information will not be provided during the course of inquiry.

Why there are issues in the Amendment Bill?

The National Campaign for Peoples’ Right to Information (NCPRI), have pointed out the flaws that exist with the amendment Bill in its present form. They have cautioned the members of parliament that this Bill is seeking to dilute the effects of the original Whistle Blowers Protection Act by suggesting removal of the clause which safeguards whistleblowers from prosecution under the Official Secrets Act (OSA), if they make a disclosure under the WBP Act and also by stating that no disclosures should contain information which would prejudicially affect the sovereignty, integrity, security, strategic, scientific or economic interests of the state.

How does the provision of the Amendment Bill affect the Act?

If whistleblowers are prosecuted for disclosing information as part of their complaint and are not granted immunity from the OSA, the very purpose of the law will be defeated.

Offences under the OSA are punishable by imprisonment of up to 14 years. Threat of such stringent penalties would deter even bonafide whistleblowers from coming forward.

Government will decide if information sought is sensitive in nature or not.

The activists have questioned this clause stating that “empowering agencies to issue binding certificates, which would mandatorily prevent inquiry into complaints containing information of the nature mentioned in the Bill, will be open to misuse and can become a tool for stalling inquiry into disclosures.

Also, the Amendment Bill completely ignores the predicament of government servants who come across evidence of wrong-doing in the normal course of their working and do not need to file applications under the RTI Act to access information.

What is the way to address concerns of the Bill?

Despite several opposition parties objecting to the dilution of the law and many of them asking for the Bill to be referred to a standing committee, the Bill was passed by the Lok Sabha on May 13, 2015. Now that it has been listed in the business of Rajya Sabha, the activists have urged the MPs to “move an amendment under Rule 125 of the ‘Rules of Procedure and Conduct of Business in the Council of States’, to refer the amendment Bill to a Select Committee” as this would enable a detailed clause-by-clause discussion on it.

There is no justification for not operationalising the WBP Act. It is the moral obligation of the government to immediately promulgate the rules and implement the law to offer protection to those who, at great peril, expose wrongdoing.

GOVERNANCE ISSUE

Sanitation Survey Gramin



The Ministry of Drinking Water and Sanitation has released the findings of the survey of 1.4 lakh rural households, undertaken by the Quality Council of India (QCI) between May and June this year.

Thus, listing the outcomes of the survey and provisions of Swatchh Bharat Abhiyan Gramin.

Introduction

Ministry of Drinking Water and Sanitation has launched a third party verification survey report to take stock of the progress already made by the Mission in rural India. The Quality Council of India (QCI) has conducted a transparent third-party assessment of the present status of rural sanitation in all States and UTs, called Swachh Survekshan Gramin 2017.

Outcomes of the Survey

- ▶ The survey has covered 4626 villages across all States and Union territories.
- ▶ According to the survey 62.45% of the households had access to a toilet.
- ▶ The survey also pointed that 91.29% of the people who had access to a toilet also used it, indicating a change in sanitation behaviour.
- ▶ Northeastern States of Sikkim, Manipur and Nagaland were top performers with 95% rural households covered by toilets.
- ▶ The Himalayan States of Himachal Pradesh and Uttarakhand were second with over 90% toilet coverage of the rural houses.
- ▶ In Bihar, only 30% of the rural household had access to toilets while Uttar Pradesh was marginally better at 37%.
- ▶ Apart from Kerala, Tamil Nadu was the other performer as 79% rural households had access to a toilet. However, neighbouring Puducherry scored poorly with just 43%.
- ▶ Over 4.54 crore household toilets have been constructed since the launch of the Swachh Bharat Mission Gramin. 2,20,104 villages, 160 districts and 5 States declared ODF. Sanitation Coverage has increased from 39% in October 2016 to 66% in August 2017.

Further to encourage states and districts to improve their sanitation coverage and Solid Liquid Waste Management (SLWM), the MDWS will begin ranking all districts in India based on the data available on the SBM-G IMIS quarterly. The ranking will be done based on parameters of performance, sustainability and transparency, and the first ranking will be announced on October 2nd for the July-September period. To instill healthy competition among districts, they will also be given awards based on this ranking on a quarterly basis. The formula for calculating these rankings will be: Total score (100) = Performance (50) + Sustainability (25) + Transparency (25)

About Swachh Bharat Abhiyan Gramin

Swachh Bharat Mission Gramin SBM (G) endeavours to accelerate rural sanitation coverage, reduce open defecation and improve management of solid and liquid wastes. It focuses on ensuring usage of toilets along with their construction. There is a strong emphasis on behaviour change, including a focus on interpersonal communication; strengthening implementation and delivery mechanisms down to the village level; and giving states flexibility to design delivery mechanisms that take into account local cultures, practices, sensibilities and demands.

The focus of the Strategy is to move towards a 'Swachh Bharat' by providing flexibility to State Governments, as Sanitation is a state subject, to decide on their implementation policy and mechanisms, taking into account State specific requirements. This is focused to enable States to develop an Implementation Framework that can utilise the provisions under the Mission effectively and maximize the impact of the interventions. The Central Government role would be to complement the efforts of the State Governments through the focused programme being given the status of a Mission, recognizing its dire need for the country.

The suggested approach would be to adopt the Community led and Community Saturation approaches focusing heavily on collective behavioral change. Emphasis is to be placed on awareness generation, triggering behaviour change and demand generation for sanitary facilities in Houses, Schools, Anganwadis, places of Community congregation, and for Solid and Liquid Waste Management activities. Focus will be on Inter Personal Communication (IPC), especially of triggering of demand and use of toilets through social and behavioural change communication and house to house interventions.

Implementation mechanism

While NBA had a four tier implementation mechanism at the state, district, village, and block level, an additional tier has been added for SBM-G, at the national level. Thus, the implementation mechanisms at the five levels will consist of:

- ▶ National Swachh Bharat Mission (Gramin),
- ▶ State Swachh Bharat Mission (Gramin),
- ▶ District Swachh Bharat Mission (Gramin),
- ▶ Block Programme Management Unit, and
- ▶ Gram Panchayat/Village and Water Sanitation Committee.

At the Gram Panchayat level, Swachhta Doots may be hired to assist with activities such as identification of beneficiaries, IEC, and maintenance of records.

Provision of Swachhata Doots

An army of 'foot soldiers' or 'Swachhata Doots' on sanitation could be developed and activated. These would be through using existing arrangements like Panchayati Raj Institutions, Co-operatives, ASHAs, Anganwadi workers, Women Groups, Community Based Organisations, Self Help Groups, Water linemen/pump operator etc. who are already working in the GPs, or through Swachhata Doots engaged specifically for the purpose. In case existing employees of other Line Departments are to be utilised, their original Line Departments have to be in clear agreement to the expansion of their roles to include activities under the Swachh Bharat Mission.

Key challenges

- ▶ **Mindset of People:** About 590 Million persons in rural areas defecate in the open. The Mindset of a major portion of the population habituated to open defecation needs to be changed. Many of them already have a toilet but prefer to defecate in the open.

- ▶ **Scientific Solid & Liquid Waste Management Sanitation Practices:** There is no professional expertise in to keep the village and water bodies clean and it remains unclear how and where the waste will be disposed and what extent of the responsibility for managing waste lies with citizens.
- ▶ **Sustainability:** The lack of any resources for maintenance of school toilets and community sanitary complexes could result in rapid deterioration and subsequent non-usage of these over time, severely impacting the sustainability of the programme.
- ▶ **Lack of staff:** Inadequate dedicated staff at the Field Level for implementation of rural sanitation.

Way Forward

- ▶ There is need to strengthening of administrative infrastructure at state level, through merging of drinking water supply and sanitation departments to avoid the unnecessary duplication and confusion at present. There is also need to explore Inter Personal Communication through NGOs, SHGs, School children, local women's groups etc for dissemination of information and for motivation of the people.
- ▶ The high degree of policy priority accorded to sanitation with the introduction of Swachh Bharat Abhiyan could go a long way in achieving an open defecation free India in the coming years.
- ▶ A package of comprehensive sanitation and hygiene interventions need to be rolled. It can result in averting 45 percent of adverse health impacts, and avoid all the adverse impacts of inadequate sanitation related to water, welfare, and tourism losses.
- ▶ Community-led public-private partnerships needed to improve access to toilets and awareness campaigns in schools and slums in both urban and rural sectors.

Reframing the problem of waste to reverse belief systems

To change beliefs around dirt and cleanliness, first need to change the popular dialogue around these latent belief systems. **People will be more willing to do their part if understand that:**

- ▶ Waste has value that it can be easily sold or converted into energy or fertilizer.
- ▶ Waste needs to be feared either through punitive measures like fines or through its negative impact on the health and well-being of our families.
- ▶ The act of cleaning itself is not shameful or derogatory.
- ▶ Small steps towards cleaner behaviours are noticed and appreciated.

Culture-led beliefs are never static. At any given time, there are residual and dominant beliefs, but also some new emergent beliefs usually shaped by media, movies, the economy, and political and social discourse. Beliefs around cleanliness can be actively shaped when clean actions are shown in media. Celebrities posing with the humble broom gather sniggers and trolls today, but a repeated message that envelops us across platforms and is subtly embedded in content, especially television, can go a long way in shaping perception.

Conclusion

Since Open Defecation Free villages cannot be achieved without all the households and individuals conforming to the desired behaviour of toilet use, every day and every time, community action and generation of peer pressure on the outliers are the

key. Therefore, behavior change communication should focus on triggering entire communities. Community based monitoring and vigilance committees are essential to create peer pressure. Delivery mechanisms would be adopted to meet the community needs, which is to be decided by the States.

Availability of water in the villages is an important factor for sustaining sanitation facilities created. Conjoint programmes may be prioritised at the District and GP levels under the SBM (Gramin) and the National Rural Drinking Water Programme (NRDWP), to maximize the availability of water for sanitary purposes.

‘Swachh Bharat Abhiyaan’ is not just about cleaning surroundings but also seeking the participation of people in creating trash-free environment, providing sanitation facilities and paving a way for Swachh Bharat eventually. This campaign will not only help citizens adopt good habits of cleanliness but also boost our image as a nation, sincerely working towards cleanliness.

ECONOMIC ISSUE

The Code on Wages, 2017



The Labour Code on Wages Bill, 2015 (Wage Bill) has been introduced by the Ministry of Labour & Employment, Government of India (Ministry) as a part of its often stated aim of reforming labour laws and improving the 'ease of doing business'.

The Union Cabinet has approved the Wage Bill to simplify, consolidate and amend (i) Minimum Wages Act, 1948; (ii) Payment of Wages Act, 1936; (iii) Payment of Bonus Act, 1965 and (iv) Equal Remuneration Act, 1976.

The Bill is aimed at reducing disparity in minimum wages across geographical regions and sectors.

Hereby, analysing the wage code bill and its salient features.

Introduction

The Code on Wages Bill is a major initiative to amalgamate labour laws thereby significantly improving the ease of doing business as well as ensuring universal minimum wage to all. It is in line with the original intent for the much-desired labour reforms as the idea is to do away with the multiplicity of acts and replace them with a comprehensive legislation that is easy to understand, implement and comply with. The labour ministry is in the process of condensing 44 labour laws into four codes—wages, industrial relations, social security and safety, health and working conditions – and Code on wages is a step in this direction.

Salient Features of the Bill

The Wage Bill is a part of the Government of India initiative of reducing myriad labour & employment laws to 4 major codes namely – wages; industrial relations; social security and welfare and occupational safety, health & working conditions. The Wage Bill consists of four chapters ensuring equal remuneration, minimum wages, payment of wages and payment of bonus. Some of the key highlights of the Wage Bill are as follows:

- ▶ **Minimum wage limit:** Currently, State Governments set the minimum wage limit under the Minimum Wages Act, 1948. It appears that the Wage Bill now proposes a universal minimum wage to workers to be set by the Central Government across all States and sectors. States must implement the minimum wage limit set by the Wage Bill, but are at liberty to set a higher minimum wage in their respective jurisdictions.
- ▶ **Applicability:** Currently the Payment of Bonus Act, 1985 is applicable only to workers earning wages below INR 21,000 per month. Similarly, the Payment of Wages Act, 1936 applies to workers earning monthly wages of INR 18,000. Further, certain labour laws are restricted in their application to employees only

in scheduled industries or specific establishments. The Wage Bill entitles all workers to equal remuneration and a universal minimum wage regardless of their wages and type of industry. It provides for payment of bonus to every employee drawing wages less than the amount notified by the Central Government. Payment of bonus further has exclusions for employees of certain Governmental organisations, educational institutions, institutions established not for purposes of profit and employees of any other establishment notified by the appropriate Government.

- ▶ **Wages:** The Wage Bill provides for a uniform definition of wages as opposed to different definitions of wages or remuneration under the extant labour laws. Wages under the Wage Bill are defined as all remuneration (whether by way of salary, allowances or otherwise) expressed in terms of money or capable of being expressed which would be payable to a person employed in respect of his employment on fulfilment of terms of employment, whether express or implied. It, however, excludes bonus, value of any house-accommodation, or of the supply of light, water, medical attendance, contribution to pension and provident fund by the employer, travelling allowance and gratuity.
- ▶ **Payment of wages:** The current Payment of Wages Act 1936 requires payment of wages primarily in cash, and through bank only upon a specific request by the employee. Post demonetisation, the Payment of Wages Act was amended to state that all wages shall be paid in current coin or currency notes or by cheque or by crediting the wages in the bank account of the employee. The Wage Bill now mandates every employer to make payment of wages electronically (bank transfer) or by cheque unless notified otherwise by the Government.
- ▶ **Claims under the Wage Bill:** The Wage Bill requires the relevant State Government to appoint one or more authorities and an appellate authority to hear and decide the claims arising out of non-payment of wages, deduction in wages made in contravention of the Wage Bill, payment of wages below the minimum wages, non-payment of wages for the leave period, non-payment of over time, non-payment of equal remuneration to employees.
- ▶ **Statutory Registers and Returns:** The Wage Bill mandates every employer to maintain a single register (preferably electronic) containing the details of persons employed, wages and other details prescribed by appropriate Government. Employers are also required to file Annual Returns under the Wage Bill. This is expected to ease the compliance burden of the employers.
- ▶ **Facilitators:** Currently, the Payment of Wages Act, 1936, and the Payment of Bonus Act 1965 provide for labour “inspectors” to conduct inquiry and investigation to check compliance with the Payment of Wages Act, 1936. The Wage Bill provides for “facilitators” instead of “inspectors”, who in addition to powers of inquiry and investigation, are also empowered to provide the employers and workers with advice regarding effective means for complying with the law.

Apprehensions

- ▶ It is feared that new legislation will hinder hiring, especially at the entry level, and boost lower-paid informal employment due to increased compensation costs to companies.
- ▶ Having a uniform wage standard in a diverse country like India, where the topography and the cost of living change every 50 km, seems more in sync with a ‘Licence Raj’ than with the ease of doing business or furthering the cause of worker protection.

- ▶ This initiative will hinder the movement of companies to hinterlands where they seek competitive advantage in terms of labour cost. Currently, labour could be hired at low cost in rural areas as cost of living is low in these areas thus providing incentives to firms to relocate. It will also add to the existing problem of job polarisation and people's migration to metros, which are already struggling to cope with the burgeoning population and deteriorating infrastructure.
- ▶ The law goes against basic principle of economics, which stipulates that wages should be determined by the economics of demand and supply. Opportunities for employment should be increased through policy action which would increase demand and consequently wages rather than fixing wages at an arbitrary level which are difficult to monitor. There is a lesson to be learnt from China, which has created avenues for jobs and since the 1970s, the wages have gone up five times compared to the wages in the US.

Conclusion

The Wage Bill expands the scope of application of existing labour laws concerning wages to all establishments without any monetary limit (except in case of bonus), ensuring adequate coverage and protection of workers in relation to their wages. It seeks to reduce statutory compliances for employers by requiring filing of a single register and return. Largely, it seeks to consolidate and rationalise existing laws on wages in India by providing further clarity on thresholds, record maintenance, and mode of wage payment and so on.

POLITICAL ISSUE

High Courts Oppose All-India Judicial Service



Nine High Courts have opposed a proposal to have an all-India service for the lower judiciary, i.e. the district level courts. Eight Courts have sought changes in the proposed framework and only two have supported the idea.

The present article analyses the problems in Indian Judiciary and whether AIJS can solve these issues in the future.

Human resource management issue in Judiciary

- ▶ **Few educational Institutions:** Except few institutions of excellence, almost no effort has gone into improving the standard of legal education across the country. The best law schools in India are few and funded by the State governments.
- ▶ **Unremunerative pay:** Within the small talent pool of India, the judiciary competes by offering very unremunerative pay and limited avenues for career advancement. Despite effort by the Supreme Court to ensure uniformity in pay scales across States, it is still very low. A civil judge (junior division), and the lowest entry level post, can expect a basic pay of Rs 27,700 per month. On the other side top graduates can expect to earn at least three times as much in Private Indian law firms in equivalent entry level positions. Lower pay would also be acceptable, as with the civil services, if the position was accompanied by sufficiently good terms and conditions of service, and a defined career progression. While trial court judges face much the same problem in the case of transfers and such issues as civil services officers, they have fewer avenues for growth and promotion.
- ▶ **Direct entry from the Bar:** According to a study, less than a third of seats in the High Courts are filled by judges from the district cadre. They are also appointed later in their careers and tend to have shorter tenures than judges appointed directly from the Bar. Even if a lawyer is eager to serve as a judge, he/she would rather wait to be eligible for direct elevation to the High Court than have to go through the grind in the district judiciary.

Proposal to create an All-India Judicial Service

The proposal to create an All-India Judicial Service (AIJS) along the lines of the All India Services (AIS) has been debated since the idea was first mooted by the Law Commission in the 1950s. On this line, the current government had given a fresh push to the long-pending proposal. Government had recently suggested to the Supreme Court various options, including a NEET-like examination, to recruit judges to the lower judiciary as there were vacancies of 4,452 judges in subordinate courts in the country.

But Nine High Courts have opposed, eight have sought changes in the proposed framework and only two have supported the idea to have an all-India service for the lower judiciary.

The High Courts of Andhra Pradesh, Bombay, Delhi, Gujarat, Karnataka, Madhya Pradesh, Patna and Punjab & Haryana have not favoured the idea of an All-India Judicial Service. Only the High Courts of Sikkim and Tripura have concurred with the proposal.

The Allahabad, Chhattisgarh, Himachal Pradesh, Kerala, Manipur, Meghalaya, Orissa and Uttarakhand High Courts have suggested changes in the age at the induction level, qualifications, training and quota of vacancies to fill through the proposed service.

The first National Judicial Pay Commission and the National Advisory Council (NAC) also endorsed the institution of AIJS. In fact, the judicial side of the SC has been in favour of AIJS but the administrative side opposes it.

What is All India Judicial Service?

The Constitution of India in its original form did not carry any provision on AIJS. The drafting committee of the Constitution was indecisive in creating AIJS under Article 312. **The committee at last came out with Article 235 which puts the lower judiciary under the control of the High Court.** Therefore the recruitment to lower judiciary in eleven states is being carried out by the High Courts and in seventeen states by the state level Public Service Commission.

The idea of formation of AIJS first came out as a proposal by the Law Commission of India.

The report proposes to recruit the judicial officers by an all India competitive examination. The officers of the higher subordinate judiciary – the District Magistrates – were proposed to be selected by a national competitive test while the officers of the subordinate judiciary other than the District Magistrates by a state level test.

This would entail the formation of an all-India cadre for officers appointed in the rank of additional district judge. The recruitment would be through a national-level examination and it is suggested that up to 25 per cent of the officers in each State could be drawn from this all-India cadre.

Under this proposal the district judges will be recruited centrally through an all-India examination. They will then be allocated to each State along the lines of the All India Services. This is expected to ensure a transparent and efficient method of recruitment to attract the best talent in India's legal profession.

Arguments against All India Judicial Services

Most of the High Court want the administrative control over the subordinate judiciary to remain with the respective High Courts. The arguments are:

- ▶ **Risk of central exam system:** A “national exam” risks shutting out those from less privileged backgrounds from being able to enter the judicial services. It may also end up not taking into account local laws, practices and customs which vary widely across States, vastly increasing the costs of training for judges selected through the mechanism.
- ▶ **Language issue:** There are apprehensions that individuals belonging to one State may face language problems when they are posted in another State. This can be addressed by factoring in the candidates' language skills while deciding on the location of their assignment. The main objective is to ensure a degree of uniformity in the examination process.”

- ▶ AIJS seems to be an inefficient idea so far as judicial reforms in India are concerned and does not solve even a single problem being faced by the Indian judiciary. It neither solves the problem of disproportionately low pay nor the lack of career advancement. While the former is in the hands of the State governments the latter is in the hands of the judiciary itself, but no changes have been made to ensure better district judge representation in the High Courts.

Conclusion

AIJS is a sound idea to attract capable judicial professionals who can make our subordinate judiciary robust by speeding up disposal of cases, ensuring right decisions that do not lend themselves to appeal and thereby bringing down the possibility of appeals to the minimum. The competence and quality of the lower judiciary is crucial for revitalizing the entire edifice of Indian judiciary.

However, the problems of the Indian judiciary at all levels have reached catastrophic levels now. The public is losing confidence in the judiciary despite the latter's assertions. Data shows that they are acting on this belief by filing fewer cases year on year. A combination of delays, cost, uncertainty, inefficiency and corruption are among the problems of judiciary. These problems are less to be solved by centralizing the manner of recruitment of judges.

ENVIRONMENTAL ISSUE

Farmer Suicides and Climate Change


Context

A study published in the journal Proceedings of the National Academy of Sciences has linked climate change with Farmer's suicide.

According to the report, Climate change has led to over 59,000 farmer suicides over the last 30 years in India. The study was carried out using data for all the 32 States and Union Territories.

Hereby, analyzing the report and discussing the issue in detail.

Introduction

Tamma A. Carleton from the University of California, Berkeley and the author of the paper tested the link between climate change, crop yields and suicide by comparing the number of suicides across India during the period 1967 to 2013 with crop yield and climate data. Data on suicides were collected from the National Crime Records Bureau.

The study found that crop losses due to heat damage has caused additional burden on farming households and this at times leads to suicides.

Facts:

- ▶ For every 1 degree C increase in temperature above 20 degrees C during the crop growing season in India, there are about 70 suicides on average.
- ▶ Similar increase in temperature during seasons when crops were not grown did not result in increased suicides among farmers.
- ▶ An increase in rainfall by 1 cm during the crop growing season leads to a decrease of about 0.8 deaths per 100,000, thus lowering the suicide rate by 7% on average.
- ▶ The study also finds that South India which is generally hotter has higher farmer suicide rates.
- ▶ Comparing the yields to growing season temperature for 13 States, the author found that States where the yields are more affected by high temperatures are also the States which report higher suicide rates. Maharashtra, Karnataka, Tamil Nadu, and Andhra Pradesh not only show severe suicide responses to temperature but also the crop yield is more negatively affected by higher temperature.
- ▶ Crop losses and damages from excessive heat led to a fall of 0.5% in annual yield – for every growing-season day that the temperature moved from 18°C to over 30°C.

Hereby, listing the impact of climate change on agriculture.

Impact of Climate Change on Crop Productivity

- ▶ Our agriculture is more prone to monsoon rains as we are growing high water requiring crops like rice and sugarcane.
- ▶ Rainfall in India has a direct relationship with the monsoons which originate from the Indian and Arabian Seas. A warmer climate will accelerate the hydrologic cycle, altering rainfall, magnitude and timing of run-off. Warm air holds more moisture and it will result in an increase in evaporation of surface moisture. Climate change has a direct impact on crop evapo-transpiration. Therefore, change in climate will affect the soil moisture, groundwater recharge, and frequency of flood or drought, and finally groundwater level in different areas. Effect of climate change will affect water cycle.
- ▶ In addition, rise in sea level will increase the risk of permanent or seasonal saline intrusion into ground water and rivers which will have an impact on quality of water and its potential use of domestic, agricultural and industrial uses.
- ▶ Higher temperatures and changing precipitation patterns will severely affect the production patterns of different crops. Agricultural productivity will also be affected due to increased carbon dioxide in the atmosphere. All these changes will increase the vulnerability of the landless and the poor.
- ▶ Several recent analysis have concluded that the higher temperatures expected in coming years will disproportionately affect agriculture in the planet's lower latitudes where most of the world's poor live. In such a scenario, agriculture will need better management of natural resources like land, water and genetic resources to make it more resilient.
- ▶ India has made a National Action Plan on Climate Change which was unveiled in 2008. There are eight national missions that would form the core of the national plan. These include national missions for solar energy, enhanced energy efficiency, sustainable habitat, conserving water, sustaining the Himalayan ecosystem, a "Green India", sustainable agriculture and strategic knowledge platform for climate change.
- ▶ However, there are some innovative responses by water utilities to address these climate change risks and it has resulted in pushing the frontiers in a number of areas. It includes desalination, re-use and storm water harvesting and aquifer recharge.
- ▶ It would be worthwhile to give high priority to "more crops per drop" approach, rainwater harvesting, aquifer recharge, revival of water bodies and conservation technologies.
- ▶ In the last decade, the Central Government has tried to address the issue through several initiatives such as subsidies for micro-irrigation (which optimizes water usage for agriculture), national watershed development project for rain fed areas and artificial recharge to ground water through dug wells in hard rock areas and rural water supply enhancement programmed through the catchment area approach.
- ▶ The major impacts of climate change will be on rain fed or un-irrigated crops, which are cultivated on nearly 60 percent of cropland. A temperature rise by 0.5 degree C in winter temperature is projected to reduce rain fed wheat yield by 0.45 tonnes per hectare.
- ▶ Heat wave can reduce milk yield by 10-30% in first lactation and 5-20% in second and third lactation periods in cattle and buffaloes. It also effect the growth, puberty and maturity of crossbreed of cows and buffaloes.

- ▶ Mortality of fish lings in shallow water ponds. Reduction in fish catch in the water bodies due to movement of fish into the deeper layers.

Where crop yields are most vulnerable to temperature increases, suicides also respond more strongly to those same temperatures such as:

- ▶ Crop losses due to heat damage may cause additional burden on farming households and this at times leads to suicides.
- ▶ Bankruptcy and indebtedness or farming-related issues are the major causes of suicide among farmers in India.
- ▶ High costs of adaptation, poor incentives to adapt, limited access to credit for financing adaptations, difficulty in planning for future risks, incorrect or limited information about the benefits of adaptation, weak government institutions, and poor access to technologies might play substantial roles. Without adaptation, India's "suicide epidemic", the heartbreaking loss of life that signals the incredible challenges faced by those feeding our global population will continue.
- ▶ Households with more economic resources may be able to invest in heat-tolerant seeds, pay the upfront costs of irrigation technologies, or take up crop insurance, while poorer households may be unable to adopt such adaptive strategies.

Solutions

India's average temperature is expected to increase by 3 degree C by 2050. Without investments in adaptations, India might face increased number of lives loss due to suicides. Thus steps needed are:

- ▶ Suitable crop insurance and a prompt compensation of losses due to climate-related factors will help to avoid a sense of hopelessness that leads to suicide. In response, the Indian government established a \$1.3 billion crop insurance plan aimed at reducing the suicide rate but it is unknown if that will be sufficient or effective.
- ▶ Farm-based solutions to protect yields and farming incomes against warming temperatures could include farmers switching to heat-resistant crop varieties, or investing in irrigation technologies to combat rainfall variability.
- ▶ Economic interventions that make incomes less susceptible to climatic fluctuations include taking out crop insurance and creating accessible, well-functioning rural credit markets where farmers can avail low-interest loans for agricultural inputs instead of incurring debt burdens that become insurmountable.
- ▶ Interventions related to soil health, in-situ moisture conservation, through natural resources water harvesting and recycling for supplemental irrigation, improved drainage in flood prone areas, conservation tillage where appropriate, artificial ground water recharge and water saving irrigation methods are required.
- ▶ Steps for crop production through the usage of drought/temperature tolerant varieties, advancement of planting dates of rabi crops in areas with terminal heat stress, water saving paddy cultivation methods (SRI, aerobic, direct seeding), frost management in horticulture through fumigation, community nurseries for delayed monsoon, custom hiring centres for timely planting, location specific intercropping systems.
- ▶ Use of community lands for fodder production during droughts/floods, improved fodder/feed storage methods, preventive vaccination, improved Module III: Livestock and Fisheries shelters for reducing heat stress in livestock, management of fish ponds/tanks during water scarcity and excess water, etc.

- ▶ Institutional interventions either by strengthening the existing ones or initiating new ones relating to seed bank, fodder bank, commodity groups, custom hiring centre, collective marketing, introduction of weather index based insurance and climate literacy through a village weather station.

All these interventions may have the potential to help climatic warming translate into fewer suicides.

More than half of India's working population is employed in rain-dependent agriculture, long known to be sensitive to climate fluctuations such as unpredictable monsoon rains, scorching heat waves, and drought. A third of India's workers already earn below the international poverty line.

Protecting these workers from major economic shortfalls during these events, through policies like crop insurance or improvements in rural credit markets may help to rein in a rising suicide rate.

It can be concluded that the Indian region is highly sensitive to climate change. Agriculture sector is the most prone sector as it will have a direct bearing on the living of 1.2 billion people. India has set a target of halving greenhouse gas emissions by 2050. There is an urgent need for coordinated efforts to strengthen the research to assess the impact of climate change on agriculture, forests, animal husbandry, aquatic life and other living beings.

POLITICAL ISSUE

Low Attendance of Celebrity in Rajya Sabha


Context

12 members are nominated by the President in the Rajya Sabha based on the advice of the government of the day.

According to an analysis by Factly.in, a data journalism portal, the former cricketer Sachin Tendulkar and former actor Rekha have very poor attendance in the Rajya Sabha among the 12 nominated members.

Introduction

Naresh Agarwal, a Rajya Sabha MP from the Samajwadi Party recently raised the issue of poor attendance of nominated celebrity MPs Sachin Tendulkar and Rekha. Latest data from the Rajya Sabha website suggests that Sachin with an attendance percentage of 6.6% has attended the Rajya Sabha 5 days more than Rekha did.

Sachin Tendulkar has attended 23 of the 348 days since his nomination in 2012, Rekha has attended 18 days. Rekha has not attended more than a single day in any session since her nomination in 2012. Rekha has not asked a single question in the House in her nearly five years in the House. Tendulkar fared better by asking 22 questions.

Rajya Sabha Election process

The representatives of each State and of the two Union territories in the Rajya Sabha are elected by the elected members of the Legislative Assembly of the State and by the members of the electoral college for that territory, as the case may be, in accordance with the system of proportional representation by means of the single transferable vote. Votes are given by open ballot.

If a person who is a member of an electoral college becomes subject to any disqualification for membership of Parliament under any law relating to corrupt and illegal practice and other offence in connection with elections to Parliament, he ceases, thereupon, to be such member of the electoral college.

No election by the members of an electoral college can be called in question on the ground merely of the existence of any vacancy in the membership of such college.

The election held every second year to elect new members to replace those retiring is called 'Biennial Election'. The election held to fill a vacancy arising otherwise than by retirement of a member on the expiration of his term of office is called 'By-election'.

Besides the two hundred and thirty-eight representatives of the States and of the Union territories, the Rajya Sabha consists of twelve members nominated by the President who have special knowledge or practical experience in respect of such matters as literature, science, art and social service.

Provision of Nominated members in the Rajya Sabha

- ▶ As per the Constitution of India's Fourth Schedule - Articles 4 (1) and 80 (2), the President nominate a maximum of 12 members to the House, and they shall have special knowledge or practical experience in the fields of literature, science, art and social service.
- ▶ These members are nominated by the President based on the advice of the government of the day.
- ▶ Nomination has been put into practice to bring the most distinguished personalities into the Upper House who cannot face the tough elections. By doing so, the State recognizes their talent and bestows honour on them.
- ▶ It is expected that with their knowledge and expertise they will enrich the debates of the House.
- ▶ Just like elected members, nominated members enjoy all the privileges, powers and immunities. They attend the session. But they cannot vote in the election of the President of India.

Present nominated members:

- ▶ Anu Aga – Industrialist
- ▶ K. Parasaran and K.T.S. Tulsi – Lawyers
- ▶ Sambhaji Chhatrapati – Social worker
- ▶ Swapan Das Gupta – Journalist
- ▶ Roopa Ganguly and Rekha – Actor
- ▶ Narendra Jadhav – Economist
- ▶ M.C. Mary Kom and Sachin Tendulkar – Sportsperson
- ▶ Suresh Gopi – Actor
- ▶ Subramanian Swamy –Politician

Perks and privileges of MP

Each member of the House is entitled to the following:

- ▶ Each member of Lok Sabha and Rajya Sabha is entitled to receive a salary of Rs 50,000 per month during the whole term of office.
- ▶ If a MP signs the Parliament register every day, he is entitled to a daily allowance of Rs 2,000.
- ▶ A Member of Parliament is also entitled to Rs 45,000 as monthly allowance for work in the member's constituency.
- ▶ The MP is also entitled to Rs 45,000 a month for meeting office expenses. Of this amount, Rs 15,000 can be spent on stationery items and postage and Rs 30,000 for a person providing secretarial assistance to the MP.
- ▶ Under the Members of Parliament Local Area Development Scheme (MPLADS) each member could recommend to the concerned District Authority developmental works to the tune of Rs 5 crore per annum to be taken up within the constituency.

Travel

- ▶ An MP is also entitled to travel allowances when he/she is travelling on official duty - either to attend Parliament, a committee meeting or any other duty that is connected to his office. The allowance covers return travel to the MP's usual place of residence.

Accommodation

- ▶ Each MP is entitled to a rent-free flat or hostel accommodation throughout his/her term of office. A member who requests for a bungalow shall pay full licence fee if entitled to such accommodation.
- ▶ After they cease to be MPs, the accommodation can be retained for a maximum period of one month, provided the rent amount is paid by the MP.
- ▶ However, in case of an MP who passes away while in office, the family may retain government accommodation for a maximum period of six months from the date of death on payment of rent.
- ▶ An MP is also entitled to guest accommodation at Western Court Hostel, Janpath.

Other benefits

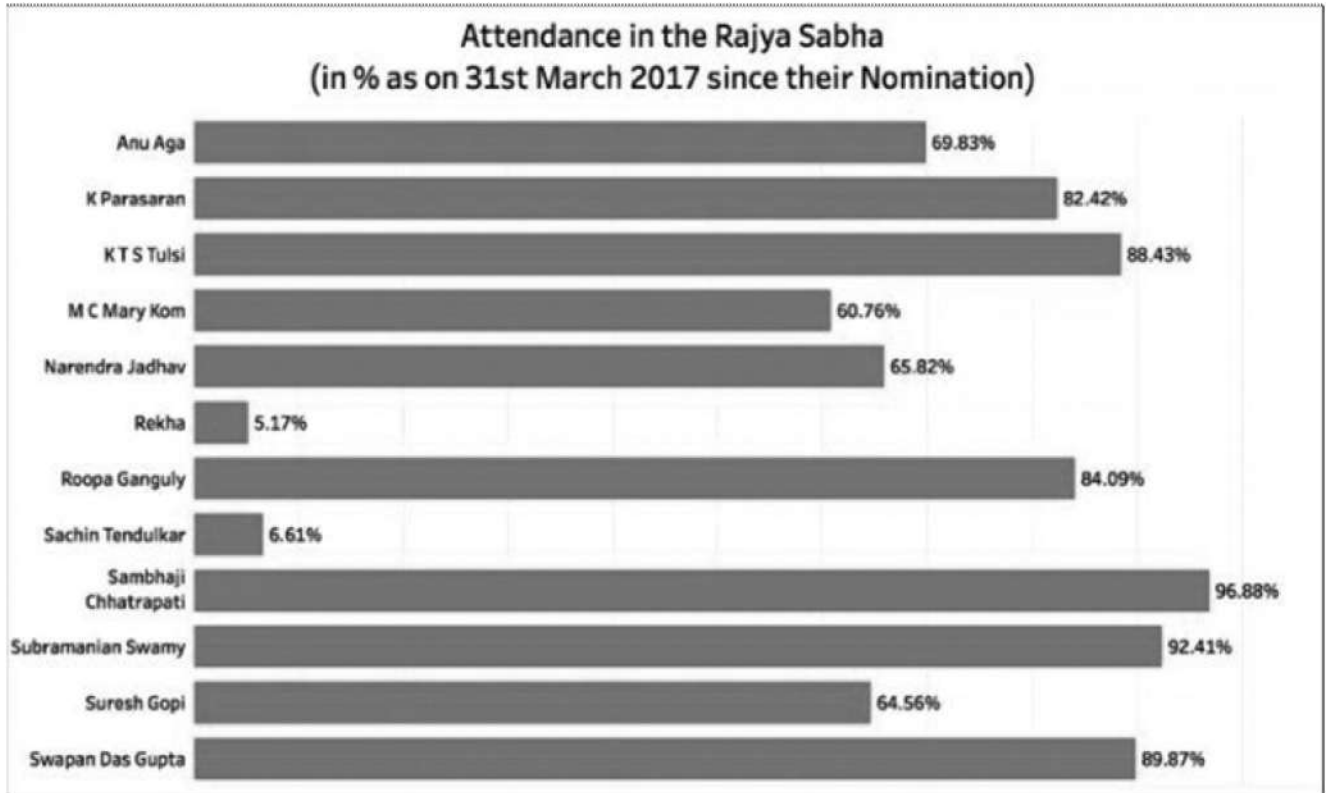
- ▶ An MP is entitled to a loan of Rs 4 lakh to purchase a vehicle. The amount, however, is recovered from the MP's salary in sixty equal installments.
- ▶ A member is entitled to have three telephones. One of which should be installed at the MP's residence or office in Delhi and one at the MP's usual place of residence or any such place selected by the MP.
- ▶ The MP is also entitled to two mobile phone connections, one of which has to be on a BSNL/MTNL network. The MP is also entitled to 3G facilities on these mobile numbers.
- ▶ The total number of free calls on these numbers collectively is 1,50,000 local calls in a year. The 3G data charge is also adjusted within this amount.
- ▶ Other facilities enjoyed by members include washing of sofa covers and curtains every three months, as well as purchase of furniture not exceeding Rs 75,000.

Poor performance and loss to exchequer

The following data shows that the poor performance of Nominated members causes huge loss to the exchequer.

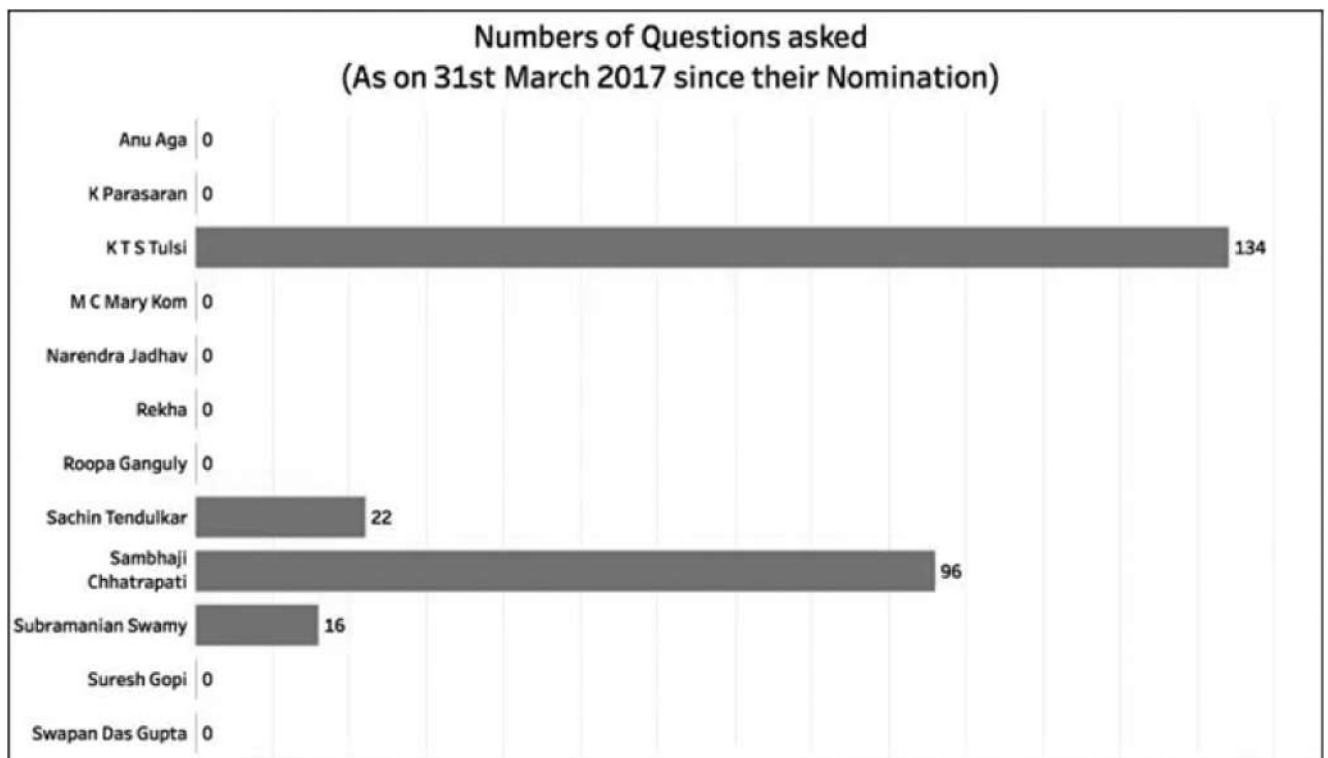
Low Attendance

- ▶ As on 31st March 2017, Sachin and Rekha are the worst performers in attendance of all the nominated members.
- ▶ While Sachin attended only 23 of the 348 days since his nomination, Rekha attended only 18 of the 348 days. In fact, Rekha has the distinction of not attending more than a single day in any session since her nomination.
- ▶ Prior to Sachin Tendulkar and Rekha, several other nominated sportspersons and Bollywood stars have recorded poor attendance in Parliament sessions.
- ▶ Veteran singer Lata Mangeshkar, who was a Rajya Sabha MP from November 1999 to 2005, attended merely six out of over 170 meetings.
- ▶ Hema Malini, M F Hussain, Dara Singh and Mrinal Sen were a few more nominations that recorded poor attendance in Rajya Sabha sessions.



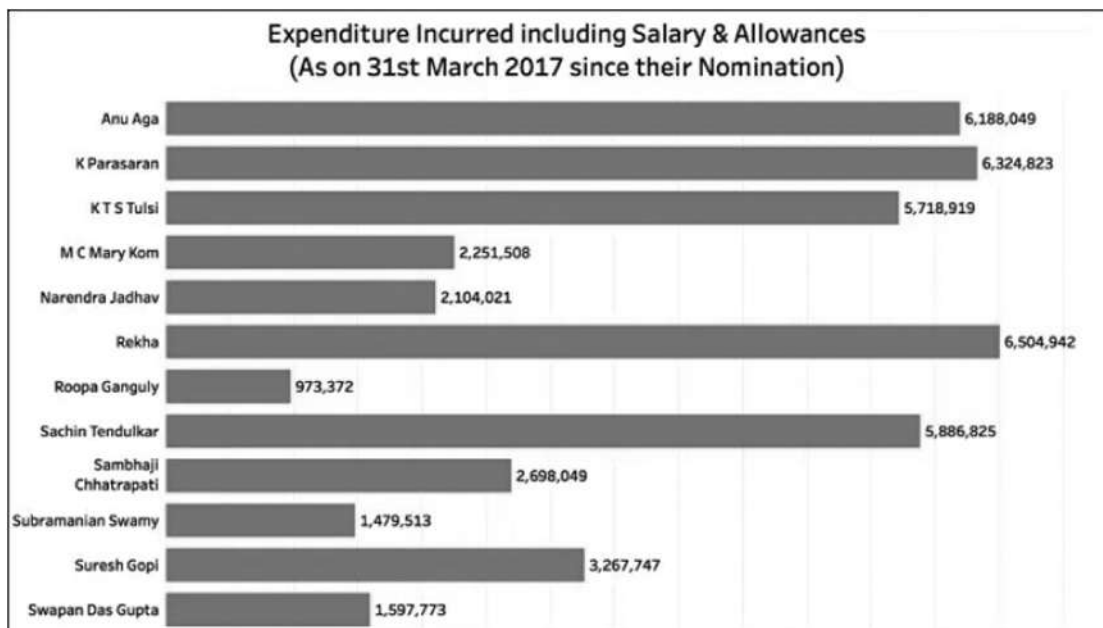
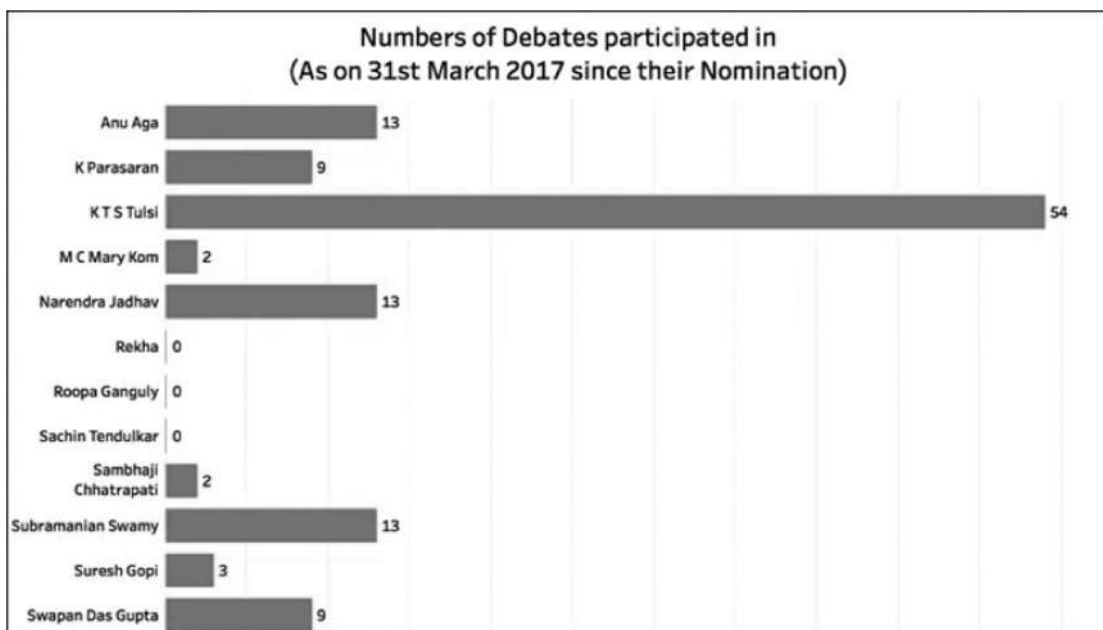
Number of Questions Asked:

- ▶ As on date, Rekha hasn't asked a single question in the house in her close to 5 years in the Rajya Sabha. Sachin fared better by asking 22 questions.
- ▶ Anu Aga who was nominated along with Sachin and Rekha also did not ask a single question till date.
- ▶ K T S Tulsi asked the most questions of all the nominated members. It has to be noted that 7 of the 12 members were nominated only in 2016.



Expenditure incurred:

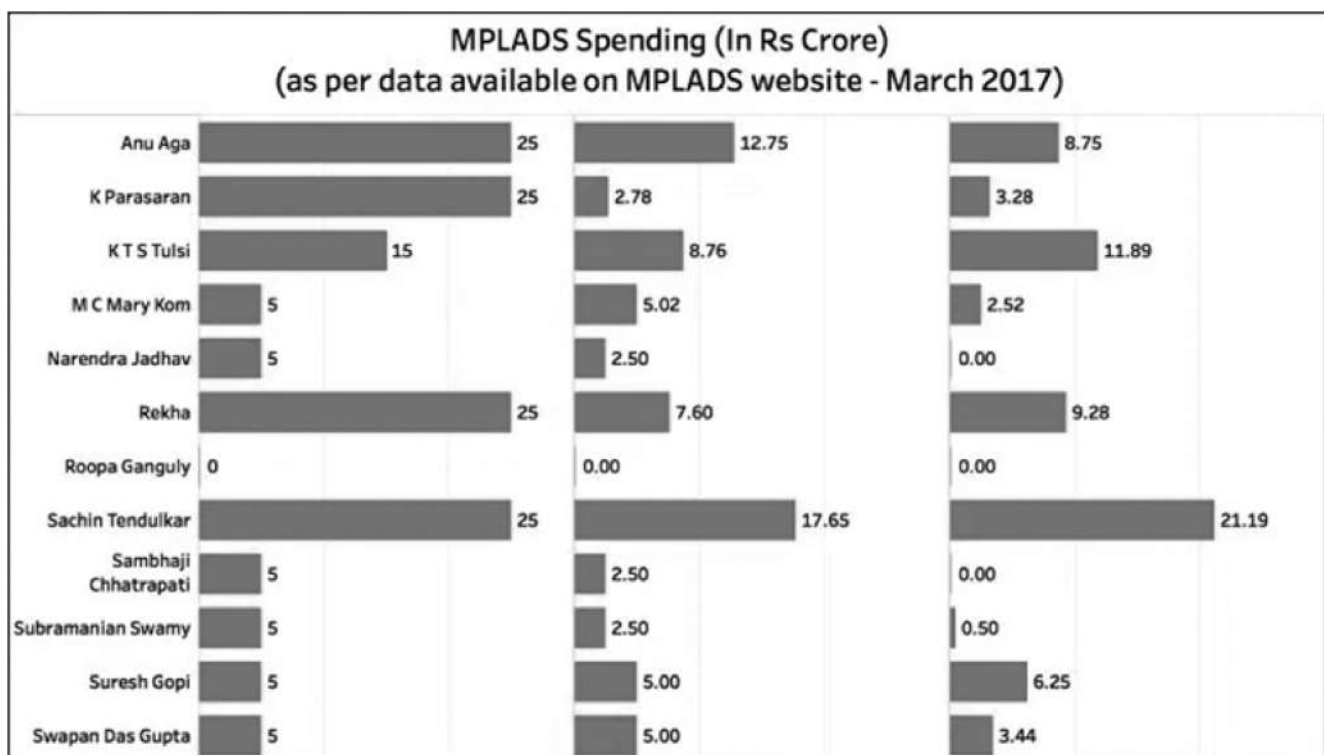
- ▶ Rekha attended the least number of days compared to those who were nominated along with her; the expenditure incurred on her is the highest till date. A total of Rs 65 lakh is incurred on her salary and expenses.
- ▶ Expenditure incurred on Sachin is Rs 58.8 lakh while on Anu Aga is Rs 61.8 lakh.
- ▶ If the expenditure per day of attendance is considered, expenditure incurred on Rekha is Rs 3.6 lakh per day and on Sachin is Rs 2.56 lakh per day.
- ▶ The difference in the expenditure is only because of the TA/DA since all other components are fixed for every MP.
- ▶ If a particular MP attended the house more often than others and has travelled extensively than others, the expenditure incurred on him/her would be high. But in Rekha's case, it is the opposite.


Participation in Debates:


- ▶ Sachin and Rekha, both of them have not participated in a single debate in their close to 5-year stint in the Rajya Sabha.
- ▶ On the other hand, actor Suresh Gopi who was nominated in 2016 participated in 3 debates and boxer M C Mary Kom participated in 2 debates already though she was nominated in 2016.

Role of the members in MPLAD scheme:

- ▶ Under the Member of Parliament Local Area Development Scheme (MPLADS), each MP can suggest to the District Collector of the nodal district chosen by them, works to the tune of Rs. 5 crore per annum.
- ▶ The nominated members may select any district from any State for implementation of their choice of work under the scheme.
- ▶ Of the total Rs 25 crore that Tendulkar is entitled to for the five years, he has recommended works worth Rs 21.19 crore, while Rs 17.65 crore was made available. Rekha has recommended works of Rs 9.28 crore, while Rs 7.6 crore was made available.
- ▶ The Rs 5 crore per annum is not automatically released each year. The first installment of Rs 2.5 crore is released without any condition. The subsequent installments are released subject to conditions such as utilisation of the previous installment.
- ▶ Under MPLADS, the role of the MP is limited to the recommendation of works. Thereafter, it is the responsibility of the district authority to sanction, execute and complete the works recommended by the MP within the stipulated time period.
- ▶ Since the MP only has a recommendatory role, we look at only the amount entitled, amount available to spend and the amount recommended for works.
- ▶ It has to be noted that a greater amount is released by the government provided a greater number of works are recommended by the MP and are executed by the district authority.



Absence of some of the members does not imply that achievers from fields of art and sports lack interest in politics and civic welfare. For instance, former cricketer Mohammad Azharuddin had an attendance of 76 per cent in the Lok Sabha. Moreover, renowned figures of bollywood, namely, Jaya Bachchan, Shabana Azmi and Javed Akhtar have been extremely active in Parliament.

The process of nominating members to the Rajya Sabha needs to be reviewed. It should be more transparent and democratic. Celebrities cannot always be blamed for their lack of participation in the parliamentary proceedings. There may be some issue with regard to their connect with the people, but we should have a system in place that encourages them to participate more in the democratic process.

ECONOMIC ISSUE

ATM Expansion Slows Due to Note Ban

Context

The government's last year move to demonetize higher-denomination currencies was aimed at tackling the issues of black money and counterfeit notes. Consequently, it has revealed the reality of skewed ratio of ATM machines as compared to the population.

Further the latest RBI data showed that a combination of factors, including cash crunch have led to commercial banks cutting down on the number of automated teller machines (ATMs) particularly those not located in branches (off-site ATMs) and increase in the ATMs located in branches.

The present article presents how demonetization led to cash flow chaos and consequently banks opted for slowing down the ATM expansion process in the country.

ATMs can enable financial inclusion

Cash being a dominant means of transacting in India, ATMs installed in remote locations can ensure that the holders of the accounts can withdraw the subsidies or amount credited into their accounts, through the ATMs.

Banks can also enable video-teller services on the ATMs for financial education or solving customer queries.

From the banks' perspective, in the short and middle term, though the ATM channel is an effective channel to service the customers coming under financial inclusion, setting up and running ATMs doesn't come cheap and is not hassle free.

However, the demonetization has reduced the pace of ATM expansion and financial inclusion further.

Demonetization and cash flow chaos in India

On the evening of November 8th 2016 the Indian Government gave the notice that all 500 and 1,000 rupee notes would be cease to be legal tender and would be replaced by new notes in 500 and 2,000 rupee denominations.

The notes being withdrawn made up about 86% of the total value of notes in circulation and 24% of the total number of notes in circulation.

Government's rationale was to thwart counterfeiting and remove 'black money' from circulation in Indian Market. (Black money is the term for money that has been earned, often through criminal activity, without the appropriate taxes being paid.)

It has been estimated that Indians hold around 5 billion US dollars of such black money abroad but there was no estimate available of the value of such money held domestically.

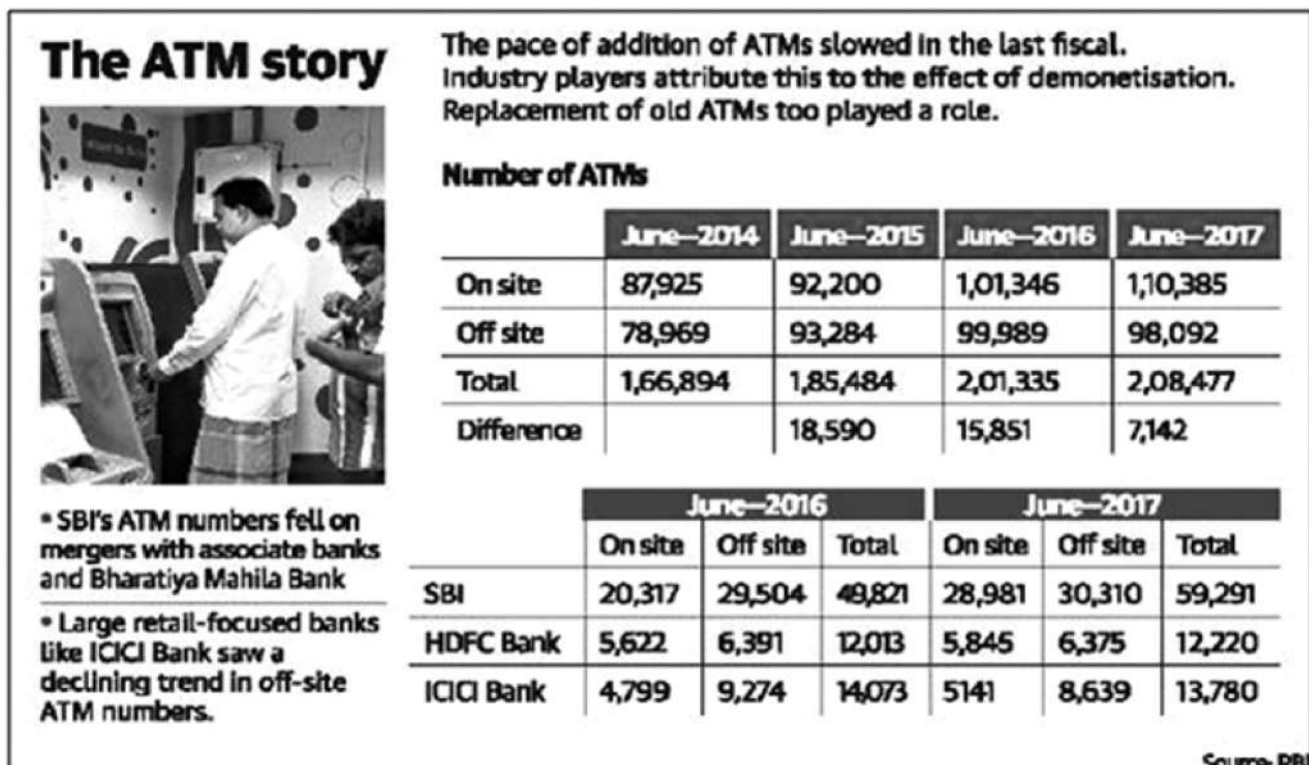
Further, people were given 50 days to exchange their old currency, and the Reserve Bank of India simply didn't have enough notes to meet the demand. This led to huge economic upheaval all over the country.

Impact of Demonetization on ATM

More than 85% of our economy runs on cash and thus require a large surplus of liquid cash in the market. To supplement the need, more than 2 lakh ATM's are in place at various locations across the country. If the country shifts even 10% of its existing transaction from cash to cashless there would be a significant decline in the growth rate of ATM's in the long term.

According to the latest RBI Data, after demonetization by the government of India with the main objective of transforming the country towards a cashless economy and curbing black money, the number of ATMs has been cut down in the country. As the existing number of ATM's are able to meet the demand for the cash requirements, demand for new ATM's would only decrease as we go forward.

According to bankers, demonetization was one of the factors that impacted ATM expansion in India. ATM expansion has slowed, since there was shortage of cash post-November, Banks decided to go slow on expansion.



- ▶ According to Reserve Bank of India (RBI), there were 98,092 off-site ATMs in June 2017 against 99,989 in the same month last year. However, on-site (located within a branch) ATMs rose to 110,385 from 101,346 in the same period.
- ▶ The number of ATMs added between June 2016 and June 2017 was a little more than 7,000 while in the comparable period of the previous year, banks had added almost 16,000 ATMs and more than 18,500 in the year before.
- ▶ The total number of ATMs in the country in June 2017 was 2,08,477 as compared with 2,01,335 a year ago.

- ▶ Large retail-focussed banks like ICICI Bank and HDFC Bank's off-site ATM numbers show a declining trend over the last one year. While HDFC Bank's off-site ATMs decreased to 5,845 from 6,391,
- ▶ ICICI Bank saw the number cut to 8,639 from 9,274. Its overall ATM number at June-end was also lower than in the same month of the previous year.
- ▶ SBI's ATM numbers saw a sharp increase as it merged five of its associate banks and Bharatiya Mahila Bank on April 1, 2017.
- ▶ In addition, ATMs with low footfalls are being relocated. Replacement of old ATMs is another reason why the numbers are not growing at the same pace as earlier years.

Conclusion

Power deficiency, bad roads, poor network connectivity, lack of adequate supply of ATM fit currency notes, law and order problems etc. makes it very difficult for banks to run their ATM channel optimally.

Outsourcing of these activities by banks to ATM Managed Service Providers (MSPs), such as FIS, who are now managing a large number of ATMs in India, has reduced the operational hassles and cost for banks and helped in the expansion of ATMs in the remote corners of the country.

But demonetization has reduced the pace of its expansion. The importance of ATMs cannot be de-emphasized, even in the medium term. ATMs can in fact, make available the fuel for accelerating the financial inclusion process. This needs encouragement from the policy makers in the Government and RBI in terms of additional funding being made available for ATM deployments, clear regulations on interoperability of deposits and cash processing, improvement in the power, road and network infrastructure etc.

Thus steps are needed to expand the network of ATM.

POLITICAL ISSUE

Significance of Strong Opposition in Democracy


Context

Opposition parties have a very significant role in a democracy; it ensures that government in power doesn't turn into a tyranny by keeping a check on its conduct and criticizing its policies. In mature democracies Opposition is considered as 'Government in waiting'. The importance of the opposition was underscored by the founding fathers of the Indian Republic who gave the Leader of the Opposition cabinet rank, putting him or her on par with government ministers. However in recent times Opposition has been playing disruptive role rather constructive role. In this context, we shall look at meaning and role of Opposition part in Democratic governance and present status of Opposition Role.

Introduction

In India, there is a parliamentary system of government, according to which the party with the highest majority through a general election is entitled to form the government and its leader becomes the Prime Minister of the country. The second largest party becomes the opposition party and its leader enjoys the status of the leader of opposition. The ruling party (the government) during its tenure is free to determine the policies and programmes and make decisions for the welfare of the common people.

Why Strong Opposition is required?

Role of opposition is vital for protecting the society from the excesses and corruption of power that innately exist wherever executive power resides. In carrying out this duty, the opposition endeavours to challenge every abuse of executive power; bureaucracy and red tapism; issues of breaches of human rights; waste of public funds. This is essentially a watchdog role and is vital to check executive excesses and stimulate democratic debate. In particular, the specific role of Opposition is as follow:

- ▶ **Scrutiny and Accountability:** One of the main functions of the opposition is its work in scrutinizing the operations of the executive, that is, exercising the oversight of the implementation of the law from the angle of performance and accountability and, especially, the use of the finances granted to the executive for its work. This is perhaps where an opposition can not only make a sound contribution towards the efficient running of the country but also can make its own points and demonstrate how their policies might have achieved better results. There is a battery of mechanisms available to Members interested in scrutinizing the work of the executive. The most visible of these are questions put to the Prime Minister and Cabinet Ministers for answer in parliament during Question hour and Zero hour when Parliament is in session.

- ▶ **Role of the Leader of the Opposition in the Parliament:** Both Houses of the Parliament have a Leader of the Opposition, who is chosen from the largest opposition party. The incumbent has to offer constructive criticism of government policies. He/she has to ensure that House proceeds expeditiously and holds adequate debate on pressing issues. Leader of Opposition has a significant role as a member of selection committee for appointment of head of the institutions like CVC, CIC, NHRC, Lokpal etc. He also represents opposition in JPC (Joint Parliament Committee) and all party meeting.
- ▶ **Role of Opposition Parties in Parliamentary Committees:** One of the most important parliamentary committees has an opposition leader as the Chairman. Public Accounts Committee, which investigates the use of finances granted to the government, is led by a member belonging to an opposition party. Presently, there are 24 Standing Committees of the Parliament segmented as per the departments and ministries. Some of the crucial committees such as finance, external affairs, and home affairs are led by the members of opposition parties. It is under their aegis that the standing committees examine legislations, expenditure plans of ministries and government schemes. Every MP of the House has to go through the recommendations of these committees. As a chairman of some of these parliamentary panels, an opposition leader contributes towards strengthening legislation in an informed and participatory manner. The Opposition party members also have a significant role to play in the ad hoc committees constituted to scrutinize a specific case. The Joint Parliamentary Committee is an apt example in this regard. The committee, which was constituted to probe 2G scam, had 15 members from the opposition party out of a total strength of 30.
- ▶ **As the voice of the voiceless:** The opposition expresses the view of a significant section of the electorate and helps to ensure that concerns of the various groups and other interests not represented in government are not forgotten or trampled upon. It also serves as a vent for the pent-up expression of those whose grievances and voices would otherwise go unheard. This role builds the confidence of the people and reassures them that their concerns and interests are ably expressed and protected.

Current status

Ideally, a constructive opposition would emphasize more on discussion; ask more questions, resolution of problems being faced, help in amendments and passage of important bills. Also unite with ruling government in issues of national interests. At the same time, opposition must warn or bring in focus issues that government is not addressing effectively at its level. However we have seen an unfortunate trend of opposition turning into a disruptive opposition - opposing everything for the sake of opposing - is not good for democracy (and tax-payers). It simply avoids discussion. In the new globalized world where there is strong recognition of universal human freedoms and rights, and where the concept of good governance is rapidly gaining a foothold, the exercise of executive power, and of course, the role of the opposition is subject to new tenets.

Conclusion

If democracy is to be preserved as a viable mode of governance, then the opposition must fearlessly perform its role. The opposition can perform its role fearlessly and effectively, only when it acts responsibly, desisting from disruptive politics and concentrating on people centric issues. Awareness among citizens who question disruptive opposition party could be one of the ways to address the situation.

INTERNATIONAL ISSUE

Sino-Pak Highway: Only Beneficial for China


Context

In a move of great strategic significance, China is planning to deploy its naval ships along with Pakistan navy to safeguard the strategic Gwadar port and develop trade routes under the \$46 billion China-Pakistan Economic Corridor (CPEC).

CPEC, also known as China Pakistan Friendship Highway is claimed to benefit both the countries China and Pakistan mutually but with the unstable Chinese policies of protectionism, intrusive security in Xinjiang Province and capricious customs arrangements and tariffs at the China Pakistan border has created trouble for Pakistani traders. This project is becoming a means to expand Chinese might only and has become a one way street in reality.

Introduction

In 2013, China and Pakistan announced plans to construct an economic corridor to connect Uygur Autonomous Region with the southwestern **Pakistani port of Gwadar**. Together with the proposed BCIM Economic Corridor (BCIM-EC), the China-Pakistan Economic Corridor (CPEC) extends to South Asia the broader trend of **Asian regional economic integration through economic corridors**.

CPEC is the logical culmination of a long drawn Chinese involvement in Pakistan, giving the Chinese navy a foothold in the first overseas location - the Indian Ocean and the Arabia Sea. The China-Pakistan Friendship Highway i.e. CPEC runs over 1,300 km from the far western Chinese city of Kashghar through the world's highest mountain pass and across the border. For China, the two-lane corridor symbolizes a blossoming partnership with Pakistan which is nourished with tens of billions of dollars of infrastructure investment.

The CPEC project is a crown jewel of China's One Belt, One Road (OBOR) initiative which is a massive global infrastructure programme to revive the ancient Silk Road and connect Chinese companies to new markets around the world. Further Beijing and Islamabad signed agreements worth \$46 billion to build transport and energy infrastructure along the corridor and China has upgraded the treacherous mountain road better known as the Karakoram Highway.

But in Pakistan, the significance of the China-Pakistan Economic Corridor (CPEC) is not well understood and for many Pakistani businessmen living and working on the Chinese side of the border, the road is just a one-way street.

CPEC Significance

The Strait of Malacca connects China with global trade through an expansive 12,000 km sea route. Then, to transport their goods to the Xingjian region, the Chinese must travel another 3,500 km over land.

Beijing’s plan is to build a major trade route i.e. the China-Pakistan Economic Corridor (CPEC), connecting Kashghar to the Arabian Sea port of Gwadar. The CPEC reduces China’s route from the Indian Ocean to 3,000 km across Pakistani territory from the Gwadar Port and avoids the Straits altogether.

It facilitates trade by road and rail, while at the same time boosting oil and gas pipelines through infrastructure enhancement. Gwadar has a 200,000 tonne tanker capacity, which presents unmatched opportunities for boosting global economic interactivity within Pakistan. Gwadar is located strategically at the tail of the Corridor and at the confluence of most of the world’s oil-producing states. It automatically becomes one of the largest transshipment ports and envisaged to have an international airport, crude oil refineries and the ability to dock larger ships, turning it into a robust trade and transportation hub.

Projected benefits of CPEC

- ▶ Gwadar port Development
- ▶ Balochistan Growth
- ▶ Mobilization of Pakistan- China Army
- ▶ Development of Xinjiang
- ▶ Reduction in Sea Route Distance to reach Arabian Sea
- ▶ Distance reduction and Cost Cutting between Pakistan and China

However, it failed to bring results for Pakistan and ended to being a One way development road.



CPEC leads to China's Expansion Only

China claims that friendship with Pakistan is as high as the Himalayas and as deep as the sea, but its serving no fruits for Pakistan. Whole idea of China Pakistan Economic Corridor (CPEC) is proving to be all about expanding China's growth. Recently, Pakistani traders complain of intrusive security, capricious customs arrangements from China

Both the countries claim that the project is mutually beneficial but data is against it.

- ▶ Pakistan's exports to China fell by almost 8% in the second half of 2016, while imports jumped by almost 29%.
- ▶ In May 2017, Pakistan accused China of flooding its market with cut rate steel and threatened to respond with high tariffs.
- ▶ Pakistani traders see few benefits from CPEC because of intrusive security and capricious customs arrangements. As If they bring anything from China, it will face no problem. But on the other side tariffs on imported Pakistani goods are not fixed. It fluctuates on a daily basis for ex. If today it's 5%, tomorrow it may shoot to 20%. Sometimes, the Pakistani goods are not allowed to enter Chinese side.
- ▶ Consequently, large-scale importers can absorb the tariffs but the independent Pakistani traders have benefited very little from CPEC.
- ▶ Besides traders also face overbearing security in China. Over the last few years, Beijing has flooded Xinjiang with tens of thousands of security personnel and imposed draconian rules to eliminate "extremism", as it has large Muslim population.

Implications for India

- ▶ Pakistan has always suggested that India should shun its "enmity" with Pakistan and join the \$46 billion China-Pakistan Economic Corridor project because the Chinese foreign ministry has called the CPEC a "goodwill gesture". But the suggestion was odd as India has no dialogue with Pakistan at present, and has opposed the project, bilaterally with China "at the highest level" as well as at the UN.
- ▶ India's relations with China have deteriorated considerably since President Xi Jinping's visit to Pakistan to announce the CPEC project and further with the recent Doklam standoff. However, not only has the corridor taken shape rapidly, China and Pakistan have been drawn into a closer embrace, with Pakistan investing considerable resources in securing Chinese officials working on CPEC, and China redrawing its plans for the One Belt One Road to Central Asia to incorporate Pakistan's interests.
- ▶ India has done well to shore up relations with others in the region, it cannot afford to be blindsided by their involvement with the OBOR project and Chinese plans. CPEC is no longer a project in Pakistan, but one that runs through it.
- ▶ While there can be little expectation of any room for India in CPEC at present, there is space for India to step back and take further decision very cautiously.

ECONOMIC ISSUE

Impact of GST on Logistics Industry

Context

Logistics is considered to be the backbone of manufacturing and trading activities in the economy. It has a critical role to play for developing countries like India wherein consumption is growing and demand is always high. We can fairly assume that a well organized and mature logistics industry has the potential to leapfrog the "Make In India" initiative of the Government of India to its desired position.

According to the experts Goods and Services Tax (GST), could affect profitability of the logistics sector in the short run, but operational efficiency is bound to improve in the long run. Hereby discussing the impact of GST on Logistics Industry in detail.

Introduction

Logistics companies in India have evolved over the years from being meagre first-party logistics providers (1PL) to second-party logistics providers (2PL) to integrated fourth-party logistics providers (4PL) by providing a complete package of logistics services, including transportation, warehousing, pool distribution, packaging solutions, inventory management, management consulting, logistics optimization, last-mile delivery, etc and complementing them with advanced supply chain facilities.

The Indian logistic sector is primarily categorized into four segments comprising transportation, warehousing, freight forwarding and value-added logistics. The transportation which contributes maximum to the whole pie of logistic sector comprises various means such as road, rail, air and water. India being emerging country with prime dependency upon transportation through land, i.e. through road and rail together which contributes about 60% followed by Warehousing 24.5% comprising industrial and agricultural storage.

The Indian logistics industry is continually growing at a rate of 15 per cent. With over seven million goods vehicles moving around the country, the freight volume has reached 1,325 billion ton per km, a figure that is supposed to double by 2025. However, as a nation, we spend almost 14 percent of our GDP on transportation and logistics, whereas in developed countries the spend is around 6-8 percent.

Current Issues and challenges

Despite being a lower cost service providing country, India has higher logistics cost due to various issues and challenges faced by the industry. Some are discussed below:

- ▶ The most essential challenge faced by the industry today is insufficient integration of transport networks, information technology and warehousing & distribution facilities.

- ▶ Regulations exist at a number of different tiers, is imposed by national, regional and local authorities. However, the regulations differ from city to city, hindering the creation of national networks. Currently, each of India's 29 states taxes goods that move across their borders at various rates. As a result, freight that moves across the country is taxed multiple times.
- ▶ Apart from being entangled in complex tax structure, the industry is also affected by poor rate of customs efficiency of clearance processes and procedures thus affecting the international export logistics stratum.
- ▶ Furthermore, sub-optimal comfort provided by the existing Indian infrastructure combined with lack of implementation of efficient IT-enabled tracking and tracing mechanisms has adversely affected the performance of logistics.
- ▶ Trained Manpower is essential both for the third party logistics sector as well as the manufacturing and retailing sectors, which is very weak at a practical level, i.e., IT, driving and warehouse as well as at a higher strategic level.
- ▶ The disorganized nature of the logistics sector in India, its perception as a manpower-heavy industry and lack of adequate training institutions has led to a shortfall in skilled management and client service personnel. There is a lack of IT standard, equipment and poor systems integration.

What impact would GST have on logistics sector?

For manufacturers, the Goods and Services Tax (GST) has now replaced the multiple state VATs and the need to have a hub across all states will cease to exist.

This will allow firms to redesign supply chains and centralize hub operations to take advantage of scale economies.

It will also allow firms to employ efficient practices such as bulk-breaking and cross-docking from a central location. Already, Nagpur, India's "zero mile city", is looking to become the "nation's warehouse" and is witnessing increased investment from retailers and warehouse companies betting on GST transforming the nation's logistics space.

For transport services, the "reverse charge mechanism" can be levied as before but the taxpayer will not be able to claim input tax credit, as the main input cost is fuel which is outside the purview of GST. This may work to the advantage of small/medium transporters who may be unable to comply with tax filings every 20 days. But this can have an impact on businesses hiring the services of transporters and in case of service charge, being liable to pay taxes, cannot claim the input tax credit. So, there is bound to be some friction in negotiation and payment for transport services and a disruption in the industry as big players might exit pure transportation business and get into more value-added services.

Under GST, the tax on warehouse, storage and other labour services has increased from 15% to 18%. So a third-party logistics provider will now have more incentive to move towards the provision of services that have a high degree of value addition and where input tax credit can be claimed. This can result in consolidation in the storage and warehouse sector.

Ease of entry across states will reduce transportation delays with measures such as the e-way bill.

The average speed of freight transportation has been increased from the current 20-25 km per hour to 40 km per hour. Trucks that were earlier doing 200 km a day would do 400 km now.

GST will bring a lot of alignment of value-added services in the logistics sector. This will make way for cutting-edge investments and mergers and one will see a phenomenal increase in asset utilization and increase in operational efficiency. There will be new investment opportunities for technology-enabled mini warehouses along the highways and the sector will witness a fresh wave of technology enabled start-ups.

The following table illustrates the expected benefits that Logistics industry would derive post implementation of GST:

	Pre GST	Post GST
Interstate tax burden	Currently, each of India's 29 states taxes goods that move across their borders at different rates apart from that Corporate state tax of 2% is levied for inter-state goods transfer.	Not applicable. Uniform taxation and no varying tax structures would be allowed across states.
Nature of the industry	Current interstate taxation has resulted in a large number of unorganized players in this industry. Resulting in fragmented industry.	With the introduction of GST, there is likely to be major consolidation in the industry. It could see the emergence of major large players who can span the entire logistics chain.
Logistic time	Due to trade barriers, such as entry taxes, local body taxes, OCTROI and other hurdles, trucks lie idle for 30 to 40% as per industry estimates during their delivery schedule.	Improvement in the logistic time after phasing out the border check posts resulting in improvement in operational efficiency through quicker and increased number of deliveries along with reduction in logistic cost during the transit. As per world bank estimation Indian corporates can save up to 30-40% of logistic costs incurred due to stoppages at various tolls and check posts.
Cost	The existing interstate taxation system has forced the companies to create and maintain warehouses in each state. Currently, there are around 20-30 warehouses per company, one in every state, in addition to this 20-30 Carry & Forwarding agents per state making the supply chain longer and inefficient.	GST tax will be levied on transportation of goods and full credit will be available on interstate transactions. Logistic costs are expected to be decreased by 1.5-2.00% of sales on account of optimization of warehouses leading to lower inventory costs which are set up across states to avoid paying 2% corporate sales tax and phasing out of interstate sales tax. There is immense scope for optimization of costs.

Conclusion

The logistics sector is being touted as one of the main beneficiaries of the new GST regime. Initially, there is bound to be an increase in compliance and adjustment costs as the frequency of filing returns will increase and the input tax credit will require compliance of each and every player in the entire value chain. This will result in uncertainties and affect the profitability of the sector in the short run. In the long run, operational efficiency is bound to improve. And while GST won't solve many intrinsic problems of India's transport network, it could reduce the logistics costs of companies producing non-bulk goods by as much as 20%, according to an estimate by Crisil Ltd.

GEOGRAPHICAL ISSUE

Significance of Canal Irrigation



The IWAI is working for the restoration project of the Buckingham Canal. A MoU has been signed by the Centre and the Andhra Pradesh government to get the project going through a special purpose vehicle and involves the Visakhapatnam Port Trust. The idea is to develop the waterway to Class-III navigation standards for running 1,000-tonne-capacity vessels.

Hereby discussing the significance of canals and steps needed for its restoration.

Introduction

Rain water is considered as one of the most ideal sources of irrigation if in case it is timely & adequately received. But rainfall in India varies in different regions. It is uncertain, uneven & prominently seasonal. Notwithstanding that long dry period in India also badly affects the agriculture. Irrigation in India, carried are on in three different ways according to their sources such as; by canals, by wells or tube wells, & by tanks.

The irrigation system consists of a (main) intake structure or (main) pumping station, a conveyance system, a distribution system, a field application system, and a drainage system

- ▶ The **(main) intake structure**, or (main) pumping station, directs water from the source of supply, such as a reservoir or a river, into the irrigation system.
- ▶ The **conveyance system** assures the transport of water from the main intake structure or main pumping station up to the field ditches.
- ▶ The **distribution system** assures the transport of water through field ditches to the irrigated fields.
- ▶ The **field application system** assures the transport of water within the fields.
- ▶ The **drainage system** removes the excess water (caused by rainfall and/or irrigation) from the fields.

Canal Irrigation

On-farm irrigation scheduling requires a canal irrigation delivery system that provides water at the expected time, rate and duration.

Canals can be an effective source of irrigation in areas of low relief deep fertile soils, perennial source of water and extensive command areas. Therefore the main concentration of canal irrigation is in the northern plain of India, especially the areas comprising Uttar Pradesh Haryana Punjab and Bihar.

The digging of canal in rocky terrain and uneven areas are costly and uneconomic. Thus the canals are particularly absent from the peninsular India. However the coastal areas and the deltaic region do have some canals.

Broadly speaking, canals in India are of two types, viz.,

- ▶ **Inundation canals**, which are taken out from the rivers without any regulating system like weirs etc. at their head. Such canals provide irrigation mainly in the rainy season when the river is in flood and there is excess water.

When the rainy season is over, the flood in the river subsides, the level of water falls below the level of the canal head and the canal dries up. Some canals taken off from the Satluj in Punjab were of this type. Since irrigation from this type of canals is uncertain, they have been converted in perennial canals.

- ▶ **Perennial Canals** are those which are taken off from perennial rivers by constructing a barrage across the river. Most of the canals in India today are perennial.

Significance of canals

- ▶ Most of the canals provide perennial irrigation and supply water as and when needed. This becomes important as in India the rainfall is limited in both time and space.
- ▶ This saves the crops from drought conditions and helps in increasing the farm production. Maintenance cost of canals is relatively lower although the initial cost is high.
- ▶ Canals carry a lot of silts brought down by rivers. This sediments is deposited in the field hence increase the fertility of the land.
- ▶ Canal system is a permanent structure, hence only maintenance is required for getting its benefits for a long time.
- ▶ Canals are multi-purpose where apart from irrigation hydro electricity generation, navigation, drinking water supply and fishery development is also done.
- ▶ Groundwater level does not go down on account of canal irrigation, but on the contrary water level increases, which facilitates digging of wells.

Limitations of Canals

Canals though have great advantages but they are not free from limitation as well.

Canals are generally not deep and since they are open they may dry up. And the water soaks into the ground and leads to the problem of waterlogging, the marshy areas near the canals act as breeding grounds for mosquitoes, and the excessive flow of water brings the salt to the surface making the soil infertile. Waterlogging and salinization are some of the major problems of Irrigation. It has been discussed below:

- ▶ **Water logging:** It is an important problem associated with canal. This leads to creation of unwanted marshy lands hence reducing the cultivable area. Besides it also raise the chances of various types of water born diseases. Many canals cause flooding in the nearby area. Canal irrigation is not of much use for the undulating and sloppy areas. Besides there installation cost is much higher.

Waterlogging is mainly the result of increased water table and it occurs due to excessive or intensive irrigation in poorly drained soil where water can't penetrate deeply and enters the soil faster than it drains away.

- ▶ **Salinisation:** Minute quantities of salts are added to the soil with each irrigation crops removed much of the applied water from the soil to meet their evapo-

transpiration demand but leave most of the salt behind. With each successive irrigation more and more salt is added. Hence a portion of the added salt must be leached from the root zone before the concentration affects the crop yield. Leaching is done by applying sufficient water so that a portion percolates through and below the entire root zone carrying with it a portion of the accumulated salts. After much successive irrigation the salt accumulation in the soil will approach some equilibrium concentration.

For the solution of the above stated issues lining of an irrigation canal is needed.

The lining of an irrigation canal has the advantages:

- ▶ Reduction in seepage losses from canals reaching water table and raising it resulting in water logging and reduction in yield.
- ▶ Reduced seepage losses by as much as 75 per cent means saving of water which otherwise would have required construction of bigger reservoir and dam for the same amount of actual water delivered to the field which implies more capital expenditure without much gain.
- ▶ Reduction in losses and thereby making available more water for extension of irrigation to new areas and improvement of irrigation facilities in the areas already under irrigation.
- ▶ Flatter slope in lined canal system results in low height of dam and consequent saving in cost of dam construction,
- ▶ Stable channel section
- ▶ Brings more area under command due to very flat slope possible.
- ▶ More hydel power generation possible with saving in water from losses and conservation of head losses due to flatter bed slope possible.
- ▶ Prevents weed growth thereby resulting in saving of expenditure incurred on weed removal in the case of earthen channels.
- ▶ Greatly reduced maintenance and operational charges of the canal.
- ▶ Reduction in evaporation and transmission losses due to reduced exposed area.

Causes of degradation

Canals in urban areas have become a victim of rampant pollution due to sewage and floating garbage.

The quay from where the cargo was carried inland now lies hidden behind a host of encroachments, one-room houses, temples, a petrol bunk, timber depot and rows of shops vending knick-knacks.

Mounds of garbage have shrunk its width and invasive species reduces its biodiversity.

Thus steps needed for its restoration.

Efficiency alone is not a sufficient indicator to define the performance of an irrigation system. Indicators of water productivity expressed in terms of production or value of production per unit of water are very important in increasingly water-scarce situation. A canal irrigation system may have high conveyance efficiency with a minimum of seepage and operational losses. However, if water delivery is too rigid or unreliable, there will be considerable waste further down at the farm level.

The inefficiency in canal irrigation can to a large extent be rectified by making adequate arrangement for better personnel on the canal network of the country. There are several corrupt practices in canal irrigation which need to be removed in the interest of both—the farmer and the government.

INTERNATIONAL ISSUE

ASEAN at 50



The Philippines' ASEAN Summit on August 8th this year coincided with a historic milestone event i.e. the 50th anniversary of the founding of ASEAN Association. The theme of the summit was Youth, Technology and Growth: Securing ASEAN's Demographic and Digital Dividends, which holds importance for the future of the region.

Since 1967, ASEAN has matured into a community focused on economic integration and growth, and consensus-building. The present article looks into the inception of ASEAN, its objectives and the journey of success and failure in last 50 yrs.

Introduction

The Association of Southeast Asian Nations (ASEAN) is a regional intergovernmental organisation comprising ten Southeast Asian states which promotes Pan-Asia Intergovernmental cooperation and facilitates economic, political, military, educational and cultural integration amongst its member states.

ASEAN has grown into both the world's seventh-largest market and third-largest labor force, and has been projected to become the fourth-largest economic bloc by 2030. Additionally, the group established the ASEAN Economic Community to create a single market and production base—facilitating even closer economic, political, social, and cultural cooperation.

Recently, the Association of Southeast Asian Nations (ASEAN) celebrated the 50th anniversary of the Bangkok Declaration and commemorated its founding on Aug 8, 2017.

Foundation of ASEAN



- ▶ The Association of Southeast Asian Nations, or ASEAN, was established on **8 August 1967** in Bangkok, Thailand, with the signing of the ASEAN Declaration (Bangkok Declaration) by the Founding Fathers of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and Thailand.
- ▶ Brunei Darussalam then joined on 7 January 1984, Viet Nam on 28 July 1995, Lao PDR and Myanmar on 23 July 1997, and Cambodia on 30 April 1999, making up what is today the ten Member States of ASEAN.
- ▶ The creation of ASEAN was motivated by a common fear of communism and a thirst for economic development.

Objectives of ASEAN

- ▶ To accelerate economic growth, social progress, and cultural development in the region.
- ▶ To promote regional peace and stability.
- ▶ To promote collaboration and mutual assistance on matters of common interest.
- ▶ To provide assistance to each other in the form of training and research facilities.
- ▶ To collaborate for the better utilisation of agriculture and industry to raise the living standards of the people.
- ▶ To promote Southeast Asian studies.
- ▶ To maintain close, beneficial co-operation with existing international organizations with similar aims and purposes.

ASEAN's Progress since Inception

- ▶ ASEAN has become the world's second most successful regional organization, after the European Union.
- ▶ **ASEAN GDP:** Today, ASEAN comprises the world's seventh-largest economy, on track to become the fourth largest by 2050. Its combined GDP has grown from \$95 billion in 1970 to \$2.5 trillion in 2014.
- ▶ **ASEAN Meetings** are held each year to deepen cooperation in areas such as education, health, and diplomacy.
- ▶ **ASEAN Economic Community:** ASEAN has signed free-trade agreements (FTAs) with China, Japan, India, South Korea, Australia, and New Zealand, and established an ASEAN economic community.
- ▶ **ASEAN Plus Three:** It was created to improve existing ties with the People's Republic of China, Japan, and South Korea.
- ▶ **East Asia Summit (EAS)** included ASEAN Plus Three countries as well as India, Australia, New Zealand. This new group acted as a prerequisite for the planned East Asia Community which was supposedly patterned after the now-defunct European Community.
- ▶ **ASEAN Eminent Persons Group** was created to study the possible successes and failures of this policy as well as the possibility of drafting an ASEAN Charter.
- ▶ **ASEAN Observer Status at UN:** ASEAN was given observer status at the United Nations General Assembly in 2006. In response, the organisation awarded the status of "dialogue partner" to the UN.
- ▶ **ASEAN Plus Six:** ASEAN became ASEAN Plus Six with additional countries: Australia, New Zealand and India. Codification of the relations between these

nations has seen progress through the development of the Regional Comprehensive Economic Partnership (RCEP), a proposed free-trade agreement involving the 16 countries of ASEAN plus six.

- ▶ ASEAN is a microcosm of the world today i.e. highly developed nations, middle income countries and those just emerging. It has become a beacon of multilateral cooperation in a world darkening with greater protectionism, a shift to bilateral trade and changing attitudes towards globalization.

ASEAN Economic Prosperity in the Future



- ▶ To assure its future prosperity the members created the ASEAN Economic Community in 2015, an initiative designed to boost trade within ASEAN nations and to improve transport and infrastructure networks.
- ▶ It will allow the free flow of goods, services, investment, capital and skilled labour between nations, and implement policies to make it a more competitive economic region. Not only will this help ensure equal economic development, but also further integration into the global economy.
- ▶ ASEAN as a whole has a good record in recent years, growing by around 5% a year, and powering the creation of a giant middle class. At the start of 2016, the 10 economies of ASEAN were collectively the seventh largest economy in the world. By the start of 2017, that rank had improved to sixth, and by 2020 it is projected to be fifth.

Reasons behind Success

- ▶ At the first place, anti-communism provided a powerful incentive to collaborate. Strong leaders, like Indonesia’s Suharto, former Malaysian Prime Minister Mahathir Mohammed, and Singapore’s founding father Lee Kuan Yew, held the group together.
- ▶ ASEAN’s erstwhile communist nations – Cambodia, Laos, and Vietnam – decided to join the bloc. So, too, did Myanmar, ending decades of isolation.
- ▶ ASEAN’s policy of engaging Myanmar attracted criticism from the West, but it helped lay the groundwork for a peaceful transition from military rule.

Challenge faced by ASEAN

- ▶ Quality of growth is the issue as inequality is rising across many ASEAN nations. Benefits of growth are not percolating to everyone equally. The World Economic Forum's Inclusive Growth and Development Report 2017 looked closely at the policy initiatives that governments can deploy to ensure more equitable outcomes.
- ▶ A familiar refrain is that for all the lofty declarations issued during ASEAN annual summits, there is little tangible action on the ground in relation to reduction of tariffs, and intra-regional trade. This led to relatively slow pace of economic integration in the group, compared to the European Union.
- ▶ ASEAN's future depends on the deepening of its democratic institutions but the original constituents of ASEAN, except Thailand, had just emerged from colonialism as newly independent nation states.
- ▶ Territorial disputes in the South China Sea have created deep divisions, and the intensifying geopolitical rivalry between the US and China poses a further threat to cohesion.
- ▶ One of the region's main challenge is to bring its infrastructure and IT capability up to date so that it can take advantage of new technology. According to the World Economic Forum's competitive report, most countries have a gaping infrastructure deficit because investment has not kept up with rapid growth in this area.

Significance and Way Forward

ASEAN has been establishing itself as a platform for Asian integrations and co-operations, working with other Asian nations to promote unity, prosperity, development and sustainability of the region, as well as working on solutions to resolve disputes and problems in the region.

While mainly focusing on the Asia-Pacific nations, ASEAN also established communications with other parts of the world, to better promote world peace and stability.

But if ASEAN is to prosper for another 50 years, it must tackle difficult questions about how to navigate the accelerating pace of technological change and digital disruption. There must be a hierarchy of needs, with basic infrastructure – electricity, healthcare and clean water – at the top of the list.

Governments and policy-makers must ensure they pursue the right policies today to guarantee their demographic dividend is realized. They must think deeply about education and how best to prepare workers for the jobs of the future.

They must identify areas of inter-generational tension, such as the environment and the funding of pensions and healthcare. Growth today cannot come at the expense of future generations.

Need to shape the future for the region's youth by balancing vocational and digital skills education and training, with companies playing a bigger role, in partnership with governments and educational institutions.

Upgraded skills, increased financing for SMEs, encouragement of more gender diversity and investments in digital infrastructure will help to decrease poverty by providing more livelihood opportunities, sustain growth and improve productivity. This will ensure the workforce of the future is resilient and flexible.

Power plants can be up and running in three months in challenging locations, with the latest technology and digital solutions to maximize efficiency and minimize carbon emissions.

INTERNATIONAL ISSUE

China's RCEP Push Veils Grand Plan

Context

Amid the ongoing negotiations for Regional Comprehensive Economic Partnership, the Community social media platform 'Local Circles' has conducted a survey on the Indian consumer's perception about products which are Made in India or imported from China.

The poll assumes significance as the ongoing negotiations for a mega-regional Free Trade Agreement (FTA) i.e. RCEP among 16 Asia-Pacific nations, including China and India is going to affect the Indian Markets and India's Make in India initiative.

China is pushing for the early signing of RCEP as its one of the elements of China's grander plans for global market dominance.

Introduction

The Regional Comprehensive Economic Partnership is billed as an FTA between the 10-member ASEAN bloc and its six FTA partners — India, China, Japan, South Korea, Australia and New Zealand. It is the proposed FTA, aims to boost goods trade by eliminating most tariff and non-tariff barriers — a move that is expected to provide the region's consumers greater choice of quality products at affordable rates.

Amid the ongoing negotiation for RCEP, a Community social media platform 'Local Circles' recently did a survey on the Indian consumer's perception about items imported from China which will help to peek into the minds of Indian consumers.

It showed 52% of participants were of the opinion that for the same product, the quality of a 'Made in India' version was superior to the one from China. However, 83% said they buy Chinese products as those items were the cheapest. On the issue of addressing 'quality concerns' about imported Chinese items, 98% said there should be better screening of such products before they enter the Indian market.

Regional Comprehensive Economic Partnership (RCEP)

The RCEP is a Free Trade Agreement between the 10-member ASEAN bloc and its six FTA partners — India, China, Japan, South Korea, Australia and New Zealand.

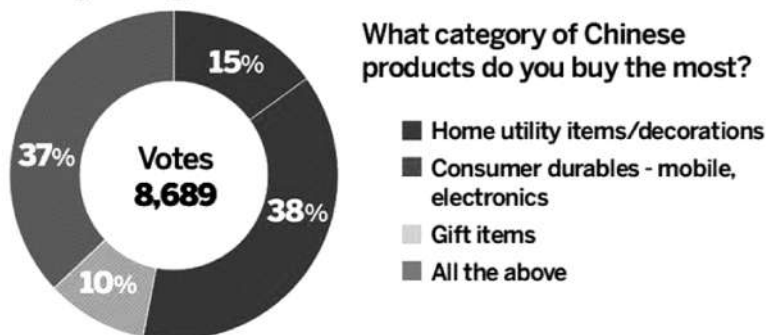
- ▶ It aims to boost goods trade by eliminating most tariff and non-tariff barriers — a move that is expected to provide the region's consumers greater choice of quality products at affordable rates.
- ▶ It seeks to liberalize investment norms and do away with services trade restrictions.
- ▶ When inked, it would become the world's biggest free trade pact. This is because the 16 nations account for a total GDP (Purchasing Power Parity, or PPP basis) of about \$50 trillion (or about 40% of the global GDP) and house close to 3.5

billion people (about half the world’s population). India (GDP-PPP worth \$9.5 trillion and population of 1.3 billion) and China (GDP-PPP of \$23.2 trillion and population of 1.4 billion) together comprise the RCEP’s biggest component in terms of market size.

Local Circles Survey Results:

- ▶ **Issue of Quality:** 52% of participants were of the opinion that for the same product, the quality of a ‘Made in India’ version was superior to the one from China.

Citizens say they buy Chinese products across many categories



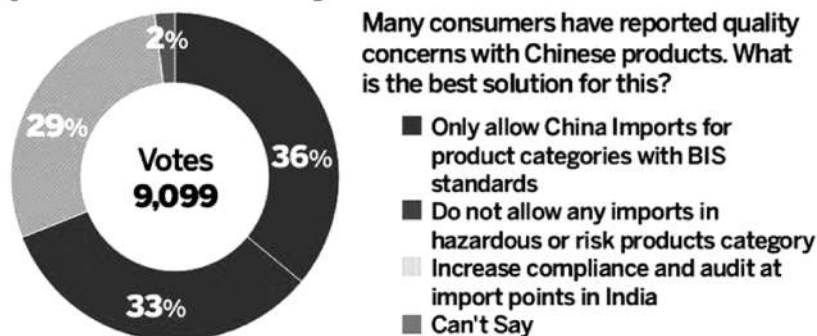
- ▶ **Issue of Pricing:** 83% buy Chinese products as those items are the cheapest.

83% citizens buy Chinese products because they are the cheapest



- ▶ **Issue of addressing ‘quality concerns’** about imported Chinese items, 98% said there should be better screening of such products before they enter the Indian market — including ensuring that only those imports meeting the Indian (BIS) standards are allowed.

98% citizens want better screening of Chinese products before they enter the market



China's interest and its Grander Plans

- ▶ China is using its influence as the global leader in goods exports to deploying quiet diplomacy to ensure consistent focus on attempts to obtain commitments on elimination of tariffs on most traded goods. But the RCEP 'guiding principles and objectives' state that the "negotiations on trade in goods, trade in services, investment and other areas will be conducted in parallel to ensure a comprehensive and balanced outcome.
- ▶ China is keen on an agreement on a 'high level' of tariff liberalisation — eliminating duties on as much as 92% of traded products.
- ▶ Also, U.S. has withdrawn from the Trans Pacific Partnership, a mega-regional FTA not involving India and China, which has made the path clear for China to push ahead with this strategic initiative through the RCEP.

India's Concerns

- ▶ China is keen on an agreement on a 'high level' of tariff liberalization, however, India's offer is to do away with duties on only 80% of the lines and that too, with a longer phase-out period for Chinese imports (i.e., about 20 years, as against 15 for other RCEP nations).
- ▶ India is the only participant that has a high level of merchandise trade deficit. Its trade deficit with RCEP countries is also more than half its global trade deficit.
- ▶ India's trade deficit with China was over three times its exports to China in 2014. The proposed FTA, owing to the possibility of elimination of duties across most sectors, could lead to a surge in inflow of low-priced goods, mainly from China.
- ▶ India already has separate FTAs with the 10-member ASEAN bloc therefore India may not gain much on the goods side with existing FTA partners.
- ▶ China is the only RCEP country with which India doesn't have FTA. Therefore, Indian industry sees RCEP as an indirect FTA with China, especially because there could be a hue and cry if India opts for a direct FTA with that country.

Conclusion

India's FTA strategy for RCEP has to be guided by the 'Make in India' initiative that aims to boost domestic manufacturing and job creation within India. In return for greater market access in goods,

Currently, Goods imports from China have been far outpacing India's shipments to that country. This has led to goods trade deficit with China widening from just \$1.1 billion in 2003-04 to a whopping \$52.7 billion in 2015-16. RCEP initiative could provide a means for Chinese industries with excess capacity to export equipment that is currently idle.

Therefore India needs to be very strategic and diplomatic during the negotiations. India, with its large pool of skilled workers and professionals, should try to use the RCEP to gain on the services side, by securing commitments from the other nations to mutually ease norms on movement of such people across borders for short-term work.

GOVERNANCE ISSUE

Laws Against Match Fixing on Sports Needed


Context

Kerala High Court has quashed the BCCI's life ban on Shanthakumaran Sreeshanth in 2013 IPL spot-fixing (variant of match fixing) scandal. In 2012, the Andhra Pradesh High Court ruled that the case against Azharuddin was not proved to its satisfaction.

With such cases, Integrity in sports has come to the forefront. Modern sport is threatened by doping scandals, transfers of very young players and sport corruption. Match-fixing, also described as sport manipulation, sporting fraud, or spotfixing is indeed the primary focus of this article.

What is match fixing?

'Match fixing' has not been defined in any law. The only place where one can look into the definition of match fixing comes from CBI Report on Match Fixing allegations. While inquiring into the matter **CBI defined 'Match Fixing'** as

- ▶ Instances where an individual player or group of players received money individually/collectively to under-perform;
- ▶ Instances where a player placed bets in matches in which he played that would naturally undermine his performance;
- ▶ Instances where players passed on information to a betting syndicate about team composition, probable result, pitch condition, weather, etc.,
- ▶ Instances where groundsmen were given money to prepare a pitch in a way which suited the betting syndicate; and
- ▶ Instances of current and ex-players being used by bookies to gain access to Indian and foreign players to influence their performance for a monetary consideration.

In simple words, Match fixing is when the outcome of a match in organized sports has been manipulated. The reason for fixing a match includes ensuring a certain team advances or gambling. Match fixing is seen as one of the biggest problems in organized sports.

Negative impacts of match fixing

- ▶ Breach of public trust.
- ▶ Talents wanes away from sport industry.

- ▶ Facilitates generation of black money and funding of organised crime.
- ▶ Drain of ethical values in young sportspersons.
- ▶ Harms country's image in international fora.

Laws regarding match fixing in India

There is *no specific law to deal with match fixing*. Thus match-fixing and spot-fixing are not illegal in India. Hence Players are charged under different Acts. For want of an adequate law, Sreeshanth was tried under the Maharashtra Control of Organised Crime Act (MCOCA), which is used against organised crime. It is a lacuna crying to be covered. Further the Court said in the Sreeshanth case, "In view of the huge vacuum of law in this regard in the realm of law, this court is helpless to proceed further under any of the penal statutes."

Prevention of Corruption Act, 1988 and Match Fixing

According to S. 2 (c) (viii) defines public servant as a person who holds an office by virtue of which he is authorized or required to perform any public duty. But do cricketers really do any public duty. Cricketers are mere professionals governed by independent contracts whose job is to entertain people by playing cricket. They do nothing sort of public duty. Thus *cricketers do not come under Prevention of Corruption Act, 1988 also*.

Legislative/judicial response so far

The **Prevention of Dishonesty in Sports Bill** was ready in 2001, the Draft Prevention of Sporting Fraud Bill (2013). In 2016, the **National Sports Ethics Commission Bill** came which borrowed from the earlier bills but do not took the form of legislature.

The Supreme Court appointed **Justice (retired) Mukul Mudgal committee** came out with its report on the Indian Premier League (IPL) fixing and betting scandal. It stated that **legalizing sports betting** would reduce the element of black money and the influence of the underworld besides help them in detection and focusing their investigation. Sports betting should be legalised to curb cheating and fixing in sport and earn revenues for the government.

Justice Lodha committee has stated it *believes legalising betting will help curtail the influence of unethical elements* on the sport and its participants, including players and officials. The report has drawn a sharp distinction between betting and fixing, favouring the legalising of the former and criminalising the latter. There is a fundamental difference between betting and match/spot-fixing. The latter interferes with the integrity of the game and attempts to change the course of the match. It is tampering the game by the cricket players to benefit a few. On the other hand, betting is a general malaise indulged by different sections of society, not only with reference to cricket but other games also. While the issue of betting can be effectively dealt with by providing a legal framework, match/spot-fixing is neither pardonable nor a matter for regulation. The only way to deal with it is by making it a criminal offence punishable by law. The Committee recommends appropriate amendments by the legislature.

Way forward

There is a need to fight against match-fixing in a response to perceptions of it as a public interest issue because match-fixing "jeopardises the integrity of the competitions, damages the social, educational and cultural values reflected by sports, and jeopardises the economic role of sports".

Sports integrity must be protected from fraud in order to avoid doubts concerning the authenticity of results. Without the unpredictability inherent in fair play in sport, it becomes unappealing to spectators, broadcasters and sponsors.

Recent cases of sport corruption show that this is no minor issue and that it should be combated with appropriate tools such as police expertise, phone-tapping, formal police interviews, prosecutions and trials.

Resorting to criminal justice in the fight against match-fixing shows that sporting manipulation can be not only a 'simple' breach of sporting rules but also an offence against the public in a broader sense.

Thus criminal sanctions and the establishment of a specific criminal offence in national law seem to have been the most effective deterrent to doping match-fixing.

In summing up, provisions of law are not stringent enough to control the offence. It is high time now for the authorities to swing into action. There is a need to amend present law to bring 'match fixing' under crime. Unless nipped in bud at the earliest, it is likely to cause turbulence.

Thus steps needed for maintaining integrity in sports are:

- ▶ Anti-corruption measures coming primarily from within the global sporting community, starting with an acknowledgement of the problem.
- ▶ Increased independent oversight in international sports governance.
- ▶ Stringent and transparent criteria for eligibility, plus independent verification for all senior decision-making positions.
- ▶ Increased financial transparency in all sports associations, the money they make and how it is disbursed, far beyond minimum legal requirements of host countries.
- ▶ Specialised units should be created to regularly monitor member associations and provide support in terms of governance and accountability.
- ▶ Citizen engagement in bids for major sporting events and the need for formal safeguards to stop corruption and all human rights, labour, environmental and social sustainability abuses.
- ▶ The need for sponsors to promote integrity and hold sports organisations to the same standards that they apply to their supply chain.
- ▶ Sport organisations should establish whistleblower systems that are independent, confidential and secure.

Prelims News



Context

Hereby, compiling the important short notes of August (1 to 15), 2017.

Indian Culture

4000 YRS OLD BONE ORNAMENTS FOUND NEAR HYDERABAD

- ▶ Nearly 4,000-year-old bone ornaments, a capstone and other rare objects belonging to the megalithic age have been found at different sites near Hyderabad.
- ▶ The bone ornaments were found in Narmetta area, on the outskirts of Hyderabad.
- ▶ The ornaments are basically cut bone pieces, but (are) very precisely cut, all of equal shape, design, which are unique in the 100 years of history of the department of archaeology and museums.
- ▶ The archaeologists have also found a capstone (a large flat stone) which is in the shape of an “anthropomorphic (having human characteristics) figure.
- ▶ The bone ornaments show the technology prevailed even then to precisely cut the bones and the mathematical sense to make them of a precise size.
- ▶ According to experts there are clear geometrical figures with exact size hence depict a sense of calculation, certain technology, aesthetecity involved.

Megalithic age

- ▶ The term ‘megalith’ is derived from Greek ‘*megas*’, which means great and ‘*lithos*’ meaning stone. So, ‘megaliths’ refer to the monuments built of large stones.
- ▶ In other words, the megaliths usually refer to the burials made of large stones in graveyards away from the habitation area.
- ▶ These megaliths have been found in different chronological context practically all over India,

the plains of Panjab, Indo-Gangetic basin, the desert of Rajasthan northern part of Gujarat and especially all regions south of Nagpur in the Peninsular India. It also survives as a living tradition in the north-eastern part of India and in the Nilgiris.

- ▶ In the Indian megalithic tradition especially those in South India, the grave furniture consisted of a large variety of pottery; weapons and implements mostly of iron but often of stone or copper; ornaments like beads of terracotta, semi-precious stones, gold or copper, shell, etc., strung into necklaces or rarely the ear or nose ornaments, armllets or bracelets and diadems; often food as indicated by the presence of paddy husk and chaff, and some other cereals; skeletal remains of animals, sometimes complete in these graves.

USTAD HUSSAIN SAYEEDUDDIN DAGAR

- ▶ Ustad Hussain Sayeeduddin Dagar, maestro and custodian of the venerable *Dhrupad* tradition of Hindustani classical music passed away aged 78 in Pune.
- ▶ He, popularly known as Saeed Bhai, was an Indian classical vocalist belonging to the Dhrupad tradition, the oldest existing form of north Indian classical music (Hindustani classical music). He was a part of the Dagar family of musicians. He represented the 19th generation of Dagar Tradition.
- ▶ Ustad Sayeeduddin Dagar had performed at some of the most prestigious venues and festivals in India and abroad, including the Tansen Samaroh, Savai Gandharva, Dhrupad Samaroh, Dhrupad Mela, Dagar Saptak, Dhamar Samaroh to name a few.

- ▶ Dagar was also President of Dhruwad Society Jaipur and Pune. He conducted workshops and interactive lecture demonstrations on Dhruwad in India and twice a year in Holland, Germany, France and Belgium.
- ▶ Dagar family has been associated with Dhruwad for the past 20 unbroken generations. The fact, however, is accepted universally that the Dagar family has contributed significantly to preservation and spreading of Dhruwad. They have helped keep this art alive, even though this music was losing popularity in the time of changing tastes. A unique and interesting fact about the Dagar Gharana is that unlike most of the Gharanas of North-Indian classical music, it claims no connection with legendary Tansen, the court musician of Emperor Akbar.

About Dhruwad

Dhruwad is the oldest surviving form of Indian Classical music and traces its origin to the chanting of vedic hymns and mantras.

It is spiritual, heroic, thoughtful, virtuous, embedding moral wisdom or solemn form of song-music combination. Thematic matter ranges from the religious and spiritual (mostly in praise of Hindu deities) to royal panegyrics, musicology and romance.

Science and Environment

CONCEPT OF CARBON CAPTURE

- ▶ Carbon Capture and Storage (CCS) is a technology that can capture up to 90% of the carbon dioxide (CO₂) emissions produced from the use of fossil fuels in electricity generation and industrial processes, preventing the carbon dioxide from entering the atmosphere.
- ▶ The CCS chain consists of three parts; capturing the carbon dioxide, transporting the carbon dioxide, and securely storing the carbon dioxide emissions, underground in depleted oil and gas fields or deep saline aquifer formations.
- ▶ First, capture technologies allow the separation of carbon dioxide from gases produced in electricity generation and industrial processes by one of three methods: pre-combustion capture, post-combustion capture and oxyfuel combustion.
- ▶ Carbon dioxide is then transported by pipeline or by ship for safe storage. Millions of tonnes of carbon dioxide are already transported

annually for commercial purposes by road tanker, ship and pipelines.

- ▶ The carbon dioxide is then stored in carefully selected geological rock formation that are typically located several kilometres below the earth's surface.
- ▶ CCS is vital for reducing emissions across the energy system in both the Energy Technology Perspectives (ETP) 2°C Scenario (2DS) and the Beyond 2°C Scenario (B2DS).

NGT BANS PLASTIC BAGS OF LESS THAN 50 MICRONS

The National Green Tribunal (NGT) imposed an interim ban on sale and use of non-biodegradable plastic bags which are less than 50 microns and violators would have to pay a hefty fine of Rs 5,000.

What is micron?

Micron, short for micromillimetre, is the global measurement unit for thickness of plastic bags. The thinner the bag, the more harmful they are to the environment.

Impact of plastic bags

- ▶ Plastic degrades environment and causes serious damage to the health of human beings and animals.
- ▶ The sewer lines get choked due to indiscriminate dumping of plastic which also blocks free flow of water resulting in flooding of streets in the rainy season.
- ▶ Even the animals are subjected to the diseases and even death as a result of plastic getting mixed with wet waste which they eat.

GAJ YATRA TO PROTECT ELEPHANTS

Context

In a bid to raise awareness about the shrinking space for wild elephants in the country, a 'gaj yatra' campaign has been launched by the Wildlife Trust of India. The campaign is planned to cover 12 elephant range states.

About the campaign

- ▶ Over the next 15 months, artists and craftsmen will create life-size works on the theme of elephants in places along the route of the roadshow, covering 12 states that have wild elephants, using local art and craft.

- ▶ Specially fabricated vehicles will be deployed to display these on pre-determined routes with campaigners
- ▶ The 'Gaju' mascot, which was released by the Ministry in 2012, will helm the campaign
- ▶ Besides, a "gaj mahotsav" will be organized at different venues along the way, with concerts, parades, street plays and activities for children in particular.

Elephant status

India has about 30,000 wild elephants, which constitute over 50% of the species' estimated global population. The growing resource needs of India's human population have led to the destruction and fragmentation of wild habitats across the country, depleting the area available for elephants to roam and causing the loss of their traditional migratory paths.

World Elephant Day

World Elephant Day is an annual global event celebrated across the world on August 12, dedicated to the preservation and protection of elephants. The goal of World Elephant Day is to create awareness about the plight of elephants and to share knowledge and positive solutions for the better care and management of captive and wild elephants. African elephants are listed as "vulnerable" and Asian elephants as "endangered" in the IUCN Red List of threatened species.

NISAR MISSION

Context

NISAR or the NASA-ISRO Synthetic Aperture Radar is the latest collaborative project between the two agencies, an ambitious earth monitoring satellite scheduled to be launched in 2021.

About the Mission

NASA-ISRO Synthetic Aperture Radar (NISAR) mission is a dual frequency (L & S Band) Radar Imaging Satellite. In this joint mission, JPL/ NASA will be responsible for design & development of L-band SAR, 12m unfurlable antenna, GPS system and data recorder. ISRO will be responsible for design & development of S-band SAR, Spacecraft Bus, data transmission system, Spacecraft integration & testing, launch using GSLV and on-orbit operations.

The aim and objectives of NISAR mission are:

- ▶ Design, Develop and launch a Dual frequency (L and S Band) Radar Imaging Satellite.

- ▶ Explore newer application areas using L and S band microwave data, especially in natural resources mapping & monitoring; estimating agricultural biomass over full duration of crop cycle; assessing soil moisture; monitoring of floods and oil slicks; coastal erosion, coastline changes and variation of winds in coastal waters; assessment of mangroves; surface deformation studies due to seismic activities etc.

Data collected from NISAR will reveal information about the evolution and state of Earth's crust, help scientists better understand our planet's processes and changing climate, and aid future resource and hazard management. The mission is a partnership between NASA and ISRO.

About L and S Band

The **L band** is the Institute of Electrical and Electronics Engineers (IEEE) designation for the range of frequencies in the radio spectrum from 1 to 2 gigahertz (GHz). It is used in mobile services, satellite navigation, telecommunication, etc.

The **S band** is a designation by the Institute of Electrical and Electronics Engineers (IEEE) for a part of the microwave band of the electromagnetic spectrum covering frequencies from 2 to 4 gigahertz (GHz). Thus it crosses the conventional boundary between the UHF and SHF bands at 3.0 GHz. The S band is used by weather radar, surface ship radar, and some communication satellites, especially those used by NASA to communicate with the Space Shuttle and the International Space Station.

ISRO TO DEVELOP FULL FLEDGED EARTH OBSERVATION SATELLITE

About Satellite

- ▶ The Indian Space Research Organisation (ISRO) is planning to launch satellite for observing the planet Earth. It will be a niche Earth observation (EO) satellite called the Hyperspectral Imaging Satellite (HySIS).
- ▶ The satellite can see in 55 spectral or colour bands from 630 km above ground
- ▶ Hyperspectral or hypspec imaging can be used for a range of activities from monitoring the environment, crops, looking for oil and minerals all the way up to military surveillance – all of which need images that show a high level of differentiation of the object or scene.

About hyperspectral imaging

- ▶ Hyperspectral imaging, like other spectral imaging, collects and processes information from across the electromagnetic spectrum. The goal of hyperspectral imaging is to obtain the spectrum for each pixel in the image of a scene, with the purpose of finding objects, identifying materials, or detecting processes.
- ▶ Hyperspectral sensors look at objects using a vast portion of the electromagnetic spectrum. Certain objects leave unique 'fingerprints' in the electromagnetic spectrum. Known as spectral signatures, these 'fingerprints' enable identification of the materials that make up a scanned object.

**SECOND PHASE OF MEASLES-RUBELLA
(MR) VACCINATION****Context**

- ▶ Aiming to eliminate measles and curb instances of rubella by 2020, the Centre has rolled out the second phase of its measles-rubella (MR) vaccination campaign in the country.

About the programme

- ▶ Ministry of Health & Family Welfare has initiated measles-rubella (MR) vaccination campaign in the age group of 9 months to less than 15 years in a phased manner across the nation. The campaign aims to cover approximately 41 crore children and is going to be the largest ever vaccination campaign worldwide. All children from 9 months to less than 15 years of age will be given a single shot of Measles-Rubella (MR) vaccination during the campaign. Following the campaign, MR vaccine will become a part of routine immunization and will replace measles vaccine, currently given at 9-12 months and 16-24 months of age of child.
- ▶ In order to achieve maximum coverage during the campaign, multiple stakeholders have been involved, which includes, apart from Ministry of Health & Family Welfare, other Ministries, development partners, Lions clubs, professional bodies, for example, Indian Association of Pediatrics, Indian Medical Association, Civil Society Organizations etc.

What are measles and rubella diseases?

- ▶ Measles and Rubella are highly contagious viral diseases that are spread by contact with an infected person through coughing and sneezing.

- ▶ Infection with Measles is followed by high fever, rash that spreads over the body, cough, running nose and red watery eyes.
- ▶ Measles weakens the immune system of the body. Hence infection with Measles often leads to serious complications that include blindness, encephalitis, severe diarrhoea and severe respiratory infections such as pneumonia.
- ▶ Most measles-related deaths are caused by complications associated with the disease.
- ▶ Rubella is a mild viral infection that occurs most often in children and young adults.
- ▶ Infection with Rubella is followed by rash and low fever. It may be associated with swelling of lymph node and joint pain.
- ▶ Rubella infection during pregnancy can cause abortion, stillbirth and may lead to multiple birth defects in the new born; like blindness, deafness, heart defects; known as Congenital Rubella Syndrome (CRS).

**NATIONAL CYBER COORDINATION
CENTRE****Context**

The Union Ministry of Electronics and Information Technology (MEITY) has launched first phase of National Cyber Coordination Centre (NCCC) which will be scanning the country's web traffic to detect cyber security threats.

About NCCC

- ▶ NCCC scans internet traffic coming into the country to detect real-time cyber threat and alert various organisations as well as internet service providers for timely action.
- ▶ NCCC is a multi-stakeholder cyber-security and e-surveillance agency.
- ▶ It comes under the Indian Computer Emergency Response Team (CERT-In), Union Ministry of Electronics and Information Technology.
- ▶ It has powers under the Indian constitution with provision of section 69B of the Information Technology Act, 2000.
- ▶ It will be India's first layer for cyber threat monitoring and all communication with the government as well as the private service providers will be monitored round the clock.
- ▶ Its mandate is to scan internet traffic and communication metadata (which are little

snippets of information hidden inside each communication) coming into the country to detect real-time cyber threats.

- ▶ The system will then alert various organisations as well as internet service providers (ISPs) for timely action against the threats.
- ▶ NCCC also will coordinate across multiple intelligence agencies.
- ▶ Apart from monitoring the Internet, the NCCC will also look into various threats posed by cyber attacks.

Economy News

LOGISTICS DATA BANK PROJECT EXPANSION TO SOUTHERN CORRIDOR

- ▶ Under the Ease of Doing Business initiative, Government unveiled The Logistics Data Bank (LDB) project in July 2016 to make India's logistics sector more efficient through the use of Information Technology.
- ▶ For last one year, it is billed as a major 'ease of doing business' initiative aimed at boosting India's foreign trade and ensuring greater transparency.
- ▶ So far, it had covered only the western logistics corridor but now it will soon expand operations to the southern region. Talks have begun with ports in south India for further expansion of the project.

How does it work?

- ▶ The facility – where every container is attached to a Radio Frequency Identification Tag (RFID) tag and then tracked through RFID readers – aids importers and exporters in tracking their goods in transit.
- ▶ This has cut the overall lead time of container movement as well as reduced transaction costs that consignees and shippers incur.
- ▶ The project covers “the entire movement (of containers) through rail or road till the Inland Container Depot and Container Freight Station”.
- ▶ The service integrates information available with the agencies across the supply chain to provide detailed, real-time information within a single window.

The LDB is being implemented through a Special Purpose Vehicle called Delhi Mumbai Industrial Corridor Development Corporation Logistics

Data Services Ltd. (DLDSL) – that is jointly (50:50) owned by the Delhi Mumbai Industrial Corridor (DMIC) Trust and Japanese IT services major NEC Corporation.

Initial discussions on the LDB project were held in May 2012. Later on July 1, 2016, the LDB project was launched at the Jawaharlal Nehru Port, Mumbai. From May this year, its operations expanded to the container terminals at Adani Port Special Economic Zone, Mundra and Adani Hazira Port – both in Gujarat.

So far, the DLDSL provides container tracking services to around 70% of the container traffic in India. The services include providing users the 'average delivery time' as well as notifications through SMS and email. About 3.88 million containers (1.87 million import containers and 2.01 million export containers) have been tagged and de-tagged under the project till now.

BANKS PRICE TO TRUTH RATIO

Price-to-truth ratio is the term for a certain kind of overvaluation of India's privately owned lenders (Banks). It came after three private banks i.e. Yes Bank Ltd., ICICI Bank Ltd. and Axis Bank Ltd. had to admit that their nonperforming loans were between 20 and 557 percent *more* than officially reported to RBI.

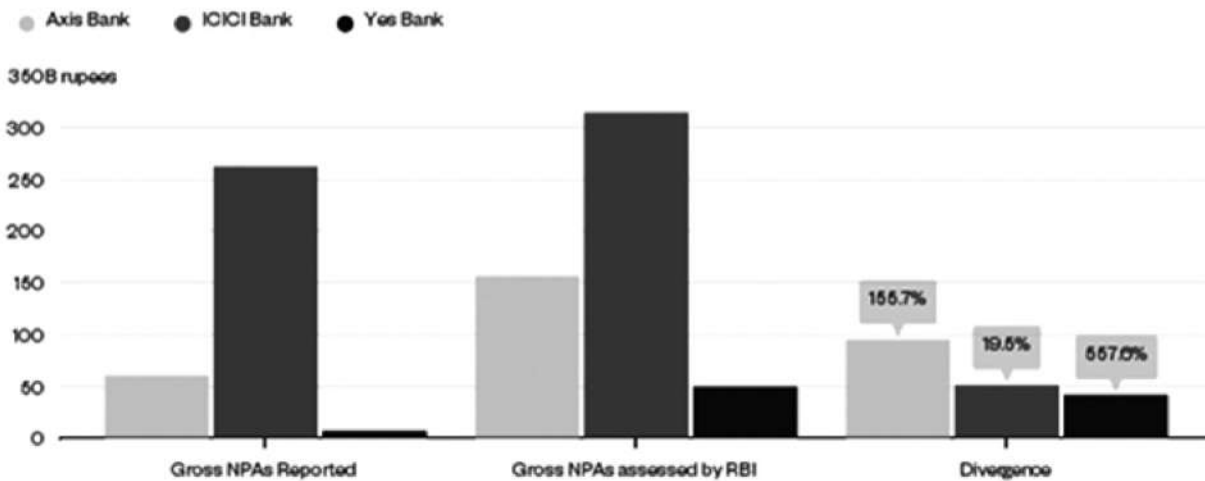
The discrepancy came because of one bad corporate account: a cement company that in the Indian central bank's opinion should have been identified as a bad debt back in March 2016.

Yes Bank Ltd., ICICI Bank Ltd. and Axis Bank Ltd. has been recovering the bulk of their money now. The borrower, Jaiprakash Associates Ltd., managed to sell some units to Indian billionaire Kumar Mangalam Birla's UltraTech Cement Ltd., a AAA-rated firm locally.

On the other hand the Videocon Group saga begins. Videocon is another overstretched Indian debtor, which went from being a humble manufacturer of television sets to providing wireless services and scouring for oil and gas in Brazil, Mozambique and Indonesia. Videocon Industries Ltd., which is publicly traded, last reported long-term consolidated debt of \$4.9 billion for the group at the end of 2015. That figure has now ballooned to almost \$7 billion.

Mea Culpa

The RBI forced Indian banks to give a more accurate picture of their nonperforming loans, in line with what its own audit had shown



Source: Company reports

Note: Annotations show divergence from RBI-assessed gross NPAs as percentage of reported values.

BloombergGadfly

SEBI DIRECTIVES ON SHELL COMPANIES

Context

SEBI's sudden directive to stock exchanges to initiate action against 331 suspect shell companies and ban them from trading has shocked the investors all over the country.

Following SEBI's directive, BSE and NSE moved 162 and 48 companies, respectively, into Stage-VI of the Graded Surveillance Measure (GSM), implying these stocks would not be available for active trading.

Now with over Rs 7,000 crore of public money stuck in them, investors are anxious by the move.

What is a shell company?

In India, there is no clear definition of shell companies but in the US, the Securities Act defines a shell firm as one that has no or nominal operations and assets.

The assets must consist mainly of cash and cash equivalents with very little other assets. In other words, a shell company should not have active business operations or assets.

Not all the shell companies are illegal. Some are formed to raise funds to promote startups. But given many instances of individuals and corporates abusing shell companies, either to avoid tax or

use them as conduit for money laundering, these are generally viewed as dubious and questionable enterprises.

SEBI has directed stock exchanges to verify credentials/fundamentals of suspect shell companies by appointing an independent auditor. Further if exchanges do not find appropriate fundamentals about existence of the company, the stock can be delisted.

Important for protecting investors

Government has been cracking down on many shell companies in past few months. Recently the corporate affairs ministry cancelled the registrations of over 1.62 lakh companies for not filing financial statements for the immediate two preceding fiscals. Some of these are shell companies possibly used for money laundering or tax evasion, or other fraudulent activities.

The SEBI's move is important to protect investor interest because companies with financial irregularities, set up by errant promoters for the sole purpose of money laundering, can cause big loss to investors. In the past, many investors have lost their money with companies that have suddenly vanished without a trace. Many companies that listed during the IPO boom in 1994-95 have vanished since then.

The need to shield investors from such fraudulent shell companies is urgent but since there is no clear cut definition of a shell company put down by law, India needs a clear cut law to protect investors interest in the long run.

INDIA LAGS BEHIND CHINA IN PHARMA INNOVATION

According to WHO, lung, liver and stomach cancers are among the top killers in China. Novartis AG is testing a clinical candidate to treat head and neck cancer widespread in southern China. JnJ's portfolio includes clinical candidates for lung cancer and hepatitis B, endemic in China. Sanofi SA has a pre-clinical candidate to treat a form of liver cancer that is prevalent in China.

Novartis committed \$1 billion in 2009 and 2014 to set up a new drug discovery center in Shanghai. Eli Lilly's team of 600 drug discovery scientists is initiating clinical studies on a China discovered molecule to treat liver fibrosis.

However, in India, Typhoid, Jaundice, Sickle-cell Anemia and diarrheal diseases like Amebiosis affect millions but there are no clinical or preclinical candidates to treat these diseases in the Pharma labs.

Less investments in innovative drug development in India

Our Pharmaceutical industry is primarily focused on selling copies of chemical and biological drugs invented by others at cut-throat discounted prices but not thinking of undertaking such innovative efforts.

There have been a few attempts in the past, and we have a few clinical candidates in development, but we really lack the appetite to develop innovative therapies.

More importantly, with great focus on Make in India, we need to show our mettle in the area of development of New Chemical and Biological Entities.

Why we are lagging behind China?

While there are a many reasons, few relevant ones are:

- ▶ Drug discovery and development is risky proposition. The astronomical costs associated with the development of a new drug are a big concern. Our pharmaceutical industry expects a return on capital deployed in 24 months, while drug discovery is a 10 year long process. We lack the business risk-appetite to compete. Drug discovery doesn't yield results in five

years, and most promoters who run Indian Pharma do not have the patience to persevere in the long run.

- ▶ Second, we don't have the skills to conduct drug discovery. Drug discovery requires biology, in addition to chemistry. And here we fail miserably.
- ▶ Third, the Chinese government played a key role in convincing Chinese scientists from the west to come back to China and help establish the industry. It gave them generous grants, created world-class laboratory infrastructure and incentivized these scientists to come back home. But in India the process of applying for a Department of Science and Technology DST grant is not at all conducive
- ▶ Then there is the role of the academia in fostering research. Early stage research is largely done at educational institutions. In India universities that focus on real research is less.
- ▶ Finally, the Chinese government overhauled its ageing regulator. It modernized its laws governing research, bought competent people from the industry to administer the regulatory agency and held them accountable. It doesn't promote two sets of standards, one for "Chinese market" and another for "export-markets" like India do.

While we celebrate India as the "Pharmacy to the world", China has leapfrogged us when it comes to developing novel therapies for indigenous diseases. Our priorities are finding solutions to deal with problems that we have ourselves created, like Multi-Drug Resistant Tuberculosis. And in this process, we have not only lost an opportunity to create effective solutions for Public Health, we have also lost out on creating thousands of well paying jobs for our youth.

Our industry is facing tough competition from the Chinese and they have started climbing the value chain. Our industry made a lot of money monetizing First-to-File generic drugs in the western markets for more than a decade now, but has failed to invest in the long term.

FINANCIAL DATA MANAGEMENT CENTRE

Law Ministry cleared body for collection of financial data called as Financial Data Management Centre. The Reserve Bank of India (RBI) would soon no longer be the sole collector and custodian of financial data as the FDMC would subsequently collect raw data directly. FDMC will collect data in electronic format from the (financial)

regulators and over time, it will gradually build capacity to collect data from the regulated entities i.e. Financial Service Providers.

Initially, FDMC was to be a non-statutory body to collect data from financial sector regulators, standardize and analyze them on issues relating to financial stability for onward decisions by the Financial Stability and Development Council (FSDC). It was also to provide regular access to the data. However, the Department of Legal Affairs turned down the initial Cabinet proposal saying that a non-statutory FDMC would find it difficult to acquire data from the regulators, majority of which were statutory. Therefore in order to facilitate the functioning of FDMC, latest cabinet proposal seeks consequential amendments in the RBI Act, Banking Regulation Act and the Payment and Settlement Systems Act as their confidentiality clauses do not allow access to raw data.

The new proposal also provides for FDMC and the regulators to enter into agreement for flow of data, "stringent confidentiality norms" to ensure the same level of protection as provided by various acts applicable to the regulators and guarantees that the "data centre is at all times kept secure and effectively protected.

NABARD (AMENDMENT) BILL, 2017

Context

The National Bank for Agriculture and Rural Development (Amendment) Bill, 2017 was introduced by the Ministry of Finance on April 5, 2017 and then passed by the Lok Sabha.

The Bill seeks to amend the National Bank for Agriculture and Rural Development Act, 1981. The 1981 Act provided for the establishment of National Bank for Agriculture and Rural Development (NABARD), responsible for providing and regulating facilities like credit for agricultural and industrial development in the rural areas.

Key Provisions of the NABARD (Amendment) Bill 2017

- ▶ **Increase in capital of NABARD:** Under the 1981 Act, NABARD may have a capital of Rs 100 crore. This capital can be further increased to Rs 5,000 crore by the central government in consultation with the Reserve Bank of India (RBI). The current Bill allows the central government to increase this capital to Rs 30,000 crore. The capital may be increased to more than Rs 30,000 crore by the central government in consultation with the RBI, if necessary.

- ▶ **Transfer of the RBI's share to the Central Government:** Under the 1981 Act, the central government and the RBI together must hold at least 51% of the share capital of NABARD. But the Bill provides that the central government alone must hold at least 51% of the share capital of NABARD. Therefore the Bill transfers the share capital held by the RBI, valued at Rs 20 crore to the central government and the central government will give an equal amount to the RBI.
- ▶ **Micro, small and medium enterprises (MSME):** The Bill replaces the terms 'small-scale industry' and 'industry in the tiny and decentralized sector' with the terms 'micro enterprise', 'small enterprise' and 'medium enterprise' as defined in the MSME Development Act, 2006.
- ▶ Under the 1981 Act, NABARD was responsible for providing credit and other facilities to industries having an investment of upto Rs 20 lakh in machinery and plant. The Bill extends this to apply to enterprises with investment upto Rs 10 crore in the manufacturing sector and Rs Five crore in the services sector.
- ▶ Under the 1981 Act, experts from small-scale industries are included in the Board of Directors and the Advisory Council of NABARD. Further, banks providing loans to small-scale, tiny and decentralized sector industries are eligible to receive financial assistance from NABARD. The Bill extends these provisions to the micro, small, and medium enterprises.
- ▶ **Consistency with the Companies Act, 2013** The Bill substitutes references to provisions of the Companies Act, 1956 under the NABARD Act, 1981, with references to the Companies Act, 2013. It includes provisions that deal with definition of a government company, and qualifications of auditors.

BANKING REGULATION (AMENDMENT) BILL, 2017

The Banking Regulation (Amendment) Bill, 2017 has been passed by both the houses of the Parliament which is to amend the Banking Regulation Act, 1949.

Key Provisions

- ▶ The Bill inserted the provisions for recovery of outstanding loans under which the central government may authorize the Reserve Bank of India to direct banks to initiate recovery

proceedings against loan defaulters. These recovery proceedings will be under the Insolvency and Bankruptcy Code, 2016. The Code provides for a time-bound process to resolve defaults by either:

- Restructuring a loan (such as changing the repayment schedule), or
 - Liquidating the defaulter's assets.
- ▶ **Issuing directions on stressed assets** - The RBI may from time to time issue directions to banks for resolving stressed assets. (Stressed assets are loans where the borrower has defaulted on repayment, or loans which have been restructured.) Further, the RBI may specify authorities or committees to advise banks on resolving stressed assets.
- ▶ **Committee to advice banks:** The RBI may specify authorities or committees to advise banks on resolution of stressed assets. The members on such committees will be appointed or approved by the RBI.
- ▶ **Applicability to State Bank of India:** The Bill inserts a provision to state that it will also be applicable to the State Bank of India, its subsidiaries, and Regional Rural Banks.

BHARAT 22

Bharat 22 is the new **Exchange Traded Fund (ETF)** announced by the Government that will track the performance of 22 stocks in which the government plans to reduce its stake in. An ETF (exchange traded fund) pools money from investors and channels it into a basket of stocks, mirroring an index and its performance. An ETF unit represents a slice of the fund and issued units are listed on exchanges for anyone to buy or sell at the quoted price.

The Bharat-22 ETF will span six sectors:

- ▶ Basic materials
- ▶ Energy
- ▶ Finance
- ▶ FMCG
- ▶ Industrials and
- ▶ Utilities.

The ETF will also include some of the government's holdings in SUUTI (Specified Undertaking of Unit Trust of India), besides public sector banks, miners, construction companies, and energy majors. In fact, the SUUTI heavyweights (L&T, ITC and Axis Bank) have a 40 per cent weight on the index. Other big names in the long list include SBI, Power

Grid, NTPC and ONGC (5 to 9 per cent each). Tail-enders include NALCO, Indian Oil, Coal India, Bharat Electronics, Bank of Baroda, NBCC (India), Indian Bank and SJVN.

The Bharat 22 ETF will be managed by ICICI Prudential AMC while Asia Index will be the index provider and the index will be rebalanced annually.

Why ETF is important?

The ETF mechanism has proven to be a smart, effective way for the government to meet its disinvestment targets and to keep fiscal deficit under control.

AGRI-UDAAN PROGRAMME

Food and Agribusiness Accelerator 2.0 has been announced by ICAR-NAARM Technology Business Incubator (TBI), a-IDEA and Indian Institute of Management Ahmedabad's (IIM-A) incubator Center for Innovation, Incubation and Entrepreneurship (CIIE).

This programme will help to selected innovative startups that will be mentored in to scale up their operations in Agri value chain for effective improvement in agriculture. This is a 6 month program in which shortlisted Agri startups with promising innovative business models will be mentored & guided to scale up their operations.

What are Accelerator programs?

Accelerators are 4-8 month program aiming at scaling up innovative startups with a working prototype and initial market traction. This is done through education, mentorship, and financing. Startups enter accelerators for a fixed-period of time, and as part of a cohort. The cohort is shortlisted by evaluation panel comprising of industry veterans, business experts, R&D scientists. Four distinct factors that make accelerators unique are fixed term, cohort based, mentorship driven and they culminate into demo day.

AGRI UDAAN: Food & Agribusiness accelerator

Looking at the impact created through NAARM TBI a-IDEA India's first Food & Agribusiness accelerator 2015 in partnership with IIM-A CIIE, National Science and Technology Entrepreneurship Development Board (NSTEDB), Department of Science & Technology has come forward to support AGRI UDAAN - for upliftment of Agri startups.

AGRI UDAAN will help in reaching out to agri-startups across the country with a series of road shows in Chandigarh, Ahmedabad, Pune, Bangalore, Kolkata & Hyderabad. This initiative is backed by Caspian Impact Investments as Platinum Partner, Yes Bank as Banking Partner, NCDEX eMarkets Ltd (NeML) & Marico Innovation Foundation as Silver partners. AGRI UDAAN also received support from National Research Development Corporation (NRDC), Agrinnovate as tech transfer partners, and FICCI as outreach partner.

Polity

ANTI RACIAL DISCRIMINATION PROVISIONS IN IPC

Home Ministry proposed to amend the law to insert two stricter anti-racial discrimination provisions in the Indian Penal Code but it has got a lukewarm response from the States.

Only four states – Uttar Pradesh, Manipur, Meghalaya and Mizoram in the northeast – have given their assent to the proposed law. Three Union Territories – Andaman and Nicobar, Dadra and Nagar Haveli, and Lakshwadeep – have also agreed to the Centre's proposal.

Two provisions in the IPC, that is, Section 153A and Section 509A are to be amended. Provisions are proposed to be inserted into the IPC sections since this matter comes under the Concurrent List and centre needs to obtain the opinion of the State Governments.

What are the recommendations of the Panel?

The amendments were based on the recommendations of the Bezbaruah Committee which was constituted by the Centre in February 2014 in the wake of a series of racial attacks on persons belonging to the northeast.

Though the committee submitted its report in July 2014, the Home Ministry sent letters for States' opinion only in February 2017.

The draft 153 C IPC provision says:

- ▶ "Whoever promotes or attempts to promote, on the ground of race, racial features, behaviour, culture, customs or way of living, any act which is prejudicial to human dignity or

dignity of members belonging to particular race and uses criminal force or violence in furtherance of such act, or, participates in such act intending to use criminal force or violence or knowing that participants in such act is likely to use criminal force or violence against the member of a race or cause or likely to cause fear or feeling of insecurity amongst the members of such race, shall be punished with imprisonment for a term which may extend to five years and fine."

Panel is also examining the possibility of the provisions of Section 509A IPC being misused because the law does not want the culprits to go scot-free but no innocent should be punished either.

CONTENT DEPOSITORY BANK

Following the establishment of an online academic repository of education certificates that will allow educational institutes and employers to access student data for verification of education credentials, the government is considering building a content depository for teachers to create, curate and disseminate teaching material as it explores ways to improve the quality of education.

According to Government's think tank, a content depository, may improve the learning outcome of schools. And the presence of a ready, up-to-date resource will help school book and curriculum publisher National Council of Education Research and Training, or NCERT, update its curriculum every year.

The depository and an online resource for teachers (think teaching methods) will reside on an open source software platform developed by Ek Step Foundation which is promoted by Infosys co-founder and former UIDAI chairman Nandan Nilekani. Teachers can access the depository directly from their computers, or through an app on their phones.

The new system will have multiple benefits

- ▶ Teachers at one place.
- ▶ Teaching-learning materials of a teacher at one place.
- ▶ Ultimately the professional progress report of teachers at one place.
- ▶ The government's plan is to allow over six million teachers in over 1.5 million schools across India

to create innovative content—audio, video and text—which will be screened and rated by an official panel. If a teacher looks for resources on the post-independent history of India, he or she will be directed to certain chapters, videos and text materials.

- ▶ This platform could make “islands of excellence” in teaching become mainstream and ensure that best practices and content are shared among the teaching community.
- ▶ Beyond content, it will allow education authorities and regulators to assess what kind of training is required for teachers.

RTE AMENDMENT BILL PASSED

Both the houses of the Parliament unanimously passed the Right of Children to Free and Compulsory Education (Amendment) Bill, 2017, which aims to provide a two-year window to around 11 lakh private and government teachers to get prescribed minimum qualifications for appointment.

The Bill was being amended as the 2009 Act, which came into force on April 1, 2010, allows teachers without professional qualification to get them by 2015. But it has not been followed.

On the other hand, government couldn't sack 11 lakh teachers in absence of the qualification, which includes seven lakh private teachers or do injustice to children.

Therefore the Bill gives them an opportunity to acquire professional qualification by enrolling themselves in the 'Swayam platform', which will be an online medium.

Those living in rural areas would be taught through Swayam Prabha television channels in 32 languages, and they would have to buy a set top box worth Rs 1300. For this the MoHRD has already signed memorandum of understanding with Doordarshan.

PROXY VOTING TO NON-RESIDENT INDIANS

On July 21, the Supreme Court directed the Central government to bring a bill amending the Representation of People Act to allowing NRIs vote from their overseas locations. On that line, the Union Cabinet has cleared a proposal to extend proxy voting to overseas Indians by amending electoral laws.

According to the proposal, while NRIs and overseas Indians are free to cast their votes in constituencies where they are registered, they would also be allowed to use the option of proxy, which as of now is only available to service personnel. For Overseas Indians to cast their votes via proxy voting, the Representation of the People Act needs to be amended.

An expert committee in the Election Commission working on this issue had forwarded the legal framework to the law ministry to amend electoral laws. Data shows that only 10,000 to 12,000 NRIs have voted because they do not want to spend foreign currency to come to India and exercise their franchise.

INSTITUTIONALIZATION OF ARBITRATION MECHANISM

The Government of India is committed for speedy resolution of commercial disputes and to make India an international hub of Arbitration and a Centre of robust Alternative Dispute Resolution(ADR) mechanism catering to international and domestic arbitration, at par with international standards available.

On this line, the High Level Committee was given the mandate to review the institutionalization of arbitration mechanism and suggest reforms thereto. The Committee, after 7 sittings, submitted its report on 3 August, 2017 to Ministry of Law & Justice and Electronics and Information Technology.

Highlights of the Report

The Committee Report is divided in three parts -

- ▶ The **first part** is devoted to suggest measures to improve the overall quality and performance of arbitral institutions in India and to promote the standing of the country as preferred seat of arbitration. The Committee in this context have recommended -
 - Setting up an Autonomous Body, the Arbitration Promotion Council of India (APCI), having representatives from all stakeholders for grading arbitral institutions in India.
 - The APCI may recognize professional institutes providing for accreditation of arbitrators.

- The APCI may hold training workshops and interact with law firms and law schools to train advocates with interest in arbitration and with a goal to create a specialist arbitration bar comprising of advocates dedicated to the field.
 - Creation of a specialist Arbitration Bench to deal with such Commercial disputes, in the domain of the Courts.
 - Changes have been suggested in various provisions of the 2015 Amendments in the Arbitration and Conciliation Act with a view to make arbitration speedier and more efficacious and incorporate international best practices.
 - The Committee is also of the opinion that the National Litigation Policy (NLP) must promote arbitration in Government Contracts.
- **Part II** - The Committee in Part II of the Report reviewed the working of ICADR working under the aegis of the Ministry of Law and Justice, Department of Legal Affairs. The Institution was set up with the objective of promoting ADR methods and providing requisite facilities for the same. The Committee has preferred for declaring the ICADR as an Institution of national importance and takeover of the Institution by a statute. The Committee is of the view that a revamped ICADR has the potential be a globally competitive institution.
- **Part III** - As regards the role of arbitrations in matters involving the Union of India, including bilateral investment treaties (BIT) arbitrations, the Committee in Part III of the Report has *inter alia* recommended for creation of the post of an 'International Law Adviser' (ILA) who shall advise the Government and coordinate dispute resolution strategy for the Government in disputes arising out of its international law obligations, particularly disputes arising out of BITs.

The roadmap of suggested reforms after an in depth examination of the issues can result in a paradigm shift from the current perception of delay in resolution of commercial disputes in India to an investor friendly destination. The suggested reforms will give a fillip to the development agenda of the Government and aid the financial strength of the country and serve the goal of welfare of the citizens.

GLOBAL

BREASTFEEDING SCORECARD 2017

Breastfeeding is one of the most effective investments a country can make to ensure a smarter, healthier population.

It protects children from a myriad of illnesses, increases IQ, and promotes a strong bond between mother and infant.

It is a powerful practice, and one that has huge implications for a country's future prosperity.

Every mother in the world decides how to feed her child but this decision is strongly influenced by economic, environmental, social and political factors.

Therefore WHO and UNICEF have established recommendations for breastfeeding practices globally through Global Breastfeeding Scorecard.

The Global Breastfeeding Scorecard analyzes indicators on how countries protect, promote and support breastfeeding through funding or policies. This scorecard analyzes indicators that influence breastfeeding.

To improve national support for breastfeeding highlight the need for funding of breastfeeding programmes, ending the promotion of breast-milk substitutes, protecting the rights of employed women, providing appropriate health care services, ensuring community support for breastfeeding, and developing monitoring systems to track and improve programmes.

Worldwide, performance on recommended policies and programmes for breastfeeding is poor. No country is highly compliant on all indicators, illustrating that substantial progress on all fronts is needed.

In recognition of this, the Global Breastfeeding Collective (Collective), a partnership led by UNICEF and WHO, has set targets for all of the indicators listed as well as four critical breastfeeding practices, to be met by 2030. The Global Breastfeeding Scorecard stands as an urgent call to action for policy makers worldwide. Hundreds of thousands of lives could be saved each year and numerous health conditions prevented if countries committed to changing their policies and providing greater funding to support breastfeeding. In addition, societies could ensure a healthier, smarter workforce by investing in this one simple practice.

Global Breastfeeding Collective

Call to Action Priorities:

- FUNDING:** Increase investment in programmes and policies that promote, protect and support breastfeeding
- THE INTERNATIONAL CODE OF MARKETING OF BREASTMILK SUBSTITUTES:** Fully implement the Code with legislation and effective enforcement
- MATERNITY PROTECTION IN THE WORKPLACE:** Enact paid family leave and workplace breastfeeding policies
- BABY-FRIENDLY HOSPITAL INITIATIVE:** Implement the Ten Steps to Successful Breastfeeding in maternity facilities
- BREASTFEEDING COUNSELLING AND TRAINING:** Improve access to skilled breastfeeding counselling in healthcare facilities
- COMMUNITY SUPPORT PROGRAMMES:** Encourage networks that protect, promote, and support breastfeeding
- MONITORING SYSTEMS:** Track progress on policies, programmes, and funding

CURRENT RATES AND TARGETS OF INDICATORS:

Indicator	Current Percentage	2030 Target
1 Donors contribute at least \$5 per newborn to support	6%	20%
2 Fully implements the Code of Marketing of Breast-milk	21%	40%
3 Provides recommended maternity leave	12%	20%
4 Over half of births are in Baby-friendly facilities	14%	50%
5 Most primary healthcare facilities provide IYCF	61%	80%
6 Most districts have community IYCF Programmes	50%	80%
7a Breastfeeding programme assessed in the last 5 years	40%	60%
7b Breastfeeding data collected in the last 5 years	48%	70%

CURRENT RATES AND TARGETS OF BREASTFEEDING PRACTICES:

Practice	Current Rate	Target by 2030
% of babies breastfed within an hour of birth	42%	68%
% of babies under 6 months old exclusively breastfed	39%	60%
% of children still breastfed at 1 year of age	71%	80%
% of children still breastfed at 2 year of age	44%	60%

United Nations Children's Fund (UNICEF)
3 United Nations Plaza
New York, NY 10017, USA
World Health Organization (WHO)
Avenue Appia 20
1202 Genève, Switzerland

FOR MORE INFORMATION AND TO JOIN THE COLLECTIVE:
www.unicef.org/breastfeeding
email: breastfeeding@unicef.org
www.unicef.org
www.who.int/en

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Miscellaneous News

DIFFERENT APPS LAUNCHED

► GST Rate Finder App

- The government on Friday launched an app called GST Rate Finder is the ready reckoner for all the tax rates that are to be levied under the GST (Goods and Services Tax) regime.

- The app has been developed by the Central Board of Excise and Custom (CBEC).
 - It is a ready reckoner for public, for customers, for consumers, traders, students, anyone who wishes to have very handy (GST) rates available.
- #### ► e-Rashtriya Kisan Agri Mandi (e-RaKAM) portal
- Union Food Minister Ram Vilas Paswan and Union Steel Minister Chaudhary Birender

Singh launched Rashtriya Kisan Agri Mandi (e-RaKAM), an e-platform for farmers to sell agricultural produce.

- The e-RaKAM portal will leverage technology to connect farmers from the smallest villages to the biggest markets. This will also neutralise the role of middlemen in the farm trade.
- E-RaKAM also aims to bring together farmers, farmer producer organisations (FPOs), PSUs, and buyers on a single platform to ease the selling and buying process of agricultural products.
- The platform has been developed by the MSTC, a public sector unit under the steel ministry, and will receive assistance from the food ministry's Central Railside Warehouse Company for marketing and logistics.
- The agriculture ministry has also come up with the e-National Agriculture Market (e-NAM) under its market reform efforts.

► Humraaz portal

- The Indian Army has developed a mobile app 'Humraaz' through which serving soldiers can track details like postings and promotions.
- Through this app, soldiers can also view their monthly salary slips and the Form 16 and also download them.

INDIA ALLOWED TO CONSTRUCT KISHANGANGA AND RATLE HYDROELECTRIC POWER FACILITIES

Context

India is allowed to construct hydroelectric power facilities on tributaries of the Jhelum and Chenab rivers with certain restrictions under the 1960 Indus Waters Treaty (IWT).

About Kishanganga Project

The Kishanganga Hydroelectric Plant is an \$864 million dam which is part of a run-of-the-river hydroelectric scheme that is designed to

divert water from the Kishanganga River to a power plant in the Jhelum River basin. It is located 5 km (3 mi) north of Bandipore in Jammu and Kashmir, India and will have an installed capacity of 330 MW.

About Ratle project

The Ratle Hydroelectric Plant is a run-of-the-river hydroelectric power station currently under construction on the Chenab River, downstream of the village of Ratle in Doda district of the Indian state of Jammu and Kashmir. The project includes a 133 m (436 ft) tall gravity dam and two power stations adjacent to one another. Water from the dam will be diverted through four intake tunnels about 400 m (0.25 mi) southwest to the power stations.

QATAR'S CABINET HAS APPROVED PERMANENT RESIDENCY TO SOME NON-CITIZENS

Context

- The draft law will allow residence to the children of Qatari women married to non-Qataris, and to some expatriates.

About the new provisions

- Qatar's Cabinet has approved a draft law making permanent residency available to some non-citizens, marking a partial shift from its reliance on its longstanding visa-sponsorship system.
- The residency permits could be granted to children of Qatari women married to foreigners, people who "offered valuable services to the country" and those with special skills.
- As in many Arab countries, a Qatari child's citizenship is granted based on the father's nationality. The residency permit gives holders similar rights as Qataris in terms of property ownership and access to generous education and health care services.
- Holders of the new permanent residency can for the first time access free state education and healthcare and have the right to own property and run some businesses without needing a Qatari partner.