

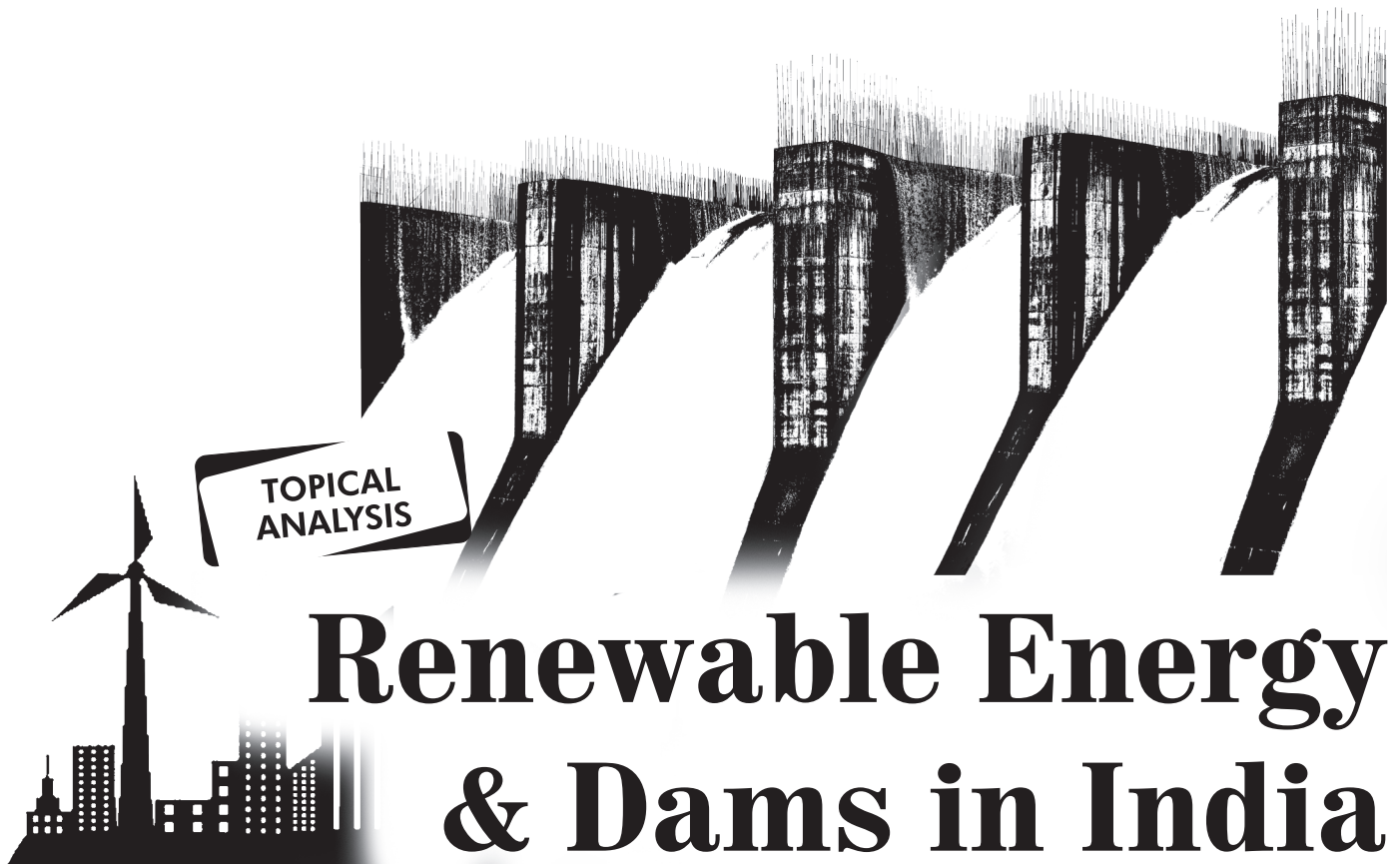
GS SCORE

ANALYST

Current Affairs Fortnightly

Issue- II (16-30) September, 2017

www.iasscore.in



CONTEMPORARY ISSUES

1. Economic Issue

- ▶ Benefits of Taking GST to Fuel Sector
- ▶ How GST has Affected Small Business
- ▶ Peer to Peer Lending Firms
- ▶ What are Shell Companies
- ▶ Privatization of Railways
- ▶ Saubhagya Plan

2. Social Issue

- ▶ The Relevance of Regional Language in Teaching
- ▶ Gender Segmentation in Economy
- ▶ India's Record of Reducing Poverty: World Bank's Atlas of SDG

3. International Issue

- ▶ Need for Reforms in UN
- ▶ Global Competitiveness Report
- ▶ Women in Judiciary Matters

4. Governance Issue

- ▶ Role of Cooperatives in Agriculture
- ▶ Issues with Working of MCI
- ▶ How Safe are Our Schools?
- ▶ SC Suggest Prison Reforms
- ▶ Simultaneous Elections

5. Science

- ▶ Technology and Food Security
- ▶ Mother-to-Child Transmission of HIV

6. Environmental

- ▶ Idol Immersion and Pollution

7. Sports

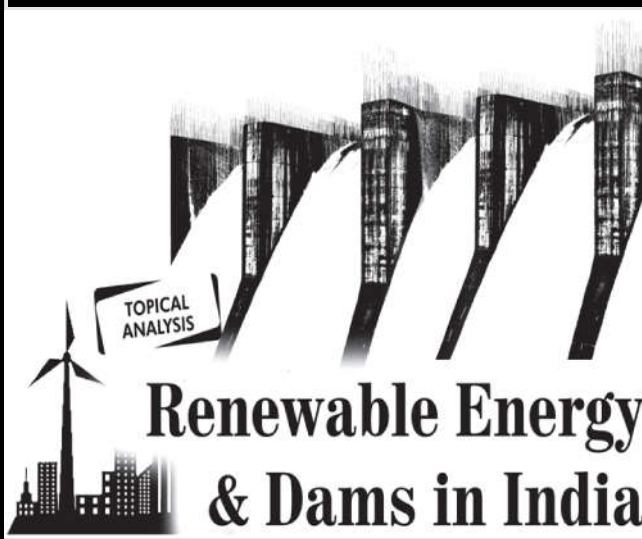
- ▶ Significance of Traditional Rural Games and Steps Needed for its Revival

It also cover Important News for Prelims

Contents

Issue II- September, (16-30), 2017

Topical Analysis 6-14



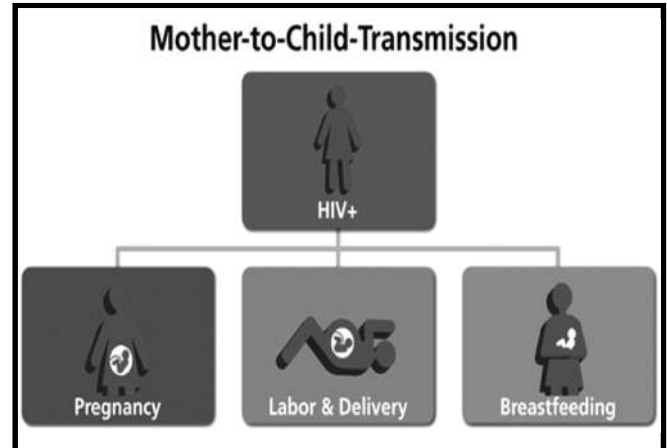
Contemporary Issues 15-88

- Benefits of Taking GST to Fuel Sector
- How GST has Affected Small Business
- The Relevance of Regional Language in Teaching
- Need for Reforms in UN



- Role of Cooperatives in Agriculture
- Peer to Peer Lending Firms
- Technology and Food Security
- Global Competitiveness Report
- Issues with Working of MCI
- What are Shell Companies
- How Safe are Our Schools?

- Mother-to-Child Transmission of HIV



- SC Suggest Prison Reforms
- Privatization of Railways
- Idol Immersion and Pollution



- Saubhagya Plan
- Gender Segmentation in Economy
- Significance of Traditional Rural Games and Steps Needed for its Revival
- India's Record of Reducing Poverty: World Bank's Atlas of SDG
- Simultaneous Elections

GS Mains

TEST SERIES - 2018



Classroom



Online



Flexi Format

TEST HIGHLIGHTS

- ▶ 2 Answer Writing Sessions.
- ▶ 20 Tests, including 12 Sectional and 8 Mock Tests.
- ▶ There are 12 Sectional Tests. Idea is to cover the entire subject in its length and breadth.
- ▶ Questions would be designed to judge the candidates' conceptual and interdisciplinary approach more than the factual knowledge. Through 12 sectional tests we can touch each and every aspect of the subjects.
- ▶ 8 Mock Tests will be conducted on the pattern of UPSC.
- ▶ **Model Answer Hints and Supplementary Notes after every tests.**
- ▶ **Detailed Discussion (3-4 hours) on key concepts, same day after the test.**
- ▶ Discussion classes are designed in such a way that they can provide value addition on the inter-related topics of the respective test. It also includes answer writing approach for every paper.
- ▶ Answer sheets will be evaluated by the experts only.
- ▶ Copy evaluation and feedback system is designed to provide relevant insights and feedback to each candidate as per his/her performance.
- ▶ Evaluation will be done within 14 days.
- ▶ One-to-one Discussion after copy evaluation with respective faculty.
- ▶ Flexible module for aspirants joining classroom test or online test.
- ▶ Flexi Timings in between 9:00 AM to 5:00 PM

Note: Discussion Classes will held only for Sectional Tests

Test Starts

11th November
2017

Test Timings:

9:00 AM to 12:00 Noon
Discussion:
12:30 PM

Programme - 1 (12 Sectional + 8 Mock)
Fee: Rs. 17,000/- (+ GST)

Programme - 2 (12 Sectional)
Fee: Rs. 12,500/- (+ GST)

Download Test Schedule at:



Prelims News

89-96

Indian Culture

- Bathukamma
- Brahmotsavam

Places in News

- Dabhoi
- Kaas Plateau
- Researchers find fossils on Zealandia
- KABINI Dam

Science and Environment

- Glaciers in Asia to sink
- New wetland conservation rules notified
- Cassini
- AIP module
- Encephalitis
- IMEI no.
- Fourth Gravitational wave is detected

Economy News

- GST Composition Scheme
- Bharat 22 Index and Exchange Traded Funds (ETF)
- Interconnect usage charges (IUC)
- Graded surveillance measure

Polity and Governance

- Cabinet approves revamped Khelo India Programme
- India's IMR declined by 8%
- Pt Deen Dayal Upadhyay Vigyan Gram Sankul Pariyojana

Miscellaneous News

- China Russia Naval Exercises
- Exercise Yudh Abhyas - 2017
- Bangladesh five-point peace plan
- PENCIL portal

COVER STORY

Renewable Energy and Dams In India



The Prime Minister of India has dedicated the Sardar Sarovar Dam to the nation on Sept 17th recently.

It is the highest hydropower dam ever built in India. However, the plan for harnessing the river for irrigation and power generation in the Narmada basin was initiated in the pre independence era.

Since then there have been many protests by the people, demanding rehabilitation from the government. Activists allege that the people displaced as result of the dam construction have not been fully compensated or rehabilitated.

In the midst of all the issues and arguments involved, PM has gifted the Sardar Sarovar Dam to the nation which can help in meeting the energy demands through renewable sources of energy.

The present article presents the picture of how humanity is dependent of energy and how renewable sources are the key to the future. It also analyzes the benefits and challenges of Hydropower projects and what can be possible energy solutions for the future in the Indian context.

Introduction

Today humanity can't imagine its existence without energy or power which is derived from various renewable and non-renewable sources. Energy has become the oxygen for the sustenance & growth of world. It is fuelling our industries and agriculture machines, running transport and commercial activities, household's appliances & lighting the whole world.

Globally, most of this energy is derived from conventional sources, most of which are fossil fuels. But climate change and other negative effects of using fossil fuels for power generation along with growing concerns over energy security are driving the expansion of renewable energy sources around the world. Though renewable sources have also come under criticism due to the huge land required as in case of wind and solar energy and high cost as compared to thermal power, most renewable sources rich countries have followed an integrated full life-cycle approach for the assessment of the benefits and impacts to ensure sustainability.

Significance of Renewable Energy

Renewable Energy can lead to sustainable development. It affects all aspects of developmental issues such as health, population levels, education, social, economic, and environmental including livelihoods, access to water, and agricultural productivity.

Benefits

- ▶ Fossil fuel emissions are contributing greatly to climate change. But solar energy panels and wind turbines generate zero emissions in their generation of electricity.
- ▶ Generating electricity from renewable energy rather than fossil fuels offers significant public health benefits. The aggregate national economic impact associated with these health impacts of fossil fuels is huge in term of percent of gross domestic product (GDP).
- ▶ Renewable energy sources like wind, solar, tidal and thermal are vast and inexhaustible while fossil fuels are finite. They are expected to last for few hundred years or even decades. Apart from it renewable energy sources are more democratic in nature compared to fossil fuels.
- ▶ Compared with fossil fuel technologies, which are typically mechanized and capital intensive, the renewable energy industry is more labor-intensive. This means that, on average, more jobs are created for each unit of electricity generated from renewable sources than from fossil fuels.
- ▶ The costs of renewable energy technologies have declined steadily, and are projected to drop even more so it can help stabilize energy prices in the future.
- ▶ Wind and solar are less prone to large-scale failure because they are distributed and modular. Distributed systems are spread out over a large geographical area, so a severe weather event in one location will not cut off power to an entire region.
- ▶ The risk of disruptive events will also increase in the future as droughts, heat waves, more intense storms, and increasingly severe wildfires become more frequent due to global warming. Renewable energy sources are more resilient than coal, natural gas, and nuclear power plants in the face of these sorts of extreme weather events.
- ▶ Further with respect to the usage of water resource, coal, natural gas, and nuclear power depend on large amounts of water for cooling, and limited water availability during a severe drought or heat wave puts electricity generation at risk. Wind and solar photovoltaic systems do not require water to generate electricity, and they can help mitigate risks associated with water scarcity.

India's Renewable Energy Spectrum

In the midst of global scenario, India is propelled by sustained economic growth and rise in income levels and also facing significant increase in energy demand which also translates into higher demand for electricity. India is projected to require around 7% annual growth in electricity supply to sustain a GDP growth of around 8.5% p.a. over the next few years.

The current gap in the energy demand and supply situation is highlighted by the fact that the country experienced a peak deficit of 5.2% and energy deficit of 4.2% in previous financial year, with the surplus western and eastern regions unable to compensate for the severely deficit northern, southern and north-eastern regions.

To meet the demands, India requires tapping all potential sources to address the deficit and meet the demand growth for accelerating economic development while taking into account considerations of long-term sustainability, environmental and social aspects.

The power sector in India had an installed capacity of 303 GW as of 31 May 2016 and the Renewable Power plants constituted 13% (42849.39 MW) of total installed capacity.

India's renewable energy mix has

- ▶ Wind Power: 26,866.66 MW (62.7%)
- ▶ Solar Power: 6,762.85 MW (15.8%)
- ▶ Biomass Power: 4,831.33 MW (11.3%)
- ▶ Small Hydro Power: 4,273.47 MW (10.0%)
- ▶ Waste-to-Power: 115.08 MW (0.3%).

Hydropower as a Potent Renewable Source

Hydropower generation has many advantages as compared to other technologies but only 17% of world energy is supplied by hydroelectric plants. The hydropower generation is highly capital-intensive mode of electricity generation but being a renewable source of energy with no consumables involved; there is very little recurring cost and hence no high long term expenditure. It is cheaper as compared to electricity generated from coal and gas fired plants. It also reduces the financial losses due to frequency fluctuations and it is more reliable as it is inflation free due to not usage of fossil fuel.

India's Hydropower Sector

India is very rich with hydropower potential and considered as one of the pioneering countries in establishing hydroelectric power plants. India is blessed with immense amount of hydro-electric potential and ranks 5th in terms of exploitable hydro-potential on global scenario. As per assessment made by CEA (Central Electricity Authority), India is endowed with economically exploitable hydro-power potential to the tune of 1,48,700 MW of installed capacity which would be able to meet a demand of 84 GW at 60% load factor which makes it one of the most important potential sources to meet the energy security needs of the country.

In India only 19.9% of Hydropower potential has been developed or used for development. The first hydropower power plant in Asia was developed at Darjeeling and Shimla in 1898 and 1902.

The basin wise assessed hydro potential is as under

Basin/Rivers Probable	Installed Capacity (MW)
Indus Basin	33,832
Ganga Basin	20,711
Central Indian River system	4,152
Western Flowing Rivers of southern India	9,430
Eastern Flowing Rivers of southern India	14,511
Brahmaputra Basin	66,065
Total	1,48,701

Major Hydropower generating units:

Name	State	Capacity (Mw)
Bhakra	Punjab	1100
Nagarjuna	Andhra Pradesh	960
Koyna	Maharashtra	920
Dehar	Himachal Pradesh	990
Sharavathy	Karnataka	891
Kalinadi	Karnataka	810
Srisaillam	Andhra Pradesh	770

About SardarSarovar Dam

The project was being conceptualized since the early 1940s but the dam construction could not be planned properly for a long time as there was no agreement on the sharing of waters. After the Narmada tribunal was instituted in 1969, it gave its final award between Gujarat-Madhya Pradesh in 1979.

Later the construction of the SardarSarovar Dam was approved on the Narmada in 1987, with 10 dams being constructed on the main river along with 20 more on its tributaries. Since the 1980s, various arguments have arisen regarding which sections of society have to pay the costs and enjoy the benefits of the dam construction. Therefore, the construction of the dam was put off for several years and was finally approved in 1987.

Benefits of SardarSarovar Dam

The benefits from the project are immense.

- ▶ Nearly 18.45 lakh hectares of land in Gujarat and 2.46 lakh hectares in Rajasthan are projected to be irrigated. This will increase agricultural production to the tune of about 87 lakh tonnes per annum.
- ▶ There is an installed hydropower capacity of 1,450 MW, which would be generating about 100 crore units of electricity per year.
- ▶ Drinking water will be provided to 9,500 villages, 173 towns of Gujarat and 124 villages of Rajasthan.
- ▶ The project will provide flood protection to an area of about 30,000 hectares which is prone to the fury of floods.
- ▶ And about a million jobs will be created mostly in rural areas as a result of the project.
- ▶ A certain portion of the water will also be used for industrial purposes.

There are also proposed benefits to the environment.

- ▶ The Shoolpaneshwar Wildlife Sanctuary area is going to increase from 150 square kilometres to 607 square kilometres.
- ▶ Environment safeguards have been put in place. Trees are being planted. A total of 76.1 million tree saplings have been planted; for every tree submerged, 92 are being planted.
- ▶ About 4,650 hectares are marked for compulsory afforestation.

Issues and Challenges in Hydropower Projects

While hydropower plays an important role in the energy and development strategies of India, such natural resource projects are inherently challenging.

Hydropower development also depends on various factors which include technical difficulties and political opposition, dearth of adequately investigated projects, land acquisition problem, environmental concern, regulatory issue, power evacuation problems, long clearance and approval procedure, the dearth of good contractor, and sometime law and order problem and inter-state issue are the cause for the slow development of hydropower.

The various reasons are discussed below however the examples of illustrations has been specified mainly to SardarSarovar Dam.

▶ Land Acquisition

- The land acquisition for hydroelectric projects is a time consuming lengthy process in India.
- Land is required for various purposes like building dams, power house, Switch yard, etc. Constraints in infrastructure development and Land availability and acquisition are other issues of land.

- Till recently, under the 120-year-old prevailing Act, land acquisition for public purpose had been beset by several issues surrounding processes, procedures and compensation, as the term 'public purpose' was never clearly defined. However, there are still serious issues which need to be addressed.

Narmada Bachao Andolan

It is the most powerful mass movement, started in 1985, against the construction of huge dam on the Narmada river. The proposed Sardar Sarovar Dam was estimated to displace more than 250,000 people. The big fight was over the resettlement or the rehabilitation of these people.

Sardar Sarovar Dam was opposed on the argument that it will devastate human lives and bio diversity by destroying thousands of acres of forests and agricultural land. On the other hand it will overall deprive thousands of people of their livelihood. Protestors believed that the water and energy could be provided to the people through alternative technological means that would be ecologically beneficial.

▶ **Environmental and Forest clearance Issues**

- The expert appraisal committee, which looks into environmental parameters, is set up under the Environment Protection Act, while the forest advisory committee, which considers the diversion of forest land, is set up under the Forest Conservation Act.
- These clearances from above two committee takes long time to finalize that increases the cost of the projects or its cancellation. In India, all hydroelectric power projects have to get environmental clearance. Land that is identified in forest areas can be acquired only on lease basis and subject to clearances from the forest department.

Sardar Sarovar Dam : Major Environmental Impacts

The construction of the dam has major environmental implications on the surrounding areas, because it requires large amounts of land to be cleared to provide the space for building.

Over 53,000 hectares of forest area was decimated, including deciduous forests that are valuable for firewood and forest byproducts.

The habitat of endangered species such as the tiger and wolf were destroyed, bringing them closer to extinction. The surrounding areas faced risks of water-logging and salinization, which can decimate agricultural crops.

▶ **Natural Calamities**

- The Himalayan region is prone to earthquake, landslides, cloud burst, glacial lake outbursts and flash floods. In Uttarakhand state, stations are more vulnerable to natural calamities as their power channels are more prone to landslides and cloud bursting. The recent devastating natural disaster in the state has severely shaken the confidence of private investors in 199 ongoing hydropower projects with an estimated potential of 14.4 GW and existing 45 projects have suffered huge losses.

▶ **Inter-state Disputes**

- Water is a state subject under the constitution of India. The Indian rivers run through many states and there are many conflicts amongst them for sharing of waters. In these situations, how hydro projects can be initiated and the shares of each state should be distributed remains a challenge in the long run.
- A large number of hydropower projects with common river systems between adjoining states are held up due to a lack of inter-state agreements and disputes on water-sharing.

Narmada Water Disputes Tribunal (October 1969)

Under the Inter-State Water Disputes Act, 1956, the Central Government constituted Narmada Water Disputes Tribunal (NWDT) on 6th Oct. 1969 to adjudicate upon the sharing of Narmada waters and Narmada River Valley Development under the Chairmanship of Justice V. Ramaswami.

The Tribunal gave its Award on 7th Dec., 1979 and specified quantum of utilisable waters at 75% dependability to be shared by the four States of Gujarat, Madhya Pradesh, Maharashtra and Rajasthan as under:

State	Flow
Gujarat	9.00 MAF
Madhya Pradesh	18.25 MAF
Maharashtra	0.25 MAF
Rajasthan	0.50 MAF
Total	28.00 MAF
(MAF-Million Acre Feet)	

► **Safeguard issues**

- Hydropower projects involve submergence causing the displacement of project area people. The rehabilitation of project affected people is also a major issue which is more pronounced in the case of storage-based hydropower projects, as was evident during the development of the Tehri dam. The project met with mass protests and public outcry on the issue of safety, environment and rehabilitation, resulting in unusual delays.
- These factors have resulted in negative public perception about hydropower projects resulting in sustained opposition to project construction in many cases often resulting in time and cost over-runs.

Sardar Sarovar Dam Height

Activists, especially of the Narmada BachaoAndolan, have maintained that raising the Narmada Dam to its current height of 138.7 metres from its mid-2000s height of 121.92 metres would affect 200,000 people in Madhya Pradesh as more areas were submerged.

► **Market development**

- The power market development in India is still at a nascent stage. The high risks and uncertainties inherent to these projects as among the reasons why it is difficult for hydro projects to compete with thermal generation on long-term basis.
- Furthermore, the current market structure does not allow hydropower developers to realize the potential benefit of meeting peak demand as the tariffs for both peak load and off-peak load are undifferentiated.

► **Financing**

- Hydropower projects are capital-intensive and financing them, by finding an optimum balance between bankability and affordability, is often a challenge. Although the operating cost of hydro projects are minimal and the project life longer than thermal, there are multiple other factors that make hydropower difficult to finance.

► **Technical challenges**

- Techno economic viability of hydropower projects depends on the geology, topography, hydrology and accessibility of the project site. An element of uncertainty remains in the sub-surface geology. Geological surprises during

actual construction cannot be ruled out. This unpredictable geology is more pronounced in the young fold Himalayas where most of the Indian hydropower potential resides. Such technical challenges add to construction risks.

Some Other Specific Issues Related to Sardar Sarovar Dam

► Political, Economic and Social Issues

- The construction of the Sardar Sarovar Dam is an example of a development project, which is supposed to benefit all members of a society and not only to few powerful actors.
- When it was initially proposed, it promised to bring advantages to millions of people while only displacing a few. However, the distributions of benefits were not equitable because influential actors in society such as the government and industrialists cornered the benefits of the project.
- The local people, Tribals, who were promised opportunities to develop due to the rehabilitation aspect of the project, were not fully compensated for their loss in natural resources and culture.
- This situation resulted due to a flaw in the 1979 Narmada Water Disputes Tribunal, which was set up to protect the rights of the people being affected by the dams construction¹.
- Instead of protecting their rights, it ended up costing them because many of the affected people did not fit the definition of “oustees”, which would entitle them to compensation. Therefore, a majority of the *Tribal* population suffered because they received absolutely zero compensation.

► Cultural Impacts

- Besides the economic impacts, other ways the marginalized population suffered was culturally. Many of the resettled people were compensated with land in far off regions, which forced them to move out of their homeland, where their families had thrived for many decades.
- This had an adverse impact on familial and social ties that these people had established over many years
- In India, almost every state and district is unique, with its own set of languages and cultural practices. When relocated to a different region, the resettled population had to learn new languages and adjust to the new culture, which could take years to get used to.

► Unequal distribution of Benefits

- The main group set to benefit from this project is the manufacturing sector, which utilizes almost 70% of the electricity generated in the country¹.
- Industrialists have a massive need for electricity as well as the most influence to guarantee they enjoy the benefits before other actors in society.
- Farmers are also set to benefit; however, the distribution of water property rights among the discussed farmers is not equitable.
- Farmers who use capital-intensive techniques and are at the primary end of the command area will receive the irrigation benefits first.
- The farmers in the non-primary areas will not have the same access to sources of irrigation, despite the fact that both areas are vulnerable to drought conditions.

Recommendations of Kirit Somaiya Committee for developing Hydropower Sector

The Standing Committee on Energy chaired by Kirit Somaiya submitted its report on Hydro power on May 6, 2016. Key observations and recommendations of the Committee are :

Hydro power as renewable energy

- ▶ Presently, hydro power plants with capacity up to 25 MW are considered as renewable energy sources and above this capacity are considered as conventional sources.
- ▶ The Committee noted that there is no logic for the segregation of hydro power into renewable energy and conventional energy. The Committee recommended that all types of hydro power must be treated as renewable sources. It also recommended that legislative provisions could be introduced as defining hydro as renewable source involves a policy decision and allocation of business in the government

Share in total capacity

- ▶ The share of hydropower in the total energy mix has been declines reducing over the years. The reasons for the decline include lack of adequate infrastructure and inadequate funds by bilateral agencies, etc. The Committee recommended that the hydro power policy must be revised based on the current needs.

Finances

- ▶ The Committee observed that while hydro power projects have assets with lifespan from 25 to 100 years, banks provide them with loans for about 12 years. Therefore, higher cash flow is required in the initial 10 to 12 years to repay the debt. This leads to higher hydro power tariffs in the initial years, due to which states are reluctant to buy hydro power.
- ▶ The Committee recommended that (i) the average lifespan of hydro power projects for tariff determination must be treated as 30 to 40 years, and (ii) banks and financial institutions must be persuaded to lend long term finances to hydro projects.

Environment clearances

- ▶ One of the main reasons cited for delay in hydro projects was obtaining environment clearances. By scrutinizing the facts and considering differing views, the Committee noted that the perception that environment clearances are the biggest roadblock in development of the hydro power sector is not true.
- ▶ Further, it noted that in spite of being granted environment clearance, various projects are not being developed.
- ▶ 'Both environment and development activities are important. Therefore, there is a need to strike a balance between the two. It recommended that certain sensitive areas with respect to environment and biodiversity should not be used. However, in other areas, the process of granting environment clearances for hydro power projects must be expedited.
- ▶ The Committee recommended that the Ministry of Environment, Forest and Climate Change must prepare clear guidelines with respect to granting clearances.

Public sector projects

- ▶ The Committee observed that in spite of Public Sector Undertakings (PSUs) having the required infrastructure, they do not have many projects to develop. It noted

that the under-utilisation by these companies was a wastage of resources and expertise. It recommended that PSUs engaged in hydro power must be promoted by allocating them more projects.

- ▶ The Committee noted that in Arunachal Pradesh the hydro-power projects were allocated on first come first served basis by means of upfront payment (one-time non-refundable commitment). As Public Sector Undertakings do not have provisions to pay upfront premiums, all projects allocated to them were taken back and given to private companies who have paid the premium. It recommended that the government should take necessary measures to discontinue the practice of upfront payments for hydro project allocation.

Plan for the future

India should have a clear roadmap for accelerating responsible hydropower development in India. In order to keep up with the growing need for energy, it is necessary to undertake developmental projects that provide cheap and environmentally friendly sources of energy. However, the process of producing this energy has major environmental, social, and political implications that have to be taken into account. Hydroelectricity is an effective method of producing large quantities of energy, but it isn't without flaws.

India needs to have an overarching policy framework, specific sector strategies, and clear and transparent processes for accelerating hydropower development. Standardized processes and efficient inter agency governmental coordination reduces unpredictability to create a better climate for potential investors.

The benefits and negative effects of natural resource development are often unevenly distributed, benefit-sharing mechanisms and mitigation measures are crucial for sustainability and stability in development.

In the future, the government and powerful actors need to take into account every single stakeholder who is directly or indirectly affected by the construction of large developmental projects, and ensure that the resettlement and rehabilitation schemes live up to their promise of providing them with a similar lifestyle to the one they were enjoying prior to being resettled.

ECONOMIC ISSUE

Benefits of Taking GST to Fuel Sector

Context

Oil Minister Dharmendra Pradhan has recently stated that GST Council should consider bringing the petroleum products in the ambit of GST.

Currently, crude oil, petrol, diesel, jet fuel or aviation turbine fuel and natural gas are not included.

Hereby discussing the impact of inclusion of fuel sector in GST.

Introduction

The Goods and Services Tax (GST) is in force from 1 July 2017.

Currently, crude oil, petrol, diesel, jet fuel or aviation turbine fuel (ATF) and natural gas are not included in the new indirect tax structure while other products such as LPG, naphtha, kerosene, fuel oil, etc are included.

This essentially means that various goods and services procured by the oil and gas industry will be subject to GST, but the sale and supply of oil, gas and petroleum products will continue to attract earlier taxes like excise duty and VAT.

Unlike other industries which can take credit for any tax paid towards furtherance of business, no credits on input GST will be available to the oil and gas industry leading to huge additional indirect tax burden with stranded costs of about Rs 25,000 crore.

Many States had drastically increased value-added tax also.

Why excluded?

- ▶ Crude oil, petrol, diesel, jet fuel and natural gas have been temporarily excluded from it as part of an understanding between the Union and state governments meant to prevent any disruption in states' revenue from the oil sector in the initial years of the tax reform.

Current taxation:

- ▶ Currently, two taxes VAT and excise duty are imposed on petrol and diesel.
- ▶ The VAT component varies across cities and the percentage is decided by the state government. However, excise duty is imposed by the central government and is fixed across states.
- ▶ Nearly half the current price of petrol and diesel is attributable to taxes imposed by the central and the state government. This means that the cumulative rate of current taxes (VAT+excise) amounts to a whopping 79.5 percent on diesel and 107.3 percent on petrol.

Emerging Issues for Oil and Gas Sector after GST

- ▶ The oil and gas sector will be getting a hard setback due to the goods and service tax as the sector will have to maintain dual compliance in both of the tax system because five petroleum products viz crude oil, natural gas, motor spirit, high-speed diesel and aviation turbine fuel have been excluded from the GST, while other products such as LPG, naphtha, kerosene, fuel oil etc are included.
- ▶ A joint report of ICRA and ASSOCHAM mentioned that the oil and gas sector will have to follow both current tax scheme and GST tax scheme which will increase the compliance cost almost double for the sector.
- ▶ The sector will not be able to get benefits of input tax credit on tax, as the oil and gas companies will be paying GST on machinery, tools and services but can not avail credit on the sale of furnished product reason being the sector is out of GST ambit.
- ▶ Additionally, as services contribute a significant proportion to the upstream companies' CAPEX and OPEX, the increase in tax rate from 15 per cent to 18 per cent would impact the upstream companies adversely.
- ▶ Further gas marketers will face complexities as they will pay the GST on transmission tariffs, while sale of natural gas is outside the purview of GST.
- ▶ The PNG in industrial and commercial sectors is likely to become less attractive as fuel, because effective tax rate on competing liquid fuels has reduced from 26-28 per cent to 18 per cent and consumers paying VAT on PNG will not be able to get input tax credit as most of their finished goods would fall under the GST regime. Thus, PNG sales could get adversely impacted.

Reasons for inclusion by experts

- ▶ The inclusion of natural gas in GST has been a key demand of upstream oil companies such as GAIL and was pointed out by the **Parliamentary Standing Committee** on petroleum and natural gas in a recent report, as these firms will otherwise face a much higher tax burden.
- ▶ According to ICRA exclusion of crude oil and natural gas from GST would have an inflationary impact on the prices of other downstream products produced from these feed stocks such as naphtha, kerosene, petrochemicals.
- ▶ **Industry representatives** pointed out that this exclusion will result in huge stranded taxes in the hands of oil industry due to non-availability of input tax credit towards non-GST products.

Benefits of including fuel sector

- ▶ If natural gas is included, GST paid on inputs and services used for producing natural gas can be set off against taxes on its sale. This would cut the losses to the industry by one-fifth.
- ▶ The move will benefit companies like Oil and Natural Gas Corporation (ONGC) as well as gas retailers like IGL.
- ▶ Assuming that the government brings petrol prices under 12 per cent GST bracket, then petrol price could come down to Rs 38.1 in Delhi while at 18 percent, petrol price will come down at 40.05 a litre. If the government pushes petrol to highest GST tax bracket of 28 per cent, then it will cost Rs 43.44 per litre in the national capital.
- ▶ Similarly, if government brings diesel prices under 12 per cent GST bracket, then it will be sold at Rs 36.65 in Delhi. At 18 per cent GST, diesel will cost Rs 38.61 while at 28 per cent GST, it will cost Rs 48.88.

- ▶ The uniform tax regime would bring more players and more competition into the market, which eventually would benefit the consumers.
- ▶ For the past two decades, pricing of petroleum products had been linked to the international market. Since June 16, 2017, fuel retailers had been revising rates daily based on average international price. Benefit of even the smallest fluctuation in the international market would be thus passed on to consumers on a daily basis. Consumers' interest would be protected in the long with the best price mechanism. Looking into the consumer interest, there must be tax rationalisation. There has to be a "uniform tax mechanism" all over the country.
- ▶ Implementation of GST on petrol and diesel prices would bring about pricing parity across states. Petroleum products are key inputs for many industries and since they are outside the ambit of GST, the user industries cannot claim input tax credit (ITC) on a key raw material.
- ▶ Even oil marketing companies (OMC) are not able to avail of this benefit of ITC and this significantly inflates their tax burden. An inclusion of petrol and diesel in GST would enable OMCs to avail the ITC and would lower their tax liability.

Way forward

When international crude oil prices are showing an upward trend in recent times, the central government must bring down the excise duties rather than allowing the oil companies to raise the retail prices at will. Imposing high taxes on petro-products, which are necessities and hence display low price-elasticity of demand, is a soft option as far as revenue mobilisation is concerned.

Conclusion

At a time when GST has been introduced to rationalise indirect taxes, it is indeed hypocritical to keep petro-products outside the GST ambit in order to raise additional central revenues. Rather than running after the chimera of a fiscal windfall through steps like demonetisation, the government should focus on ways and means to increase direct tax revenues from the more affluent sections of society.

ECONOMIC ISSUE

How GST has Affected Small Business



After completing a quarter after introducing new indirect tax regime i.e. GST, GST Council recently announce a series of rule changes by offering relief to small and medium enterprises (SMEs) and exporters from the rigors of complying with the technology-oriented goods and services tax (GST).

With respect to the changes proposed, hereby discussing the impact of GST on small business and why were changes required?

Background

GST, country's biggest tax reform since independence, is destination-based consumption tax levied at multiple stages of production and distribution of goods and services. It combines various other taxes such as state and local tax, entertainment tax, excise duty, surcharges, octroi and others. The tax is applicable on transaction value which includes packaging, commission and other expenses incurred during sales. It allows full tax credit from inputs and capital goods on procurement which can later be set off against the GST output liability.

Contribution of SME's

Small and Medium Enterprises (SMEs) have been considered as the primary growth driver of the Indian economy for decades. It is further evident from the fact that today we have around 3 million SMEs in India contributing almost 50% of the industrial output and 42% of India's total export. For a developing country like India and its demographic diversity, SMEs have emerged as the leading employment-generating sector and has provided balanced development across sectors.

Negative impact of GST on SME

India's GST has increased the regulatory burden on small businesses.

The low threshold, under which only companies with annual revenue below Rs20 lakh are exempt from registration, has hurt hundreds of thousands of companies. These companies were earlier exempt from paying excise duty under the small-scale industry exemption which let off firms with revenue of upto Rs1.5 crore.

The huge compliance cost to small businesses may be disproportionate to the revenue generated by them. Also, mismatching of invoices due to technical glitches could hold up credits, a situation that has been seen in China and Brazil, further burdening small businesses.

These hurdles, compounded by the complicated rate structure, may actually end up pushing enterprises to evade taxes.

The impacts have been discussed below:

- ▶ **The burden of lower threshold:** The GST bill proposes a reduction in threshold to be around Rs. 10 lakhs to increase the tax net, Rs. 5 lakh for North Eastern states. Under the reform, any service provider or retailer will be subject to tax levy. In the current central excise law threshold is Rs.1.5 crore. This reduction will significantly impact the SMEs' working capital. For example, a manufacturer who trades today at Rs. 25 lakhs without any tax levy will be expected to pay GST post implementation. As the threshold is low, most MSMEs are now exempted and will have to pay a chunk of their capital towards tax in future.
- ▶ **No tax differentiation for luxury items and services:** The tax neutrality won't differentiate luxury goods and normal goods. Currently the state and central government levy higher taxes on luxury goods and services. Under GST implementation, all goods and services will have to pay the same tax. It is not an ideal situation for SMEs competing against large businesses.
- ▶ **Returns must be filed on a monthly basis:** The new tax system requires three filing a month plus an annual return - a total of 37 filings - for each of India's 29 states in which a firm operates. The new tax will require firms to upload their invoices every month to a portal that will match them with those of their suppliers or vendors.
- ▶ **Cost of tax compliance is likely to increase:** As mentioned above, consistently filing 3 returns a month, periodically reconciling transactions, and uploading invoices regularly will give rise to the need for an accountant with technical expertise. Hiring an accountant and paying them, adds to the burden on small businesses. It's tedious to maintain separate books of accounts for every state involved in the supply of goods/services and assess the records of various entities involved in every single transaction. To cope with the system, small businesses might use the services of licensed third parties that help firms comply with the GST regime. For this convenience, small businesses will have to dish out a sum ranging from Rs.1000-Rs.5000, depending on the kind of service that is rendered to them.
- ▶ **Registration will be mandatory for e-commerce suppliers and operators:** Businesses carrying out activities related to e-commerce should register under GST irrespective of their annual turnover rate. Unlike other types of businesses, e-commerce firms will not be eligible for threshold exemptions or for the Composition Scheme (which allows firms to file their tax returns on a quarterly basis instead of 3 times a year and pay taxes at a much lower rate).

Also, e-commerce firms should register for GST in every single state where they supply goods.

Overall, GST simplifies the entire process of filing and paying taxes. It will also increase the competition between SMEs by unifying the Indian market.

Recent changes proposed

The GST Council raised the composition scheme threshold to Rs 1 crore from Rs 75 lakh, allowed smaller businesses with a turnover of up to Rs 1.5 crore to pay tax and file returns quarterly instead of monthly, exempted exporters from payment of tax under various promotion schemes, deferred implementation of the tax deduction at source and collection at source provision to April 1 next year and suspended the reverse charge mechanism until the fiscal year-end.

The council also slashed tax rates on 27 items including sliced dried mango, khakhra, manmade yarn, stationary items, e-waste, plastic waste, rubber waste and job-work

services while deciding to adopt a concept paper on the tax rates that would form the backbone of all changes in future.

The council has also set up a Group of Ministers to examine on an urgent basis issues concerning the small scale sector such as whether the total turnover calculation for the composition scheme should include exempted goods, if inter-state sales should be allowed for those availing of the scheme and whether input tax credit needs to be given to them. This group will give its report in two weeks.

Conclusion

Implementation of GST is taken by the Indian government is a big structural change in Indian market and is expected to be come with confusions and complexities especially small businesses. These are coming into light and government of India is ensuring appropriate changes to comply with such regime. Though the structure might not be a perfect one but once in place, such a tax structure will make India a better economy favorable for small business and for big business as well.

SOCIAL ISSUE

The Relevance of Regional Language in Teaching

Context

Globally, there are 50-75 million 'marginalized' children who are not enrolled in school. Children whose primary language is not the language of instruction in school are more likely to drop out of school or fail in early grades. Research has shown that children's first language is the optimal language for literacy and learning throughout primary school. In spite of growing evidence and parent demand, many educational systems around the world insist on exclusive use of one or sometimes several privileged languages. This means excluding other languages and with them the children who speak them. Thus discussing the significance of regional language in teaching.

Regional Languages in India

India is a country of great diversity in aspects of life especially in regional languages. The Linguistic Survey of India completed by the government in 1928 identified 364 languages in India. The People's Linguistic Survey of India, a commendable effort by civil society and research organizations, identified and documented 780 languages in 2012. Languages are not static, but dynamic. They grow, diminish, change, merge, form, and sadly, die. Our bewildering linguistic diversity has often animated our politics. This is unsurprising, since language is one of the most emotive dimensions of collective identity. Languages have been powerful tools for education and development. Regional language plays an important role in teaching and education from very starting of one's life.

Constitutional provision for regional language

Under Article 350A of Indian constitution it is mentioned about facilities for instruction in mother-tongue at primary stage. It shall be the Endeavour of every State and of every local authority within the State to provide adequate facilities for instruction in the mother-tongue at the primary stage of education to children belonging to linguistic minority groups; and the President may issue such directions to any State as he considers necessary or proper for securing the provision of such facilities.

Why Children learn better in their mother tongue?

UNESCO has encouraged mother tongue instruction in primary education since 1953 and UNESCO highlights the advantages of mother tongue education right from the start.

- ▶ Children are more likely to enroll and succeed in school; parents are more likely to communicate with teachers and participate in their children's learning;
- ▶ Rural children with less exposure to a dominant language stay in school longer and repeat grades less often; and children in multilingual education tend to develop better thinking skills compared to their monolingual peers.

Some educators argue that only those countries where the student's first language is the language of instruction are likely to achieve the goals of Education for All. Research also suggests that engaging marginalized children in school through mother-tongue based, multilingual education (MTB-MLE) is a successful model.

The uses of regional language in teaching have many advantages which are mentioned as follows:

- ▶ Use of a familiar language to teach beginning literacy facilitates an understanding of sound symbol or meaning-symbol correspondence. Learning to read is most efficient when students know the language and can employ psycholinguistic guessing strategies; likewise, students can communicate through writing as soon as they understand the rules of the orthographic (or other written) system of their language.
- ▶ While there are many factors involved in delivering quality basic education, language is clearly the key to communication and understanding in the classroom. Many developing countries are characterized by individual as well as societal multilingualism, yet continue to allow a single foreign language to dominate the education sector. Instruction through a language that learners do not speak has been called "submersion" because it is analogous to holding learners under water without teaching them how to swim. Compounded by chronic difficulties such as low levels of teacher education, poorly designed, inappropriate curricula and lack of adequate school facilities, submersion makes both learning and teaching extremely difficult, particularly when the language of instruction is also foreign to the teacher.
- ▶ Unlike submersion teaching, which is often characterized by lecture and rote response, instruction in regional language allows teachers and students to interact naturally and negotiate meanings together, creating participatory learning environments that are conducive to cognitive as well as linguistic development.
- ▶ The affective domain, involving confidence, self-esteem and identity, is strengthened by use of the regional language, increasing motivation and initiative as well as creativity. Regional language classrooms allow children to be themselves and develop their personalities as well as their intellects, unlike submersion classrooms where they are forced to sit silently or repeat mechanically, leading to frustration and ultimately repetition, failure and dropout.
- ▶ Use of regional language increase parent participation in school affairs, a situation likely to be related to the fact that they are allowed to use the own language to speak to the teacher. It reduces the gap between the teacher and student's parents which ultimately benefited the teaching and learning both.
- ▶ Use of regional language increase participation of girls in teaching- learning process in terms of higher enrolment and passing rates and lower dropout rates. International research indicates that girls never get to school, or stop attending after only one to three years, due to various factors such as perceptions that they are less able than boys, or lack of trust in male teachers. Use of regional language increase student-teacher communication allows girls to demonstrate their competence and teachers to see it, and increased parent-teacher communication increases trust in the teacher while exposing him to more social control.
- ▶ In many cases use of regional languages preserving mother tongues which is a heritage.

Many linguistic groups are becoming vocal about the need to ensure that the youngest members of their communities keep their linguistic heritage. Some governments, such as in the Philippines, have recently established language-in-education policies

that embrace children's first languages. A compendium of examples produced by UNESCO attests to growing interest in promoting mother tongue-based education, and to the wide variety of models, tools, and resources now being developed and piloted to promote learning programs in the mother tongue.

Conclusion

More research is needed on steps that can be taken in the early years and during the transition to school to prepare children for the mix of languages that will be used in primary school.

Investment in a coordinated program of research could advance knowledge about these kinds of questions in order to inform national language in education policies, teacher training, and local approaches.

Family members play an important role as children's 'first teachers' and research should explore the roles of informal and non-formal education and family interaction in promoting literacy, numeracy, and higher order cognitive skills using the mother tongue.

However, because language cross-cuts race, ethnicity, gender, and poverty, even minimally implemented bilingual programs have the potential to reach those who have traditionally been left behind by submersion schooling. We need to research in all these aspect for better participation and results.

INTERNATIONAL ISSUE

Need for Reforms in UN



With North Korea, the Rohingya refugee crisis in Burma and climate change among a host of looming global issues, there is a need for reforms in the bureaucratic and administrative structure to bring transparency and equality in the world organization.

Thus discussing about the UN reforms and challenges of reforming the UN.

Introduction

The UN provides a unique platform for international action. It offers unparalleled legitimacy for global engagement, owing to its universal membership; its inclusive decision-making processes; its unequalled reach; and its ability to provide critical services that are essential to international peace, security, stability and prosperity.

The United Nations Security Council (UNSC) is one of the most important multilateral institutions having the ambition to shape global governance and the only organ of the global community that can adopt legally binding resolutions for the maintenance of international peace and security and, if necessary, authorize the use of force.

Its objectives include:

- ▶ Maintaining international peace and security.
- ▶ Promoting human rights.
- ▶ Fostering social and economic development.
- ▶ Protecting the environment.
- ▶ Providing humanitarian aid in cases of famine, natural disaster, and armed conflict.

Reforms suggested and Challenges

- ▶ In its history, the UN has been reformed **three times**, but these reforms aimed only at expanding its agencies, including the Economics-Social Council and the Security Council. Since the early 1990s, the UN has had an ambition reforming itself in three areas: developing and implementing Millennium Development Goals (MDGs), overhauling the UN organization, and updating the Secretariat and its operations. However, in 20 years, very little has accomplished.

Challenges

Changes required are:

- ▶ First, the veto power of the five permanent members of the Security Council should be abolished. A relic of World War II subject to abuse, it is largely responsible for the Council's impotence. Some propose increasing the number of permanent members, but that could exacerbate the problem. An alternative might be permanent membership for the most populous countries that together represent a majority of the world's population, with additional seats allocated on a rotating basis.

Regardless of how membership is determined, the veto should be replaced by majority or supermajority vote, on either a state or population basis. Admittedly, achieving such reform will be difficult because proposals to eliminate the veto can be vetoed by any of the current permanent members.

- ▶ Second, all United Nations member states should be subject to the compulsory and binding jurisdiction of the International Court of Justice. Currently, the court can adjudicate cases only when both states consent, which is akin to a defendant's having the right to evade justice by refusing to take part. No legal system can function in such a manner.
- ▶ Third, calls for reforming the UN demand to make the UN administration (usually called the UN Secretariat or "the bureaucracy") more transparent, more accountable, and more efficient, including direct election of the Secretary-General by the people as in a presidential system.

India's stand on reforms:

- ▶ Since the end of the Cold War, India has been spearheading a move for reforms at the UN to make the world body more representative of the changing global realities while enhancing its credibility and effectiveness.
- ▶ India has suggested that the UN reforms need to be "*broad-based and all-encompassing*" and the changes should not be restricted to its secretariat only.

India's claim to Permanent membership UNSC:

- ▶ With a **population** of a more than 1.2 billion, India will soon overtake China as the most populous country of the world. So no one can deny its ubiquitous physical presence in the world stage and the resultant need for adequate representation in a strategic forum like UNSC.
- ▶ Barring nagging problems including inequality, illiteracy, poverty and corruption, India is the **largest democracy in the world**. Excluding the 21-month interlude of 'emergency' during 1975-77 under Indira Gandhi, it religiously adhered to the norms of democracy since gaining independence from the British in 1947.
- ▶ It is the **10th largest economy in the world** and its army is the third-largest globally.
- ▶ India has been a member of the UNSC for six terms totaling 12 years besides being a **member of G-77 and G-4**; therefore, a permanent membership in UNSC seems a logical extension.
- ▶ It is the **third-largest contributor** of troops (close to 160,000 soldiers) to more than 40 UN **peacekeeping** efforts including those in Korea, Egypt, the Congo, Somalia, Angola, Haiti, Liberia, Lebanon, Rwanda and South Sudan and more than 150 Indian soldiers lost their lives while serving in UN missions.
- ▶ The developing nations, including India, now play a larger role in both the international economy and politics. But these changes are not reflected in the UN, where all critical decisions are still being taken by the veto-wielding permanent members of the Security Council.
- ▶ The geopolitical rivalry among the permanent members has prevented the UNSC from coming up with effective mechanisms to deal with global crises. Syria is a case in point. Even as a humanitarian tragedy is unfolding in Syria, there is no consensus in the Security Council on how to tackle it.

Benefits to India if the UN Security Council is reformed:

- ▶ India can tackle human rights violations in our neighbour countries Sri Lanka (After civil war crimes), Myanmar (Rakhine Muslims), Afghanistan (Gender inequality) with more authority and can bring them to notice in UNSC.
- ▶ Indian Ocean can be declared as “Zone of Peace”. This will stop China from deploying submarines in strategic locations engulfing India with its “String of Pearls” policy.
- ▶ To protect interests, India can enforce Pakistan to stop supporting terror elements and let non-state actors use its soil for terrorist actions.
- ▶ As regional representation increases, India can represent or lead other countries to stop western forces (USA, UK, France) from promoting their vested interests. Invasion of Iraq, bombing of Libya, non-recognition of Palestine state are few examples.
- ▶ Having UNSC permanent membership, India can have leverage in geopolitics, military, economic and political groupings and negotiations.
- ▶ In areas like Intellectual property rights, maritime issues, border conflicts etc Indian voice will be represented and heard by world countries.
- ▶ Indian Diaspora across will also benefits if any issues arise like unfair treatment to diplomats, racial attacks, providing equal opportunities in foreign countries, protection against arbitrary laws of international countries. This enables building soft power.

Challenges:

- ▶ Legal obstacles and political realities have obstructed the reform process:
 - There are binding regulations in the UN Charter including the regulations on Permanent Membership and Voting Rights.
 - Any attempt to remove the veto was bound to be vetoed. There is no realistic provision within the UN Charter that would allow the removal of the veto right without the P-5’s unanimous consent.
 - The veto had been conceived in order to keep the five countries, especially the United States, in the organization by enabling them to block decisions they would have found against their national interests.
 - The current political reality is one of bitter conflicts between regions and between different interest groups. Reform and progress will languish while the divisions between UN members are so sharp.
- ▶ Complaints and arguments over the way development aid is administered, human rights are not effectively promoted, peace operations are not producing sustained results, and a few countries, most notably the United States, are treating the UN as a mere tool of their policy that can be used, abused, or ignored as those in power in Washington see fit.
- ▶ The UN is structured in such a way that the decision-making process is distributed among a wide range of countries and constituencies with often competing and contradictory views and interests. Russia and China, for example, did not attend the UN meeting on reforms.
- ▶ The UN peacekeepers were deployed to environments in which the belligerent parties were not entirely on board with the deployment, thus seriously threatening the safety of the troops under the UN flag. India has repeatedly underlined the dangers inherent in such a rapid transformation from traditional UN missions to these new operations.

- ▶ The addition of new permanent members with or without the right of veto has run into many objections from countries that either feel they should be in serious contention for such a privileged position and/or have a strained relationship with a potential candidate country. Many Europeans, for example, object to Germany's membership; Argentina sees little merit in having Brazil elevated to new heights; and Pakistan looks at India's council bid with distinct animosity.
- ▶ The major challenge is to include the preferences of different majorities into one single draft text also meeting the two-thirds majority requirement and having the support of the P-5 (followed by domestic ratification), thereby excluding finding a compromise in a step-by-step fashion.
- ▶ To date no attempt to adapt the UNSC configuration, reflecting an enlarged UN membership and fundamentally changed global political environment, has been successful, which leaves the institution's work to be largely dominated by the five permanent members.

Way forward:

- ▶ To regain its "lost legitimacy" the council should change to reflect new world realities.
- ▶ Instead of looking to completely overhaul the Council, which is a big task as it requires consensus on all aspects of the reform, a series of smaller reforms on working methods, for example, could be achieved which are more favourable to the Permanent Members and will result in the legitimacy of the Council gradually improving.
- ▶ The current 'all or nothing approach' is causing negotiations to fail continuously, which is further undermining the legitimacy of the UN as a whole. It would be better for members to reach consensus on one aspect of reform.
- ▶ The member states should work together rather than in a series of groups constantly vying against one another.
- ▶ As has been done in the past, the Secretary General could appoint a High Level Panel to research proposals and outline what they believe would be best way to reform the Council. This Panel would operate independently of states therefore would be free of the political constraints of states, but would work closely with states to come up a plan that is most likely to be accepted. This report of the Panel would be followed up with a high level meeting of the PMs and other members of the Security Council which would give the states the opportunity to negotiate on text-based specific proposals.
- ▶ States must be willing to compromise in order to move the reform process forward, which means they may need an incentive to change their policy towards reform.
- ▶ They must work closely with NGOs and other intergovernmental organisations to reach a solution for reform which best addresses the deficiencies in the current Council.

GOVERNANCE ISSUE

Role of Cooperatives in Agriculture


Context

The agriculture sector depends on many natural resources (Land, Water, Forest, Livestock and human capital) and artificial resources (chemical fertilizers, finance), however finance, marketing and procurement policy equally plays an important role. Beside the Public and Private sectors, Cooperative being the third economic sector of the country is also playing important role for improving rural livelihoods and economy.

Recently Prime Minister has emphasized on formation of cooperatives in new areas to double farm income.

Hereby discussing the role played by Cooperative in Agriculture in India.

What is a cooperative?

A cooperative is a voluntary autonomous association of people designed to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled organization. Cooperative movement can be defined as a voluntary movement of people to carry out a given economic activity through a democratically controlled enterprise by pooling together their resources with the purpose of securing certain benefits to the members and promoting certain values such as mutual help, self reliance, self management and general good for all.

Different types of cooperative societies operating in India with different activities can be grouped into the following four categories:

- ▶ **Production Cooperatives** which deal with agricultural and industrial production, such as Farming Cooperatives, Industrial Cooperatives and Processing Cooperatives.
- ▶ **Marketing Cooperatives** which are engaged in marketing of agricultural produce, such as Agricultural Marketing Societies and Consumer Cooperatives.
- ▶ **Service Cooperatives** which provide services necessary for their members, such as Cooperative Credit Societies and Cooperative Banks and also Housing Cooperatives.
- ▶ **Allied Service Cooperatives** which are dealing with activities necessary for daily life and business of the agriculturists, artisans, etc.

Legislation and Constitution development of Cooperative

- ▶ The Cooperative Credit Society's Act, 1904 marked the foundation of the legislative effort. The Cooperative Societies Act, 1912 is a milestone through

which the scope of cooperatives widened to embrace rural, urban, consumer, industrial and marketing cooperatives in the country.

- ▶ The Montague Chelmsford Reform, 1919 making cooperatives a provincial subject and the Multi-Units Cooperatives Societies (MUCs) Act, 1942 permitting business operation of cooperatives in more than one state helped in spreading the networks of different kinds of cooperative in both rural and urban areas of the country.
- ▶ The appointment of the committee on Cooperative law by the government of India in 1956 is an important landmark in the history of cooperative movement in India but the recommendations were never implemented.
- ▶ India adopted the National cooperative Policy with a view to providing functional autonomy and freedom of enterprise to the cooperatives.
- ▶ The latest of the legislative endeavours in respect of the cooperatives has been the 97th constitutional amendment, 2011. It stipulates that the citizens shall have the right under article 19(1) to form cooperative societies which means that formation cooperative societies has been made a fundamental right. A new Article 43(B) has been incorporated in the constitution with the provision that the state shall endeavor to promote voluntary formation, autonomous functioning, democratic control and professional management of cooperatives.

Cooperative in context to Indian agriculture

Cooperatives are an integral part of the Indian rural economy. They are having far reaching direct and indirect impacts on agricultural growth and rural development. In the changing scenario characterized by globalisation, structural adjustment programmes, transition from a centrally planned to a market oriented economy, processes of democratisation and decentralisation, agricultural industrialisation and rural out-migration, cooperative are supporting the rural economy which is based on agriculture in many ways.

Some are discussed below:

- ▶ **Capacity Building:** The livelihood of farmers in India largely depends on agriculture and allied agricultural activities and the agriculture depends on land, water, Agro-inputs, credit, market, Public policies and knowledge base. Small and fragmented land holdings, heavy soil erosion resulting in depletion of soil productivity, inefficient use of water resources, out-dated agricultural production technologies, un-availability of agricultural credit and lack of infrastructure for post-harvest management and marketing of agricultural produce, are responsible for lower yield and income. Cooperative are helping the farmers to sustain in these calamities and to fill the gaps by help in pooling resources.
- ▶ **Nutritional and food security:** Cooperatives ensure food security by proving capacity to small farmers through in put credit, knowledge and marketing facilities
- ▶ **Economic Security and poverty alleviation:** Presently, with about 40% of the population living in poverty, livelihood security for the rural poor farmers continues to be a cause of concern in India. As a majority of the rural population is dependent on agriculture for their livelihood, increasing agricultural production through active involvement of the poor and weaker sections of the society is the most appropriate solution.
- ▶ **Support Livestock:** Livestock is another source of income for small farmers. However, over 75% of the animals are uneconomical due to severe genetic erosion, inadequate feeding and health care. With lower crop and livestock productivity, the employment opportunities in the farming and other related sectors are reduced

further, leading to reduction in farm wages, seasonal employment, malnutrition and migration. Cooperatives help in providing funds and credit.

- ▶ **Water resources management:** Water is a critical input for food production and better quality of life. Neglect of water resources will not only affect the agricultural production and employment opportunities, but also affect the supply of clean potable water. Scarcity of water leads to unemployment, ill-health and hardship for women. This vicious cycle can be broken through improvement in agricultural production. It is necessary to address the above challenges, particularly to improve the productivity crop yields of low productive non-irrigated areas, owned by small and marginal farmers, which in turn can improve the purchasing power of the poor. This calls for a value chain development approach, where small farmers are supported for backward and forward integration to improve production and add value to the produce cooperatives provide that.
- ▶ **Seeds Management:** Most of the farmers in the country have little or no access to improved seed and continue to recycle seed that has been exhausted after generation of cultivation. Crop Yields have remained poor, resulting in persistent food insecurity. Lack of timely availability of quality seed is one of the problems for dwindling agriculture productivity and shrinking food availability. Cooperatives pool the resources & help in using modern technologies.
- ▶ **Credit Facility:** Credit is the most vital input for economic activities in the rural areas and cooperative credit institutions are the main purveyors, other agencies being commercial banks and regional rural banks (RRBs). Cooperative societies are easily accessible by farmers.

Conclusion

There are a number of successful cooperatives in India itself like IFFCO (Indian Farmers Fertilizer Cooperative Ltd.) and KRIBHCO (Krishak Bharti Fertilizer Cooperative Ltd.) in the fertilizer sector, the Institution like AMUL in Dairy Sector and Self Help Groups (SHGs) formed by various Institutions have immensely benefitted farmer members in increasing crop productivity and overall income by generating support in various programmes related with agriculture. Suitable Farming Systems to generate year round employment and sustainable income through crops, vegetables, fruits and livestock have been achieved by the members of the cooperatives. Cooperatives need additional support to adopt the successful model for ensuring livelihoods of the farmers. There is also a need to look at the rules and regulations of the cooperative to facilitate flexibility to suit the local requirements and promote various activities required for improving rural livelihoods.

ECONOMIC ISSUE

Peer to Peer Lending Firms



A gazette notification recently stated that all the P2P loan platforms will be treated as non-banking financial companies (NBFCs) and will be brought under the ambit of the banking regulator.

What are Peer to Peer Lending Firms?

P2P lending is a form of crowd funding used to raise loans which are paid back with interest. It can be defined as the use of an online platform that matches lenders with borrowers in order to provide unsecured loans.

How Peer to Peer Lending works?

The basic premise of p2p lending is this: people sign up on either Lending Club or Prosper as a borrower or an investor. A borrower submits an application for a loan, and if approved the loan is placed on the website for investors to fund. Investors typically invest in a small portion of many different loans, thereby spreading their risk. A borrower's loan will remain on the web site for a short amount of time, up to two weeks. During that time investors can ask the borrower questions in order to decide whether or not to invest in the loan. While no personal information is displayed, information from the borrower's credit report is provided for the investors, many of who screen these loans based on different criteria.

From an investor perspective, peer to peer lending allows to directly invest in other people, thereby completely bypassing the banking system. Investors simply sign-up at Lending Club or Prosper, link to their bank account and then transfer money in.

Significance of P2P lending and Need for regulation

- ▶ P2P lending promotes alternative forms of finance, where formal finance is unable to reach and also has the potential to soften the lending rates as a result of lower operational costs and enhanced competition with the traditional lending channels. If properly regulated, P2P lending platforms can do this more effectively
- ▶ P2P lending firms unlike aggregator firms hold the lender's money before giving it out to the borrower which creates a risk factor. Guidelines on P2P lending by the regulator will be important as it involves individual investors' money. With the notification coming in, the lenders will be more at ease while participating on P2P lending platforms.
- ▶ P2P have adopted a system of online auction approach in which borrowers indicate the maximum interest rate they are willing to pay and lender indicate the minimum rate they are looking for at classified levels of risk. The technology matches the borrowers and lenders. The platform also conducts reverse auction to match the parties by gradually increasing the interest rate payable on loan until sufficient bids are made. This facilitates fast, effective decision making, matching of loans, monitoring payments, follow up with interest payments etc.

Risks of P2P

- ▶ One of the basic risks of P2P lending is that investors/lenders may lose part or all of the principal due to loan defaults.
- ▶ P2P institutions are not guarded by adherence to accounting standards nor are they professional capital providers they may be landed into trouble. Gradually the participation may also be motivated by non- financial aims such as becoming part of an entrepreneurial venture or supporting a particular individual or business.
- ▶ An important aspect is assessing the value of the equity or firm to decide on the volume and pattern of fund raising. Some platforms operate a market-driven approach to setting valuation, whereby the entrepreneurs set out the amount of equity and number of shares they are offering, and, through a bidding process, investors who are willing to pay the most for the shares get in on the deal. Some platforms also provide to entrepreneurs training on how to value a business, engaging ex-investment bankers, fund managers and venture capitalists.

Thus RBI has proposed norms for its regulation.

RBI proposed regulations

- ▶ P2P companies must act only as intermediaries and their role must be limited to bringing the borrower and lender together. This basically means that P2P lenders cannot take on the functions of a bank and seek and keep deposits.
- ▶ Funds must move directly from the lender's account to the borrower's account to prevent risk of money laundering.
- ▶ P2P platforms can't assure returns to lenders.
- ▶ The companies must have a minimum capital of Rs.2 crore.
- ▶ The platforms may have to adhere to a leverage ratio so that they do not expand indiscriminately.
- ▶ Since lenders may not be sophisticated, there may be limits on maximum contribution by a lender to a borrower/segment of activity.
- ▶ Promoters, directors and chief executive officers of P2P platforms will have to meet so-called "fit and proper" criteria.
- ▶ Some proportion of the board members of such platforms may need to have a background in finance.
- ▶ P2P platforms may be required to have a "brick-and-mortar" presence in India.
- ▶ Platforms will need to submit regular reports on their financial position, loans arranged each quarter, complaints and so on to RBI.
- ▶ Since RBI can only regulate companies and co-operative societies (and not individuals, proprietorships, partnerships or limited liability partnerships), all P2P platforms may have to be structured as companies.
- ▶ The platforms will have to guarantee confidentiality of customer data.
- ▶ Loan-recovery practices of the P2P platforms will need to adhere to existing guidelines on recovery practices.

Positives of the regulations

- ▶ The notification ends the regulatory vacuum in which these firms were operating. These firms have now been officially recognized.
- ▶ The regulatory purview of RBI will lend the sector more credibility.

- ▶ It will help P2P lenders gain official recognition, opening new avenues for fund-raising and business expansion.
- ▶ The notification will allow more access to institutional funding. This will push organized venture capital firms to invest in this space.

Shortcomings:

- ▶ The RBI paper is silent on credit risk profiling of the borrowers.
- ▶ The fact that the money has to move directly from lender to borrower without an escrow account will be tedious from accounting point of view.
- ▶ A prescribed leverage ratio for the platforms makes no sense because credit doesn't come from the platform.

Way forward:

- ▶ The regulator can ask the P2P lenders to create a credit insurance fund to offer some kind of relief in case of default.
- ▶ The calls for P2P platforms for either an escrow or a nodal account should be considered. The platform will need to maintain an escrow account to pool money since there are post-dated cheques involved.

The general opinion is that the regulations will lend respectability to the nascent business experts, investors, and executives in P2P platforms highlighted some concerns. While the regulator seems to be conscious of the fact that very strict regulation of this sector may impact its growth in its infancy, the steps are in the right direction.

SCIENCE

Technology and Food Security


Context

In a world that is becoming increasingly food-insecure, due to population growth, climate change, volatile food prices, unequal food access, and inefficient supply chains, food security has become a major issue.

Thus in this article we are focusing how the efficient use of high level technologies and generated research data go hand-in-hand in ensuring food security and reducing food spoilage across the globe.

Introduction

“Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life”.

In India the Central Government, through Food Corporation of India (FCI), has assumed the responsibility for procurement, storage, transportation and bulk allocation of food grains to the State Governments. The operational responsibility including allocation within State, identification of eligible families, issue of Ration Cards and supervision of the functioning of Fair Price Shops (FPSs) etc., rest with the State Governments.

Reasons for the existing food insecurity in India:

- ▶ This is mainly due to lack of improvement in agricultural productivity owing to inadequate resources and markets needed to obtain agricultural stability. The focus was shifted on expenditure reduction. This adversely affected the availability and expansion of irrigation facilities, improvement in agricultural technology and overall food grain output.
- ▶ Poverty is a major cause as it limits the amount of food available to vulnerable sector.
- ▶ Overpopulation is linked to competition for food and can lead to malnutrition amongst children, especially in rural areas where access to food is limited.
- ▶ Lack of adequate knowledge amongst mothers regarding nutrition, breast-feeding and parenting is another area of concern.
- ▶ Gender inequality places the female child at a disadvantage compared to males and causes them to suffer more because they are last to eat and considered less important.
- ▶ Inadequate distribution of food through public distribution mechanisms (PDS i.e. Public Distribution System) is also a reason for growing food insecurity in the country.

- ▶ Lack of coherent food and nutrition policies along with the absence of inter-sectoral coordination between various ministries of government such as Ministry of Women and Child Health, Ministry of Health and Family Welfare, Ministry of Agriculture, Ministry of Finance etc have added to the problem.
- ▶ Climate change too, has an impact on the agricultural productivity, which affects the availability of food items and thus, food security.
- ▶ Rural-to-urban migration has shown a gradual increase. These rural migrants form a large chunk of population referred to as ‘informal sector’. The emergence of these rural origin pockets in the urban areas has resulted in a number of slum settlements characterized by inadequate water and sanitation facilities, insufficient housing and increased food insecurity. Around 50 % of the urban slums are not notified and thus are deprived of the government schemes. People from these un-notified slums have to buy their food from the common market at the competitive price and are devoid of the subsidized food made available through Public Distribution System (PDS).

Role of technology

- ▶ IT supports new methods for precision agriculture like computerized farm machinery that applies for fertilizers and pesticides. Farm animals are fed and monitored by electronic sensors and identification systems. Selling or buying online began to become popular in the world.

Benefits of using technology:

- ▶ **May attract Youth:**
 - High-tech agriculture technology could attract the educated youth to agriculture, helping create skilled jobs in rural areas. Farming should be made profitable for farmers with remunerative prices for their produce. With the investment in agriculture modern technologies agricultural productivity will increase thus food security.
- ▶ **Improved Prediction:**
 - From satellites circling the earth, to ground-based remote sensors in the oceans, rivers, and farms, we can forecast the drivers of food insecurity with increasingly higher degrees of accuracy.
 - For example, the agriculture technology firm aWhere has created a global agronomic weather database with 1.6 million ‘virtual weather stations’ that can predict current and future weather events at 9km intervals. aWhere can also highlight “pocket droughts” where small geographical areas might be experiencing severe water access issues, even when the larger region has plenty of rainfall.
- ▶ **Better planning**
 - IT has paved the way to come up with farming software which can keep better track of crops, predict yields, when to best plant and what to plant, to intercrop or focus on just one product, or determine the current need of the crops—just about everything needed to improve production and income. By adjusting to the modern farming methodologies, farmers can have better control of their crops. Gaining information from their farm is essential in sustaining its success and fuelling further growth.
 - Big data and the Internet of things can be harnessed for a number of agricultural applications, including farmer decision support, precision farming and insurance.

- ▶ **Precision agriculture (PA):**
 - Satellite farming or site specific crop management (SSCM) is a farming management concept based on observing, measuring and responding to inter and intra-field variability in crops.
 - This technique focuses on utilising resources optimally to improve the quality and quantity of crops while lowering the cost of production. It reduces fertiliser and pesticide use, prevents soil degradation, utilises water optimally and raises productivity.
- ▶ **Increase food accessibility:**
 - A key aspect of accessing food is minimizing food losses during production, storage and transport, and waste of food by retailers and consumers. Such agricultural losses are attributable to a number of factors, including lack of access to ready markets, adequate storage facilities, affordable refrigeration and local crop-processing facilities.
 - Nanotechnology is being used in a number of projects to improve the preservation of crops. Similarly radiation technology can be used for sterilization of the bacteria and to increase the shelf life of food.
- ▶ **Increase food utilization:**
 - Biofortification – or the breeding of critical micronutrients and vitamins into staple crops – has emerged as an effective approach to combat malnutrition, especially in developing countries.
- ▶ **Decrease impact of climate change:**
 - Soil carbon losses can be reduced by protecting existing permanent grassland, and soil carbon sequestration can be increased in arable land by the application of organic fertilizers, minimal soil disturbance, agroforestry, mixed cropping and the planting of legumes.
 - In addition, locally adapted breeding for drought or heat-tolerant crop varieties, with a focus on underutilized crops, has great potential to support climate change adaptation in agriculture.

Challenges

India is a poignant example of how food sufficiency at the aggregate level has not translated into food security at the household level.

- ▶ While India's scientific community has been working on technologies to advance domestic agriculture, policymakers have been timid and inept and have blocked the maturation of new products and technologies.
- ▶ **Long gestation periods:** It takes 10-12 years on average to bring any new crop biotechnology from the research labs to commercialisation. With such long gestation periods, the industry cannot survive in perennial uncertainty over whether their research will eventually culminate in commercial products.
- ▶ **Brain-drain:** India's farmers are yearning for innovative technologies to boost their yields, provide resilience against pests, drought and other challenges, and enhance their income. However, uncertain regulatory policy and other sorts of governmental interference will not only lead to the flight of much-needed capital for research and development in agriculture, but also a brain-drain of promising and talented intellectual capital.
- ▶ The reach of the technology is still very poor and large chunk of farmers are still **ignorant** about such advancements. The distribution of technologies is not uniform throughout the country. Farmers of prosperous states are at the receiving

end like- Punjab, Haryana, Maharashtra and the farmers of backward states still practice their age old techniques and knowledge.

- ▶ The use of technology is being used by the already rich farmers and utilising these services they are further prospering. The small and marginal farmers are again being left out in the process of development.
- ▶ Due to low literacy rate among farmers and digital divide, there is a rise of new class of middle man, who provide ICT services to farmers. They are also believed to distort the information for their own benefit.
- ▶ The rural infrastructure for the use of ICT is also not uniform and lot of regional disparity persists.

Solutions

- ▶ To harness science and technology for the various dimensions of food security, it is necessary to make the food system itself more innovative.
- ▶ Designing and strengthening an agricultural innovation system involves promoting research and development, investing in infrastructure, building human capacity, creating an enabling environment and strengthening knowledge flows, particularly among scientists and farmers. Because women account for a significant share of agricultural labour, a gender-sensitive lens to agricultural innovation should be applied. Regional and international collaboration can address research priorities, while international technology assessment and foresight can help countries evaluate the immediate and long-term implications of innovations for food security.
- ▶ The establishment of new education and research programmes and institutions can help create a knowledge base and pool of experts to develop the capacity to innovate within agriculture. E-education platform can be utilized.

Government initiatives

- ▶ **Food Legumes Research Platform:**
 - The establishment of FLRP in India will enable India to harness the best of international science in meeting the emerging food security challenges.
 - India would be able to rapidly and effectively absorb the research output achieved in the country by FLRP.
- ▶ **Kisan credit card:**
 - The Kisan Credit Card allows farmers to have cash credit facilities without going through time-consuming bank credit screening processes repeatedly.
- ▶ **Kisan SMS Portal:**
 - Here farmer keeps getting SMS messages providing information or delivering service or giving advisories on his mobile from experts, scientists and officers at various levels after once opting for messages on agricultural practices / crops of his interest.
- ▶ **Kisan Call centre:**
 - An expert advisory system and the farmers needs to call the toll free number 1800-180-1551 to seek expert advice on different matters related to agriculture and allied sectors.
- ▶ For farm credit, service of ICT is being harnessed like Smart Cards, Internet Kiosks and cell phone messaging. And also disbursement of all social security

benefits through electronic benefit transfer to all rural areas. Mobile-enabled Kisan card system to help the agricultural community engage in cashless transactions.

▶ **Moisture sensors:**

- These in the ground are able to communicate information about the level of the moisture present at the certain depth of the soil. This gives more precise control of water and other inputs like fertilizer that are applied by irrigation pivot.

▶ **Village Knowledge Centre (VKC):**

- These serves as information dissemination centre providing instant access to farmers to latest information/ knowledge available in the field of agriculture, starting from crop production to marketing.

Conclusion

ICTs can improve the quality, reach and efficiency of extension services. The potential benefits of ICTs do not necessarily depend on the sophistication of the ICT device, with deployments involving mobile phones, locally produced how-to videos for farmers and participatory radio campaigns.

Public investment in breeding programmes and support for local seed systems that allow the diffusion of locally adapted genetic material, which farmers would have the right to freely save, exchange and market, is a good example of the need for public investment in research and technology diffusion.

INTERNATIONAL ISSUE

Global Competitiveness Report

Context

According to the World Economic Forum's Global Competitiveness Index (GCI) 2017-18, India ranks 40th among 137 countries this year and although it is one position lower than last year, experts say there are encouraging signs about the country's economic progress.

Introduction

The Global Competitiveness Report (GCR) is a yearly report published by the World Economic Forum. Since 2004, the Global Competitiveness Report ranks countries based on the Global Competitiveness Index, developed by Xavier Sala-i-Martin and Elsa V. Artadi.

The Global Competitiveness Index integrates the macroeconomic and the micro/business aspects of competitiveness into a single index.

The report “assesses the ability of countries to provide high levels of prosperity to their citizens. This in turn depends on how productively a country uses available resources. Therefore, the Global Competitiveness Index measures the set of institutions, policies, and factors that set the sustainable current and medium-term levels of economic prosperity.

What are the parameters (pillars) involved in computing the Index?

1st pillar: Institutions: The institutional environment of a country depends on the efficiency and the behavior of both public and private stakeholders.

2nd pillar: Infrastructure: Extensive and efficient infrastructure is critical for ensuring the effective functioning of the economy.

3rd pillar: Macroeconomic environment: The stability of the macroeconomic environment is important for business and, therefore, is significant for the overall competitiveness of a country.

4th pillar: Health and primary education: A healthy workforce is vital to a country's competitiveness and productivity.

5th pillar: Higher education and training: Quality higher education and training is crucial for economies that want to move up the value chain beyond simple production processes and products. In particular, today's globalizing economy requires countries to nurture pools of well-educated workers who are able to perform complex tasks and adapt rapidly to their changing environment and the evolving needs of the production system. Secondary and tertiary enrollment rates, quality of education, staff training-vocational and continuous on-the-job training etc. are included in it.

6th pillar: Goods market efficiency: Countries with efficient goods markets are well positioned to produce the right mix of products and services given their particular supply-and-demand conditions, as well as to ensure that these goods can be most effectively traded in the economy.

7th pillar: Labor market efficiency: The efficiency and flexibility of the labor market are critical for ensuring that workers are allocated to their most effective use in the economy and provided with incentives to give their best effort in their jobs.

8th pillar: Financial market development: An efficient financial sector allocates the resources saved by a nation's population, as well as those entering the economy from abroad, to the entrepreneurial or investment projects with the highest expected rates of return rather than to the politically connected. The banking sector needs to be trustworthy and transparent.

9th pillar: Technological readiness: The technological readiness pillar measures the agility with which an economy adopts existing technologies to enhance the productivity of its industries, with specific emphasis on its capacity to fully leverage information and communication technologies (ICTs) in daily activities and production processes for increased efficiency and enabling innovation for competitiveness.

10th pillar: Market size: The size of the market affects productivity since large markets allow firms to exploit economies of scale.

11th pillar: Business sophistication: Business sophistication concerns two elements that are intricately linked: the quality of a country's overall business networks and the quality of individual firms' operations and strategies.

12th pillar: Innovation: The last pillar focuses on innovation. Innovation is particularly important for economies as they approach the frontiers of knowledge, and the possibility of generating more value by merely integrating and adapting exogenous technologies tends to disappear.

The interrelation of the 12 pillars is important to keep in mind that they are not independent: they tend to reinforce each other, and a weakness in one area often has a negative impact in others.

Performance of India:



- ▶ India at (40th) stabilizes this year after its big leap forward of the previous two years.
- ▶ The score improves across most pillars of competitiveness, particularly infrastructure (66th, up two), higher education and training (75th, up six), and technological readiness (107th, up three), reflecting recent public investments in these areas.
- ▶ Performance also improves in ICT indicators, particularly Internet bandwidth per user, mobile phone and broadband subscriptions, and Internet access in schools.

- ▶ The quality of institutions has increased further, especially in terms of efficiency of public spending (20th), but the private sector still considers corruption to be the most problematic factor for doing business in India.
- ▶ India is the top South Asian country in the index, even though most countries in the region have been progressing competitively.

Major concerns:

- ▶ According to WEF's Executive Opinion Survey 2017, corruption is the most problematic factor for doing business in India.
- ▶ Another bottleneck is 'access to financing', followed by 'tax rates', 'inadequate supply of infrastructure', 'poor work ethics in national labour force' and 'inadequately educated work force', etc.
- ▶ The report also highlights how corruption, access to financing and tax regulations remain problematic factors for doing business in India. "The quality of institutions has increased further, especially in terms of efficiency of public spending (20th), but the private sector still considers corruption to be the most problematic factor for doing business in India,".
- ▶ Another big concern for India is the disconnect between its innovative strength (29) and its technological readiness (up 3 to 107): as long as this gap remains large, India will not be able to fully leverage its technological strengths across the wider economy.
- ▶ In terms of technological readiness, the country has improved by three positions. However, India is a labour intensive country, and is thus resistant to adopting tech advancements like automation and robotisation.

The new GST tax regime brought in this year has been designed to tackle the 'tax regulations' problem, though a lot will depend on its effective implementation.

Performance of various countries:

- ▶ The list is topped by Switzerland. The US and Singapore are in the second and third places, respectively.
- ▶ Other countries in the top 10 are the Netherlands (4th rank), Germany (5), Hong Kong SAR (6), Sweden (7), United Kingdom (8), Japan (9) and Finland (10).
- ▶ Among the BRICS nations, China and Russia (38) are placed above India. South Africa and Brazil are placed at the 61st and 80th spots, respectively.
- ▶ In South Asia, India has garnered the highest ranking, followed by Bhutan (85th), Sri Lanka (85th), Nepal (88), Bangladesh (99) and Pakistan (115).

Conclusion

Countries can use the GCI to reflect on the key findings that emerge from this year's analysis and determine how best they can advance the goal of implementing policies that help progress in competitiveness benefit their entire populations. Taken together, the insights from the data can allow governments to design policies that support growth and encourage the reallocation of factors of production to take advantage of technological trends for the benefit of their populations.

GOVERNANCE ISSUE

Issues with Working of MCI



The Medical Council of India (MCI) has seen a few major controversies over the past decade. In the incident in 2010, MCI President, Dr. Ketan Desai was arrested by the CBI on charges of accepting a bribe for granting recognition to Gyan Sagar Medical College in Punjab. Following this incident, the central government promulgated an ordinance dissolving the MCI and replacing it with a centrally nominated seven member board. The ordinance requires MCI to be re-constituted within one year of its dissolution in accordance with the provisions of the original Act.

NITI Aayog has proposed replacing the compromised MCI with a new National Medical Commission (NMC), outlined in a draft Bill known as the National Medical Commission Bill of 2016.

Hereby discussing the issue related to MCI and changes proposed.

Historical and Legal Background

The Medical Council of India was first established in 1934 under the Indian Medical Council Act, 1933. This Act was repealed and replaced with a new Act in 1956.

Under the 1956 Act, the objectives of MCI include:

- ▶ Maintenance of standards in medical education through curriculum guidelines, inspections and permissions to start colleges, courses or increasing number of seats
- ▶ Recognition of medical qualifications
- ▶ Registration of doctors and maintenance of the All India Medical Register
- ▶ Regulation of the medical profession by prescribing a code of conduct and taking action against erring doctors

Key issues in Medical Regulation

- ▶ **Oversight:** Currently, separate regulatory bodies oversee the different healthcare disciplines. These include the Medical Council of India, the Indian Nursing Council, the Dental Council of India, the Rehabilitation Council of India and the Pharmacy Council of India. Each Council regulates both education and professional practice within its domain.

This new body, christened the National Council for Human Resources in Health (NCHRH) is expected to encourage cross connectivity across these different health-care disciplines.

- ▶ **Role of Councils:** Both the NKC and the Yashpal Committee make a case for separating regulation of medical education from that of profession. It is recommended that the current councils be divested of their education

responsibilities and that these work solely towards regulation of professionals – prescribing a code of ethics, ensuring compliance, and facilitating continued medical education.

- ▶ **Functioning Failure:** MCI had failed to create a curriculum that produces doctors suitable for Indian context, especially in poor areas. MCI has failed to maintain uniform standards of medical education across the country. There has been devaluation of merit in admission, particularly in the non public medical colleges, due to prevalence of capitation fees in these colleges. There has been excessive focus on the infrastructure and human staff but no substantial evaluation of quality of teaching, training and imparting skills in medical institutions.

MCI has failed to raise the abysmally low doctor population ratio which very below to Global standard of WHO. It has failed to rationalize the setting up of Medical Colleges in the country as per regional needs and this has led to geographical misdistribution of the medical education resulting in concentration of institutes in some states while absence in others. In words of parliamentary committee, MCI had failed to “*produce a competent basic doctor*”.

MCI has put excessive focus on medical education at the cost of another mandate of upholding the ethical practice. Thus, the committee recommended that MCI should be split in two parts – one dealing with education while other dealing with ethics.

- ▶ **Corruption:** Despite having 381 medical colleges and 9.29 lakh doctors enrolled on the Indian Medical Register, there is a shortage of doctors.

Corruption and vested interests in MCI have ensured uneven distribution of medical colleges in the country. Six states, representing 31 per cent of the national population, have 58 per cent of MBBS seats while eight states, with 46 per cent of population, have 21 per cent seats. Admissions in private medical colleges are not streamlined and capitation fees rule, making setting up of medical institutions a lucrative business.

Registration and approvals of colleges and courses by the MCI is ridden with corruption and graft. There is poor regulation of graduate and post-graduate education.

There is a shortage of quality teachers.

NITI Aayog Proposal

Experts at NITI Aayog have proposed replacing the compromised MCI with a new National Medical Commission (NMC), outlined in a draft Bill known as the National Medical Commission Bill of 2016.

Structural differences between the proposed NMC and MCI are enormous. The NMC would split the selection, advising, and actual accreditation process into three separate boards. By dividing power, the hope is to create a system of checks and balances. However, as per the current Bill, all members of the accreditation board are supposed to be ex-officio members of the advisory board. This defies the logic of good governance. Instead of creating different boards to watch and observe each other, the NMC would instead create a pair of Siamese twins—two different heads, but for the most part, a single potentially corrupt body. For this reason, we recommend removing all members of the accreditation board from the advisory board.

The accreditation board is not given direct jurisdiction over the accreditation process. Rather, it is given authority over four sub-boards that look into the four core areas of accreditation: undergraduate, postgraduate (PG), registrar of medical professionals, and compliance.

The compliance wing is supposed to hire a third party to check that colleges meet standards set by the other sub-boards. According to the experts, the monopolistic nature of this service will produce unnecessary bureaucracy, stifle smooth accreditation and possibly raise the spectre of the old MCI all over again. In its stead, we recommend the creation of four regional medical councils. Creating these regional options will lead to competition and an increase in the quality of accreditation services overall. There already exist state medical councils which can be combined for the purpose. There is a great deal of variation in the quality of state medical councils across states. Competition for the accreditation business could ignite life into these bodies.

The current MCI rules and guidelines prohibit qualified MBBS doctors without a PG degree from performing procedures such as ultrasound and interpreting chest X-rays. The NMC should revisit these rigid regulations to raise the effective availability of qualified doctors in India.

In the proposed Bill, the code of ethics has been put under the regulation of the Board for Medical Registrations and has not been given adequate attention. The committee needs to understand the importance of doctors following a strict code of ethics and the fact that its compliance needs to be strictly enforced and monitored.

The draft Bill of 2016 has been introduced to bring a complete reformation in the structure and the functioning of the medical commission, however, the Bill is not free from flaws, some of which need urgent reconsideration:

- ▶ Minimum qualifying marks in the NEET need to be defined.
- ▶ Fixing of the fees for a minimum percentage of seats in the private medical institutes instead of the open-ended clause 'not exceeding 40% seats'
- ▶ The 'not-for-profit' status of the medical colleges should be retained.
- ▶ Replacement of the outdated norms to establish colleges.
- ▶ Accreditation of teachers, clinics, pharmacies, chemists, hospitals should be made mandatory.
- ▶ Rural service at the primary and community health centers should be made mandatory for the medical students and as part of their curriculum.
- ▶ A separate board of medical ethics should be created to investigate and prosecute cases of unethical practices by doctors.

Conclusion

The new rules should ensure that the medical curriculum should be implemented with the integration of subjects such as medical ethics, behavioral science, communication skills, managerial skills, which receives little attention in the current scenario, along with greater prominence on clinical skills and experience. Therefore, the prime focus should be on the quality and skills of the doctors being produced who will effectively cater to the increasing requirement of healthcare in our country with the right ethical code of conduct.

ECONOMIC ISSUE

What are Shell Companies



The Ministry of Corporate Affairs (MCA) and Central Board of Direct Taxes (CBDT) signed a Memorandum of Understanding (MoU) to facilitate the sharing of data and information with each other on an automatic and regular basis.

The move is targeted to curb the menace of shell companies, money laundering and black money in the country and prevent misuse of corporate structure by shell companies for various illegal purposes.

Hereby discussing the concept of Shell companies.

Introduction

- ▶ Shell companies include multiple layers of companies that have been created for the purpose of diverting money or for money laundering.
- ▶ Theoretically, shell companies are companies without active business operations or significant assets. They can be set up by business people for both legitimate and illegitimate purposes.
- ▶ Illegitimate purposes for registering a shell company include hiding particulars of ownership from the law enforcement, laundering unaccounted money and avoiding tax. With the shell company as a front, all transactions are shown on paper as legitimate business transactions, thereby turning black money into white. In this process, the business person also avoids paying tax on the laundered money.
- ▶ Shell Companies are used by large well-known public companies, shady business dealers and private individuals alike. For example, in addition to the legal reasons, shell corporations act as tax avoidance vehicles for legitimate businesses. They are also used to obtain different forms of financing.
- ▶ Often many such shells have a common registered address with 'dummy' directors who may be real persons but are untraceable or unrelated to the business. In Kolkata, Delhi and other cities, over 300 companies can be found registered at one single address, all for facilitating illicit transactions.
- ▶ In India, shell companies have traditionally been used for rotating and siphoning off funds through fictitious sales, inflated purchases, unjust commissions or for creating equity for individuals operating behind the scenes.

As per the Ministry of Finance definition shell companies are characterized by the following features:

- ▶ Nominal paid-up capital.
- ▶ High reserves and surplus on account of receipt of high share premium.
- ▶ Investment in unlisted companies.

- ▶ No dividend income.
- ▶ High cash in hand.
- ▶ Private companies as majority shareholders.
- ▶ Low turnover and operating income.
- ▶ Nominal expenses.
- ▶ Nominal statutory payments and stock in trade.
- ▶ Minimum fixed asset.

Network of shell companies:

- ▶ In May 2016, investigations revealed that 24 ghost companies operating from a single branch of a leading public sector bank in Delhi were used to cheat the Government and banks of several crore rupees.
- ▶ The leaked **Panama Papers** (2016) exposed a global network of shell companies operating from tax havens used for moving assets and cash from one country to another illegally.
- ▶ An **OECD Report** said that shell companies are increasingly being used for illicit purposes.
- ▶ The SIT on black money says such manipulation of stocks and creation of non-taxable capital are gaining popularity. SIT points out that investments from the Cayman Islands, a tax haven, to India amount to Rs.85,000 crore, reflecting the role of shells operating from tax havens in **money-laundering**.

Problems associated with Shell Companies:

- ▶ Shell companies were used to deposit large amount of cash during the period of demonetization.
- ▶ Kolkata is a hub of such companies and about 145 entities under the securities market scanner are registered there.
- ▶ Shell companies were being used to hide assets and money.
- ▶ The shell companies support much of the fraud and embezzlement in India.
- ▶ The owners of shell companies create elaborate smokescreens, including naming personal servants, and chauffeurs as board directors, route money to evade tax, commit fraud or manipulated tenders.
- ▶ Shell companies have deposited huge amount of cash illegally and many of them have been booked by enforcement directorate for money laundering.
- ▶ They are used for tax evasion, a major source of black money.
- ▶ They are illegally being used for startups or for raising funds for other business operations.

Memorandum of Understanding (MOU) between Ministry of Corporate Affairs and Central Board of Direct Taxes:

- ▶ Two government agencies - the Ministry of Corporate Affairs (MCA) and the Central Board of Direct Taxes (CBDT) - have signed a memorandum of understanding (MoU) on data exchange as the Centre stepped up efforts to crack down on shell companies and money laundering.
- ▶ The MoU will facilitate the sharing of data and information between CBDT and MCA on an automatic and regular basis.
- ▶ It will enable sharing of specific information such as **Permanent Account Number** (PAN) data in respect of Corporates, Income Tax returns (ITRs) of Corporates, financial statements filed with the

Registrar by Corporates, returns of allotment of shares, audit reports and statements of financial transactions (SFT) received from banks relating to Corporates.

- ▶ In addition to regular exchange of data, CBDT and MCA will also exchange with each other, on request, any information available in their respective databases, for the purpose of carrying out scrutiny, inspection, investigation and prosecution.
- ▶ The information shared will include both Indian and foreign companies operating in the country.
- ▶ **Data Exchange Steering Group** has been constituted for the initiative, which will meet periodically to review the data exchange status and take steps to further improve the effectiveness of the two agencies.

Challenges:

- ▶ Transactions from multiple accounts will make tracking difficult.
- ▶ Shell companies could be the result of the complex corporate structure that exists in India.
- ▶ Challenge lies in gathering data on transactions and being able to distinguish between genuine business transactions and transactions that lack substance.
- ▶ There is potential for dormant companies being misused as shell companies.

Steps needed

- ▶ The government should be careful in taking action against listed companies as it can affect investor confidence.
- ▶ The current levels of conviction for white-collared crimes, estimated at 0.006 per cent by some experts, needs to improve significantly.
- ▶ The government needs to use information technology more effectively to track such transactions.
- ▶ A strong deterrent mechanism brought about by diligent investigations and quick judicial decisions will produce the desired result. The government need to target individuals who are suspected to be avoiding taxes instead of taking action against companies in the listed space as it could affect other stakeholders also.
- ▶ Real-time monitoring and detection of unusual transactions should be done.
- ▶ MCA 21, the portal in which all corporate filings reside, is a good starting point. It can be mined for common directors, common registered addresses, and little business and suspicious transactions to create alerts.
- ▶ The crackdown of shell companies will hit tax evasion and move India towards cashless, digital transactions that leave a paper trail.
- ▶ Need of Investigation and enforcement mechanism to check misuse of stock market platform for generating “bogus” long-term capital gains to curb black money.
- ▶ A central **KYC registry** of transactions need to be setup.

Government measures:

- ▶ In 2012, government amended the law to tax share premium in excess of fair market value. These amendments have made tax avoidance difficult through the sale and purchase of shares in unlisted companies.
- ▶ The **Serious Fraud Investigation Office** is creating a database of shell companies, and has so far identified 114,269 as front firms.

- ▶ In 2017, the government amended the law to account for other than a quoted share sold at less than fair market value. Last month, the authorities ordered nearly 200,000 shell companies to be shut down.
- ▶ The government has identified 300,000 shell companies, out of which the registration of 175,000 companies has been cancelled. The government also plans to use Big Data for tracking tax evaders.
- ▶ Recently, SEBI named 331 listed companies as suspected “shell companies” that exist for the purpose of financial manoeuvring.
- ▶ SEBI has directed stock exchanges BSE & NSE to take action against suspected shell companies. 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. With over Rs. 7,000 crore of public money stuck in them, investors are rankled by the move. A ‘Task Force on Shell Companies’ was constituted in February, 2017 for effectively tackling the malpractices by shell companies.
- ▶ Name and shame’ exercise: Ministry of Corporate Affairs (MCA) has begun making public the lists of disqualified directors across the nation as well as those associated with struck-off companies. The disqualified in the lists are those who are, or had been a director, in a company that has not filed financial statements or annual returns for any continuous period of three financial years. Such directors will not be eligible for re-appointment as a director in that company or for appointment in other companies for five years from the date of non-compliance.

GOVERNANCE ISSUE

How Safe are Our Schools?



The country has been shocked by the brutal murder of the seven-year-old student of Ryan International School and a five-year-old in Gurgaon.

The two back-to-back horrific crimes exposed how unsafe children are at some of the schools, which charge exorbitant fees and make tall claims about facilities but do almost nothing in the name of security.

Hereby discussing the issue of safety in schools and steps needed.

Introduction

Every day we hear tales of some violence perpetrated against helpless children, and in an environment where they are meant to feel secure.

On September 8, a seven-year-old boy was found murdered inside a school in Gurugram and the next day a five-year-old girl was raped in a school in east Delhi.

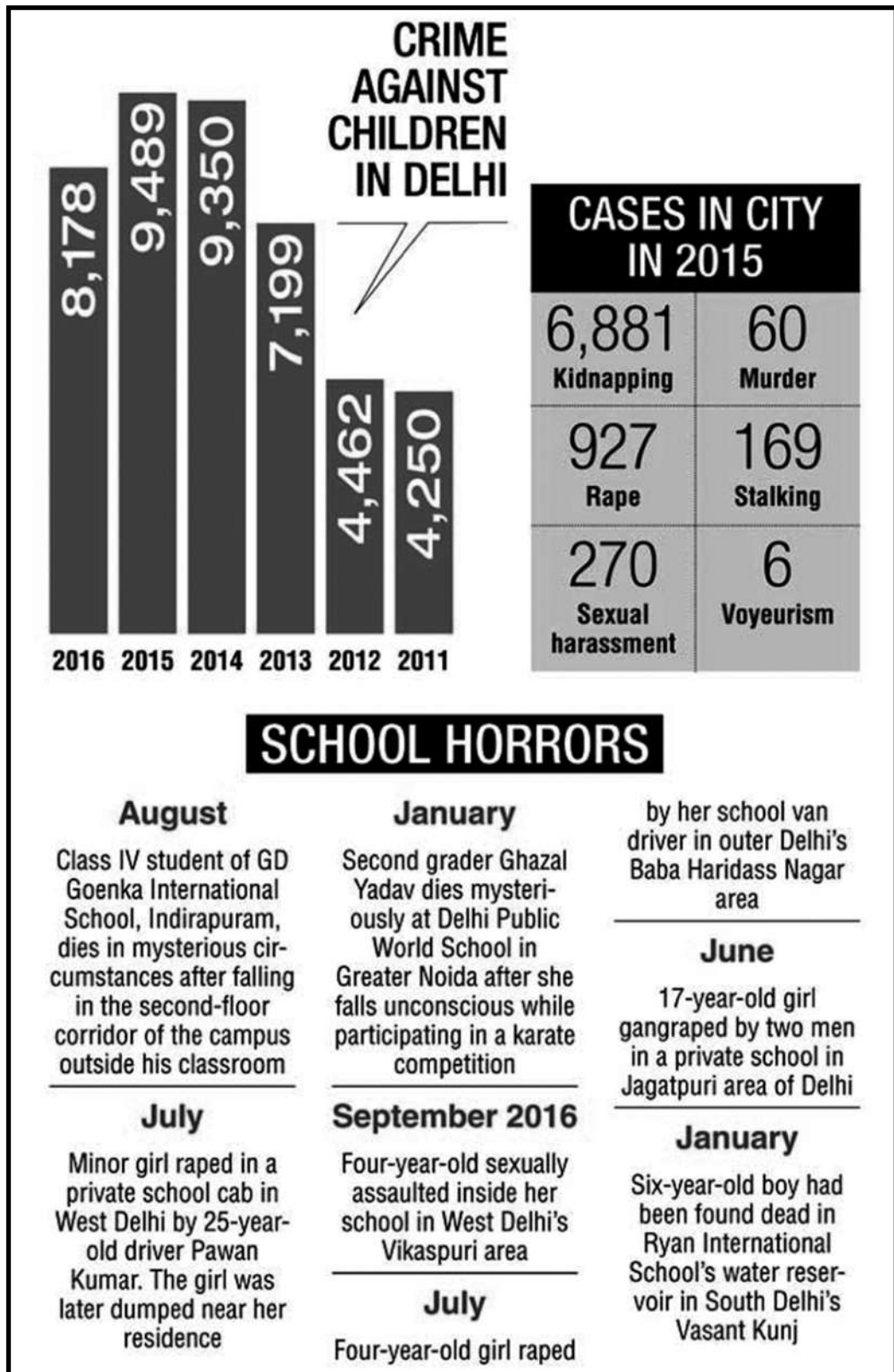
In Gurugram, a government probe found criminal negligence and utter security failure, and the police arrested two top officials of Ryan International that runs nearly 150 schools across India and in the United Arab Emirates.

Facts:

- ▶ In Delhi, almost every hour, a child falls prey to crimes such as murder, rape, kidnapping, sexual harassment, stalking and voyeurism.
- ▶ The number of such crimes doubled between 2011 and 2016. On an average, 22 cases were reported every day in 2016. The figures in 2015, 2014 and 2013 were 26, 25 and 20, respectively. In the two previous years, the numbers were 12 and 11.

Causes:

- ▶ Audits and regular inspections of safety and security measures at schools by experienced security professionals are lacking in the country.
- ▶ No attendant to accompany students to washrooms, no separate toilets, bathrooms, and restrooms for children and non-teaching staff.
- ▶ Sufficient CCTV cameras at prominent places have not been installed and most of the cameras in the school building are not functioning.
- ▶ The present norms by the school boards are poorly implemented by the school managements.
- ▶ Classrooms not in use of the school building were not put under lock and key.



SCHOOL HORRORS

August

Class IV student of GD Goenka International School, Indirapuram, dies in mysterious circumstances after falling in the second-floor corridor of the campus outside his classroom

January

Second grader Ghazal Yadav dies mysteriously at Delhi Public World School in Greater Noida after she falls unconscious while participating in a karate competition

by her school van driver in outer Delhi's Baba Haridass Nagar area

June

17-year-old girl gangraped by two men in a private school in Jagatpuri area of Delhi

July

Minor girl raped in a private school cab in West Delhi by 25-year-old driver Pawan Kumar. The girl was later dumped near her residence

September 2016

Four-year-old sexually assaulted inside her school in West Delhi's Vikaspuri area

January

Six-year-old boy had been found dead in Ryan International School's water reservoir in South Delhi's Vasant Kunj

July

Four-year-old girl raped

- ▶ The school managements or the directorates of education lack the requisite training for handling the safety related issues. The responsibility is thus handed over to private security agencies that are under-paid and untrained, and thus inefficient.
- ▶ There is absence of a boundary wall of sufficient height and barbed wire on the school's peripheral walls. As a result, anybody can jump and enter in the school premises.

- ▶ The toilet windows have no grills and people can access it easily from outside.
- ▶ No ramps and special toilets for differently abled students.

Impacts:

- ▶ Crime has a negative influence on the morale of both educators and learners, as well as the culture of teaching and learning.
- ▶ Exposure to violence negatively affects the development of a child. These children have trouble with school, emotions and cognition as well as an increase in depression and anxiety. It can even result in future substance abuse.
- ▶ Children who witness violence or crime also have an increased risk for aggression, conflicts with those around them and difficulty trusting the people in their lives and reduced self-esteem which can lead to self-destructiveness.
- ▶ Children suffering from post-traumatic stress syndrome may have flashbacks and can end up feeling suicidal.
- ▶ These children are at a higher risk of becoming involved in the juvenile justice system due to their often-learned violent behavior.

Solutions:

No society can grow without creating an environment that fosters the growth of children.

- ▶ **Self Defence lessons:**
 - Students need to be safe even outside the school premises. Schools need to ensure that students can take care of themselves and tackle situations like abductions/abuse etc.
 - Lessons in self-defence come as a boon during unprecedented events.
 - Self-defence lessons should include recognising unwanted advances, being alert in case a child is being watched, knowing how to throw off a physical attack etc.
- ▶ **Installing alarm systems:**
 - Mandatory security measures should include alarms in every school.
 - In case of an emergency, alarms should simultaneously alert the school authorities and the local law enforcement officials.
- ▶ **Background checks and police verification:**
 - Schools must ensure that a thorough background check is conducted to verify the identities of all teachers and support staff. This can help ensure that students are not interacting with adults who might harm them in any way within the school premises.
- ▶ **Surveillance and security:**
 - School buildings need to be under surveillance on a 24×7 basis. This involves the usage of closed circuit television cameras (CCTV) which record the activity of staff and students in corridors and open spaces.
 - CCTVs are not items of luxury, but of necessity. Placing them at strategic locations within the school campus can aid in ensuring that no act of violence or abuse goes unnoticed by authorities.

- ▶ ***Building zero tolerance for bullying:***
 - Everyone from parents to school staff should create an atmosphere where the child develops zero tolerance for bullying. This can act as the first step toward building a child's resistance to all kinds of abuse.
 - Schools should also appoint counselors/psychologists to help students address issues of trauma/rage/depression etc. through personal and group therapy sessions.
- ▶ ***Becoming more approachable:***
 - Students often suffer in silence and don't tell anyone about the bias, harassment or bullying they experience. They often believe it won't help and may even make things worse.
 - One way to increase their openness to talking with adults is to be more approachable by taking the issue seriously, investing the time and space to listen before moving into problem-solving mode.
- ▶ ***Appointment of staff:***
 - Female assistants and well-trained drivers should be employed in each van and child escorts should be given gate passes, which should be produced during pick up.
- ▶ ***Monitoring:***
 - District administration must carry out surprise checks in schools to ensure that CCTVs at educational institutes were in working condition and proper safety measures were in place.
- ▶ ***Guarding entry points:***
 - Every entry point to a school must be restricted and controlled in such a way that no one goes through without being properly identified.
 - These points should be staffed by trained adults who can determine if the visitors really need access or not.

CBSE Guidelines:

Central Board of Secondary Education (CBSE) has issued new safety and security guidelines for all schools. The schools will face de-recognition if they don't follow the guidelines.

- ▶ It is a fundamental right of a child to engage and study in an environment where he or she feels safe and is free from any form of physical or emotional abuse or harassment.
- ▶ The onus of keeping students safe within schools would "solely lie upon the school authorities".
- ▶ Ensure that support staff was employed only from authorised agencies and proper records are maintained. Verification and evaluation for non-teaching staff such as, bus drivers, conductors, peon and other support staff may be done very carefully and in a detailed manner.
- ▶ Constitute ***separate committees for redressal of grievances*** of the public, staff, parents and students.
- ▶ Constitute an ***internal complaints committee*** for complaints regarding sexual harassment and committees under Protection of Children from Sexual Offence Act, 2012. Details of these committees along with contact details shall be displayed

prominently on school notice boards and conspicuously on the school website for information of all stakeholders.

- ▶ Any violation or lapses with regard to safety and well being of children in school campus would invite appropriate action including the *disaffiliation of the school* as per the provisions under affiliation bye-laws of the board.
- ▶ Get a *security/safety audit* of the premises and personnel done by the local police station concerned and follow security-related advice for the safety of schoolchildren.
- ▶ Report about the compliance on the CBSE website www.cbse.nic.in within two months.
- ▶ Besides installing *CCTV cameras* at all vulnerable areas/points on school premises, schools had been asked to ensure that these were functional.
- ▶ *Parent-teacher-student committees* should be set up to address the safety needs of the students, and parents' feedback taken regularly.
- ▶ Controlling access to school building by outsiders and monitoring of visitors.
- ▶ Staff should be given training to discharge their responsibility to protect children from any form of abuse.

Conclusion

All children have a right to education. However, this right becomes meaningless unless the Department of Education, principals, educators, parents, children, learners, citizens and community members commit themselves to curbing crime and making the school environment conducive to learning. Each educator and learner has the right to work and play in a secure and safe school environment.

Therefore it is important to do everything possible to eliminate crime in schools. Schools need to create a space where educators can teach and learners can learn. Teaching and learning require a safe and tolerant learning environment that celebrates innocence and values human dignity.

SCIENCE

Mother-to-Child Transmission of HIV



Mother-to-child transmission of HIV is the spread of HIV from an HIV-infected woman to her child during pregnancy, childbirth (also called labor and delivery), or breastfeeding (through breast milk). Mother-to-child transmission is the most common way that children become infected with HIV.

Babies born to women with HIV receive HIV medicine for 4 to 6 weeks after birth. Currently, 5% of babies born to those who are HIV-positive get infected. Last December, the National AIDS Control Organisation (NACO) had given indications that it could bring that figure down to less than 2% by 2030. Worldwide, a transmission rate below 2% is considered elimination.

Hereby discussing about symptoms, prevention for Mother-to-child transmission of HIV and government initiatives related to that.

Introduction:

HIV can pass from an HIV-positive mother to her child:

- ▶ During pregnancy – The foetus is infected by HIV crossing the placenta.
- ▶ During childbirth – The baby is infected by HIV in the mother's cervical secretions or blood.
- ▶ During breastfeeding – The baby is infected by HIV in the mother's breast milk (or blood).

Because of this, efforts to prevent HIV transmission need to incorporate strategies which cover the entire period from pregnancy to infant feeding.

Symptoms of HIV infection:

Symptoms of HIV infection vary by age and individual child, but the following are some of the more common symptoms:

- ▶ Failure to thrive, which is the failure to gain weight or grow according to standardised growth charts used by health visitors and doctors.
- ▶ Failure to reach developmental milestones during the expected time frame.
- ▶ Brain or nervous system problems, characterised by seizures, difficulty with walking or poor performance in school.
- ▶ Frequent childhood illnesses such as ear infections, colds, upset stomach and diarrhoea.

As HIV infection becomes more advanced, children start to develop **Opportunistic Infections**. These are infections that rarely affect healthy people but can be deadly for people whose immune systems aren't working properly. Common opportunistic infections related to HIV include:

- ▶ Pneumocystis pneumonia - a fungal infection of the lungs.
- ▶ Severe infection due to cytomegalovirus (CMV).
- ▶ A condition of lung scarring called Lymphocytic Interstitial Pneumonitis (LIP).
- ▶ Oral thrush or severe nappy rash due to Candida, a yeast infection.

How to reduce the risk?

By the use of HIV medicines and other strategies, the risk of mother-to-child transmission can be lowered to 1% or less. The risk of mother-to-child transmission of HIV is low when:

- ▶ HIV is detected as early as possible during pregnancy (or before a woman gets pregnant).
- ▶ Women with HIV receive HIV medicine during pregnancy and childbirth and, in certain situations, have a scheduled cesarean delivery (sometimes called a C-section).
- ▶ Babies born to women with HIV receive HIV medicines for 4 to 6 weeks after birth and are not breastfed.

Treatment offered in India:

- ▶ Indian health providers offered '**Single Dose Therapy**', which involved administering the antiretroviral drug, nevirapine, to pregnant HIV-positive women two hours before delivery and to newborns within 72 hours of birth.
- ▶ In 2014, the country moved on to follow the **World Health Organisation (WHO)** recommended 'multidrug therapy', which is a combination of three drugs — tenofovir, lamivudine and efavirenz (TLE).
- ▶ Affected women need to take it all their lives and nevirapine syrup for six weeks only for their babies. "Nevirapine is known to cause drug-resistant HIV in mothers.

In 2015, Cuba became the first country in the world to receive validation from WHO that it had eliminated mother-to-child transmission of HIV and syphilis, followed by Thailand and Belarus. Among African countries, Uganda claims to be in the pre-elimination stage. "The enormous population in India makes it challenging for health-care workers to reach out to every pregnant woman.

Challenges:

- ▶ **Population:**
 - The enormous population in India makes it challenging for health-care workers to reach out to every pregnant woman. On the other hand, pregnant women too often delay registering for antenatal care.
- ▶ **Medicine stockpiles:**
 - There have been instances of shortage of medicines related to HIV/AIDS. Eg. Children friendly Lopinavir Syrup production was stopped by CIPLA since government failed to clear its dues.
- ▶ **Ignorance and lack of information** perpetuate wrong conceptions of these diseases and associated stigmatization.

- ▶ Many of the infections tend to be asymptomatic or otherwise unrecognized until complications and sequelae develop, especially in women.
- ▶ **The stigmatization** associated with infection (and clinics that provide services) constitutes an ongoing and powerful barrier to the implementation of prevention and care interventions.
- ▶ Reluctance of patients to seek early treatment.
- ▶ Difficulty in notifying and treating infections in sexual partners.

Solutions:

- ▶ **Medicines:**
 - Consistent availability of appropriate medicines is essential for a successful sexually transmitted infection control programme.
 - A streamlined process of procurement and storage of medicines related to HIV/AIDS. Eg. Tamil Nadu model of direct procurement from manufacturers prevents any leakages and also reduces drug prices.
 - A focus on injectable drug users needs to increase to prevent the transmission of HIV/AIDS.
 - Women with HIV take HIV medicines during pregnancy and childbirth to reduce the risk of passing HIV to their babies. Their newborn babies also receive HIV medicine for 4 to 6 weeks after birth. The HIV medicine reduces the risk of infection from any HIV that may have entered a baby's body during childbirth.
 - Prompt and effective treatment breaks the chain of transmission and prevents the development of complications and long-term sequelae.
- ▶ **Advise:**
 - Talking to health care provider about **Pre-Exposure Prophylaxis** (PrEP). PrEP is an HIV prevention option for people who don't have HIV but who are at high risk of becoming infected with HIV. PrEP involves taking a specific HIV medicine every day.
 - Women generally are advised to breastfeed only for six months until their babies can develop their own antibodies against a range of illnesses. But some doctors recommend that HIV-positive women should not breastfeed as their milk harbours the virus.
- ▶ **Cooperation:**
 - Centre and States would have to cooperate and set targets within specified timelines.
- ▶ **Surveillance:**
 - Better HIV surveillance and targeted interventions are needed for these risk groups.
 - Surveillance of sexually transmitted infections at the national, regional and global levels needs to be enhanced for the purposes of advocacy, programme design, monitoring and evaluation and patient care.
- ▶ **Awareness:**
 - Increasing geographical coverage and the number of people served within a particular target population, extending a programme to reach additional target populations, and broadening the scope of interventions provided by a programme.

- ▶ **Monitoring and evaluation:**
 - Progress of programme implementation needs to be monitored in order to ensure that activities are performed as planned, on time and within budgeted resources and determine whether the activities are producing the expected outcome or impact.

Government Measures:

- ▶ **For preventing HIV/AIDS transmission from mother to child:**
 - Prevention from Parent to Child Transmission (PPTCT) programme have been integrated with the RCH programme.
 - PALS (PPTCT ART Linkages Software) System has also been launched to maintain details of all HIV positive pregnant and breast feeding women and their newborn babies.
- ▶ NACO has been conducting regular thematic **Mass Media campaigns** on TV and Radio to cover issues of condom promotion, ICTC/PPTCT, STI treatment and services, stigma and discrimination, vulnerability of youth to HIV, ART, HIV-TB and blood safety.
- ▶ **90:90:90 Strategy:**
 - It is a new HIV treatment that lays the groundwork to end the AIDS epidemic.
 - 90% of all people living with HIV will know their HIV status (90% diagnosed).
 - 90% of all people with diagnosed HIV infection will receive sustained antiretroviral therapy (90% on HIV treatment).
 - 90% of all people receiving antiretroviral therapy will have viral suppression (90% suppressed).

A comprehensive approach to PMTCT:

- ▶ Prevention of mother-to-child transmission (PMTCT) programmes provides antiretroviral treatment (ART) to HIV-positive pregnant women to stop their infants from acquiring the virus.
- ▶ Without treatment, the likelihood of HIV passing from mother-to-child is 15% to 45%. However, ART and other effective PMTCT interventions can reduce this risk to below 5%.
- ▶ Around 1.6 million new HIV infections among children have been prevented since 1995 due to the implementation of PMTCT services. Of these, 1.3 million are estimated to have been averted in the five years, between 2010 and 2015.

Way forward:

- ▶ Increase the commitment of national governments and national and international development partners for prevention and control.
- ▶ Promote mobilization of funds and reallocation of resources, taking into account national prioritized results-oriented interventions that ensure aid effectiveness, ownership, harmonization, results and accountability.
- ▶ Ensure that policies, laws and initiatives related to provision of care are non-stigmatizing and gender-sensitive within the prevailing socio-cultural context.
- ▶ Harness the strengths and capacities of all partners and institutions in order to scale up and sustain interventions for prevention and control.
- ▶ Gender inequalities must be addressed through interventions that influence political will as well as societal norms and attitudes concerning sexual behaviour

and the status of women. Active promotion of male responsibility and the empowerment of women in the prevention and control of sexually transmitted infections are crucial elements of an effective gender-sensitive response.

- ▶ There should be a seamless continuum between prevention interventions and care. The balance and variety of activities will depend on the local determinants of epidemiology, patterns of infections and resources available. In each setting, the availability of and access to condoms and medicines for treatment of sexually transmitted infections will constitute elements of a fully effective response.
- ▶ Interventions should form an integral part of a range of comprehensive sexual and reproductive health services. Close cooperation with sexual and reproductive health programmes, within the framework of WHO's strategy to accelerate progress towards the attainment of international development goals and targets related to reproductive health, is crucial for the implementation of strategies on both sexually transmitted infections and reproductive health.
- ▶ Cooperation between prevention and care programmes for sexually transmitted infections and those for HIV is vital for the response, as not only are the risk behaviours that lead to infection with HIV and other sexually.

IAS 2018

Quick Revision *through* Test Series

Prelims "Q & A"

Total 44 Tests



Classroom



Online



Flexi Format

23

Sub-Sectional
Tests

6

Sectional
Tests

8

Current Affairs
Tests

3

CSAT Tests

4

Mock Tests

25 Exhaustive Classes cum Test Discussions

Download Test Schedule at:

Off. No. 6, 1st Floor, Apsara Arcade, Karol Bagh, New Delhi-5, (Karol Bagh Metro Gate No. 5)



011-47058253, 9953595114, 9873870114



info@iasscore.in



www.facebook.com/iasscore



www.iasscore.in

GOVERNANCE ISSUE

SC Suggest Prison Reforms



The Supreme Court issued a notice to the Centre over a public interest plea seeking direction to establish guidelines to prevent torture, cruelty, inhuman or degrading treatment of jail inmates.

Supreme Court issued a series of directions for prevention of suicide and custodial death of prisoners and compensation for kin of inmates who died an unnatural death after 2012.

The order issued in the wake of unnatural deaths of prisoners being reported from across the country.

Hereby, discussing the reforms in the prison system.

Introduction

The Supreme Court ordered radical prison reforms, including a direction to States to provide telephone and video conferencing facilities for prisoners to enable them to speak with their lawyers and family members.

The order came on a PIL filed in 2013 highlighting the inhuman conditions prevailing in 1,382 prisons across India. The reforms issued in the wake of unnatural deaths of prisoners being reported from across the country, directs states to award compensation to families of 551 prisoners who died under mysterious circumstances inside jail between 2012 and 2015.

Facts:

- ▶ **National Human Rights Commission report:** The average suicide rate among the general public during 2007-11 was 11 per 1,00,000, whereas the average suicide rate in prison stood at 16.9 per 1,00,000, which was over 50 per cent higher than the general rate.
- ▶ **The National Crime Records Bureau's** numbers till 31 December 2014, show that central jails housed 1,84,386 prisoners as opposed to their capacity of 1,52,312 and district jails held 1,79,695 against a capacity of 1,35,439.
- ▶ **Supreme Court:** Jails are overcrowded by 150 per cent.
- ▶ **Death rate:** In 2015, on an average, four prisoners died every day. A total of 1,584 prisoners died in jails, 1,469 of which were natural deaths and the remaining 115 were attributed to unnatural causes. Two-thirds of all unnatural deaths (77) were reported to be suicides, while fellow inmates murdered 11, nine of which were in jails in Delhi. About 12,727 people are reported to have died in prisons between 2001 and 2010.
- ▶ **Overcrowded prisons:** The prisons are overcrowded by 77.9% in Meghalaya, by 68.8% in Uttar Pradesh and by 39.8% in Madhya Pradesh. In absolute numbers, UP had the highest number of under-trials (62,669), followed by Bihar (23,424) and Maharashtra (21,667). In Bihar, 82% of prisoners were under-trials, the highest among states.

- ▶ **Under-trials:** Sixty seven percent of the people in Indian jails are under-trials. Chhattisgarh and Delhi are among the top three in the list with an occupancy ratio of more than double the capacity.
- ▶ The share of the prison population awaiting trial or sentencing in India is extremely high by international standards; for instance, it is 11% in the UK, 20% in the US and 29% in France.
- ▶ **Severe Staff crunch:** While 33% of the total requirement of prison officials still lies vacant, almost 36% of vacancy for supervising officers is still unfulfilled. Delhi's Tihar jail ranks third in terms of a severe staff crunch. The manpower recruited inside this prison is almost 50% short of its actual requirement. States like Uttar Pradesh, Bihar and Jharkhand have the most scantily guarded jails, seeing over 65% staff vacancies among jailers, prison guards and supervisory levels.

Need for the Prison reforms:

- ▶ **Human Rights considerations:**
 - A sentence of imprisonment constitutes deprivation of the basic right to liberty.
 - Prison reform is necessary to ensure that this principle is respected, the human rights of prisoners protected and their prospects for social reintegration increased, in compliance with relevant international standards and norms.
- ▶ **Imprisonment and poverty:**
 - Imprisonment disproportionately affects individuals and families living in poverty. When an income generating member of the family is imprisoned, the rest of the family must adjust to this loss of income.
 - The family experiences financial losses as a result of the imprisonment of one of its members, exacerbated by the new expenses that must be met - such as the cost of a lawyer, food for the imprisoned person, transport to prison for visits and so on.
 - When released, often with no prospects for employment, former prisoners are generally subject to socio-economic exclusion and are thus vulnerable to an endless cycle of poverty, marginalisation, criminality and imprisonment. Thus, imprisonment contributes directly to the impoverishment of the prisoner, of his family (with a significant cross-generational effect) and of society by creating future victims and reducing future potential economic performance.
- ▶ **Public health consequences of imprisonment:**
 - Prisons have very serious health implications. Their health conditions deteriorate in prisons which are overcrowded, where nutrition is poor, sanitation inadequate and access to fresh air and exercise often unavailable.
 - Psychiatric disorders, HIV infection, tuberculosis, hepatitis B and C, sexually transmitted diseases, skin diseases, malaria, malnutrition, diarrhoea and injuries including self-mutilation are the main causes of morbidity and mortality in prison.
- ▶ **Detrimental social impact:**
 - When a member of a family is imprisoned, the disruption of the family structure affects relationships between spouses, as well as between parents and children, reshaping the family and community across generations.

- ▶ ***The Problem of Overcrowding in Prisons:***
 - It is a known fact that prisons in India are overcrowded. As a result of this there is no separation of offenders of serious offences and minor offences.
 - Hence hardened criminals may spread their influence over minor criminals. Persons who have committed offences for the first time come into contact with hardened criminals and hence is likely to become professional criminals.
- ▶ ***The Problem of Criminality in prison:***
 - The continuous absent from the normal society and detachment from members of the family deprives the inmates of their sex gratification which is one of the vital biological urges of human life.
 - Frequent quarrelling inside the institution. Every inmate tries to establish his superiority over his fellow inmates. Therefore prisoners often narrate with exaggeration the tales of their adventure and the dangers overcome by them while committing crime.
- ▶ ***Under-Trials:***
 - Majority of the Prisoners are Under-Trials (according to stats 65% of the prisoners are under-trials i.e. it's not established that they are offenders) and they might be held in overcrowded Jails for Years.
 - The size of the pre-trial prisoners is higher than that of the convicted prisoner. Pre-trial detention period is the most open period for the abuse of criminal justice process.
 - Although pre-trial detainees should be presumed innocent until found guilty by a court of law and treated as such, conditions in pre-trial detention are often much worse than those of prisons for convicted prisoners.
- ▶ ***Inadequate prison staff:***
 - In the absence of adequate prison staff, overcrowding of prisons leads to rampant violence and other criminal activities inside the jails.
 - In separate incidents, 32 prisoners escaped in Punjab in 2015, while in Rajasthan, the number of such cases has risen to 18. Maharashtra witnessed the escape of 18 prisoners.
- ▶ ***Problems to the prisoners:***
 - As a matter of fundamental rights guaranteed by the Indian constitution, under-trials are presumed innocent till proven guilty. But they are often subjected to psychological and physical torture during detention and exposed to subhuman living conditions and prison violence.
 - They tend to have restricted access to legal representatives. Lack of financial resources and a robust support system and the limited ability to communicate with lawyers from within the jail premises hamper their ability to defend themselves in the court of law.
 - This despite a landmark Supreme Court ruling that Article 21 of the constitution entitles prisoners to a fair and speedy trial as part of their fundamental right to life and liberty.

Suggestions:

“Hate the Crime and Not the Criminal”— Mahatma Gandhi

- ▶ The main objective of prisons is to bring the offenders back to the mainstream of the society.

- ▶ ***Term of imprisonment:***
 - The maintenance of prison establishment is an expensive affair. Therefore the offender should be confined to the prison for only a minimum period which is absolutely necessary for their custody. The elimination of long term sentences would reduce undue burden on prison expenditure.
 - Where the term of imprisonment exceeds one year, a remission of one month or so per year be granted to the inmate so as to enable him home town and meet his relatives. This will help in their rehabilitation and after their release they can face the outside world courageously casting aside the stigma attached to them on account of imprisonment.
- ▶ ***Women prisoners:***
 - The women prisoners should be treated more generously and allowed to meet their children frequently. This will keep them mentally fit and respond favorably to the treatment methods.
 - Women prisoners should be handled only by women police or prison officials.
- ▶ ***Peasant prisoners:***
 - The prisoners belonging to peasant class should be afforded an opportunity to go to their fields during harvesting season on temporary 'ticket on leave' so that they can look after their agriculture.
 - This would enable them to keep in touch with their occupation and provide means of living to the other members of their family.
 - Thus the unity of family life can be maintained which would help rehabilitation of the prisoner after his release from jail.
- ▶ ***Festivals:***
 - The auspicious days and festivals should be celebrated through rejoicings and other meaningful programmes so that the prisoners can atleast momentarily forget that they are leading a fettered life.
- ▶ ***Education:***
 - The education in prisons should be beyond three R's and there should be greater emphasis on vocational training of inmates.
 - This will provide them honourable means to earn their livelihood after release from jail.
 - The facilities of lessons through correspondence courses should be extended to inmates who are desirous of taking up higher or advanced studies.
 - Women prisoners should be provided training in tailoring, doll making, embroidery etc.
 - The prisoners who are well educated should not be subjected to rigorous imprisonment, instead they should be engaged in some mental-cum-manual work.
 - The education of illiterates and young prisoners should be compulsory and special attention should be paid to it by the administration.
- ▶ ***After Release:***
 - On completion of term of sentence, the inmates should be placed under an intensive 'After Care'.

- The process of After Care will offer them adequate opportunities to overcome their inferior complex and save them from being ridiculed as convicts.
- Many non-penal institutions such as Seva Sadans, Nari Niketans and Reformation Houses are at work in different places in India to take up the arduous task of After Care and rehabilitation of criminals.
- ▶ **Attitude Change:**
 - There is dire need to bring about a change in the public attitude towards the prison institutions and their management.
 - This is possible through an intensive publicity programmes using the media of press, platform and propaganda will.
 - It will certainly create a right climate in society to accept the released prisoners with sympathy and benevolence without any hatred or distrust for them.
- ▶ **Use of media:**
 - The media men should be allowed to enter into prison so that their misunderstanding about prison administration may be cleared.
- ▶ **Open prison system:**
 - The open prison system has come as a very modern and effective alternative to the system of closed imprisonment. The establishment of open prisons on a large scale as a substitute for the closed prisons, the latter being reserved for hardcore criminals shall be one of the greatest prison reforms in the penal system.
- ▶ Central Government along with NGO's and prison administration should take adequate steps for effective centralization of prisons and a **Uniform Jail Manual** should be drafted throughout the country. The uniformity of standards can be maintained throughout all the States.
- ▶ **Reduce the burden of overcrowding:**
 - The methods to reduce the burden of overcrowding of jail are release on bail, impose fine, release on probation or parole. The system of remission, leave and premature release may also be useful in tackling the problem of overcrowding in the prison.
- ▶ **Policy for parole:**
 - Having a proper policy for parole and furloughs and disseminating information about the same to prisoners so that everyone can exercise this right.
- ▶ **Classification of crimes:**
 - Classification into normal, violent, heinous etc. Then criminals of different categories could be segregated based on the seriousness of their crime.
- ▶ **Rehabilitation:**
 - Having a proper policy of rehabilitation of criminals in society as productive members. Initiatives like a restaurant staffed by Tihar Jail inmates could be duplicated elsewhere in the country.
 - Creating departments of correctional services, instead of just renaming prisons as correctional homes. Giving financial and infrastructure support to voluntary organisations working on the rights, welfare and rehabilitation of custodialised populations.

Thus such practices will help in changing the traditional and colonial outlook of the Indian Prison System and also help the prisoners to become more responsible, creative and potential citizen.

It is not prison buildings, but what goes on inside them, that need change.

Conclusion

There must be a genuine desire to ensure that the guarantee to a life of dignity is provided to the extent possible even in prisons, otherwise Article 21 of the Constitution will remain a dead letter. It must be appreciated by the State that the common person does not violate the law for no reason at all. It is circumstances that lead to a situation where there is a violation of law.

Retribution and deterrence cannot be an answer to the offence and the offender. Unless the State changes this mindset and takes steps to give meaning to life and liberty of every prisoner, prison reforms can never be effective or long lasting.

ECONOMIC ISSUE

Privatization of Railways



Indian Railways is one of the most valuable assets to our economy. It is lifeline of Indians but clearly is not able to handle ever increasing pressure put by rising population. The idea of giving operations of railway lines to private players for enhancing competition is doing rounds.

Following a string of derailments, the union government is studying various models for attracting more private players. This has reignited the debate of whether railways should be privatized or not and the analysis of its advantages and disadvantages.

Present condition of Indian railways:

- ▶ Asia's largest and World's 2nd largest rail network.
- ▶ Due to price hikes, it is consistently losing market share to other modes of transport both in case of freight and passengers.
- ▶ Not able to keep up the required infrastructure due to operations and maintenance.
- ▶ New railway projects are announced during the Railway Budget annually without really arranging funding required for them.
- ▶ Since very crucial for India's economy, outdated technology and obsolete machinery requires modernization.
- ▶ Plans to rack up debts to fund this investment in new technology to modernize.
- ▶ Raising passenger fares is politically challenging as more than half of India's 1.3 billion people live on less than Rs.203 per day.
- ▶ Looking for new methods to raise revenue other than fares hike like advertising and land holdings.

Government decided not to go privatization of Railways, but rather invest in private technology from other nations like Japan to modernize Railways.

Various propositions in the direction of privatization:

The various propositions in the direction of privatization are being mooted in the following ways:

- ▶ The re-tuning policy to attract private companies for modernizing railway stations has been proposed. It's an exciting proposition. This will be able to generate competition in the process and improve customer satisfaction.
- ▶ The Railways has decided to do away with the 'Swiss Challenge' model of awarding railway stations to private players and taken a slew of measures to lease out at least 100 stations.

- ▶ The steps include increasing the lease tenure from 45 years to 99 years, allowing private players to sub-lease stations for increasing their investment value and mortgaging assets to allow banks to give low-cost funds.
- ▶ The Union Cabinet had approved redeveloping 400 railway stations through the Swiss Challenge model under which any bidder can offer to improve upon a project proposal submitted by another player.
- ▶ The government seeks to electrify the entire railway network. The **mission is 100% electrification**. Electricity is a domestic and self-sufficient resource than importing diesel. The Railways are investing Rs.16,000 crore every year in diesel consumption. So, it will save Rs.8,000-10,000 crore.

Arguments in favour:

- ▶ The quality of service and management of resources most likely will improve.
- ▶ Indian Railways is unable to meet the ever increasing passenger demand, thus not really enjoying benefits of being a natural monopoly. Private sector entry into operations will increase efficiency.
- ▶ Bringing private technology to improve Railway's functioning will not be as good as privatization because new technology will be more effectively put to use by private operators than government due to competition.
- ▶ Rail engines used to run the train are old and outdated. Obsolete machinery has no proper returns due to high maintenance cost.
- ▶ It will also keep corruption in public sector under check and thus improve overall productivity.
- ▶ For consumers, there will be better facilities available both at station and in trains like better cleanliness, more safe and secure journey, almost no-delay in train arrival and overall a better travelling experience.
- ▶ One of the private enterprises in railways in the non-core sector is IRCTC (**Indian Railway Catering and Tourism Corporation**) which takes care of online railway reservation, food stalls at stations and packed mineral water on trains. No doubt it has been successful in its business.

Arguments in against:

- ▶ The workers cannot be expected to be loyal to a company and hence to Railways which might result in low productivity during exigencies.
- ▶ Depending on private sector for movement of arms and ammunition for the armed forces and safe keeping of the weapons is critical and cannot be entrusted to the private sector.
- ▶ By privatizing, we are essentially letting demand and supply dynamics take precedence and prices set by market forces become the norm. This at a time of natural calamity would wreak havoc on movement of critical supplies.
- ▶ Privatization without competition will degenerate into an oligopoly.
- ▶ It is not about change of ownership alone, unlike many other sectors. The bureaucratic state will be replaced by the contract state. Effective regulation becomes critical and so also the speedy resolution of disputes that are bound to arise from time to time as seen in the projects in PPP mode.

Way forward:

- ▶ To introduce an element of competition in rail operations, it will be necessary to separate the ownership and the management of infrastructure (track, signaling,

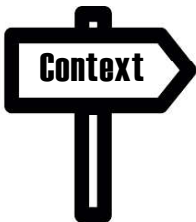
stations etc.) from train operations to allow either multiple operators to access the same track (route) or to have a system of franchise for particular routes.

- ▶ **As per Bibek Debroy's recommendations** following can be considered:
 - ▣ Railway should hive off all non-core activities - RPF, School, Hospital.
 - ▣ Scrapping of Railway Budget - Need to depoliticize all the policy of Railways.
 - ▣ Privatization of Parcel Services.
 - ▣ PPP for Port Project.
 - ▣ Investment in modernization - Need to reduce head count.
 - ▣ Developing competition among Railway PSUs and zone.
- ▶ On specific routes the government can evaluate the option of leasing or renting the railway tracks, stations, charge for the use of railway infrastructure and let private players run their own trains to bring in competition to railways in terms of services.

The entry of private players in railway operations along with a government-owned entity requires a fundamental reorganization of the railways. More than privatization, it needs to operate as corporation. One of the best ways to ease this pressure is privatization of operations and maintenance sector of Indian Railways.

ENVIRONMENTAL ISSUE

Idol Immersion and Pollution



Thousands of broken or semi-dissolved idols of Ganesha made of plaster of paris and coated with toxic chemicals such as mercury, cadmium, lead and carbon were immersed in the Yamuna on the occasion of Ganesh Chaturthi which commenced late last month.

A bench headed by NGT Chairperson Justice Swatanter Kumar issued notices to the AAP government, Delhi Jal Board, Delhi Development Authority and others while asking them to file an action taken reports after the Ganesh Chaturthi festival.

On the above issue, hereby discussing the pollution caused by idol immersion and steps needed.

Introduction

In Durga Puja, Ganesh Chaturthi and other festivals idol immersion are done as a part of cultural practice, however the immersion of idols in water lead to water pollution.

Idols are constructed by plaster of paris, clay, cloths, small iron rods, bamboo and decorated with different paints such as varnish, water colors etc. which can lead to significant alteration in the water quality after immersion.

Paints which are used to colour these idols contains various heavy metals such as Mercury, Cadmium, Arsenic, Zinc, Chromium and Lead. Particularly, red, blue, orange and green colours contain mercury, zinc oxide, chromium and lead, which are potent carcinogens. Two heavy metals such as Lead and Chromium also add in the water bodies through Sindoor (a traditional red colored cosmetic powder, usually worn by married women and often used in the festivals).

Along with Ganesh idols people dump other accessories like thermocol, plastics, etc. as well adding to the level of water pollution.

The floating materials released through idol in the river and lake after decomposition result in eutrophication, increase in acidity and heavy metal concentration. Heavy metal pollution caused by idol immersion can damage the ecosystem as it kills fishes, damages plants, blocks the natural flow of the water, causing stagnation. The effects of idol immersion on various water bodies of India like Bhoj wetland, Budhabalanga river, Ganges river, Hussainsagar lake, Kolar river, Sarayu river, Tapi river, Chhatri lake, north and west lakes of Bangalore and Yamuna river have been observed so far.

A study by the **Central Pollution Control Board (CPCB)**- Impacts of Dussehra Festival on the River Hooghly:

- ▶ A case study-showed that every year at least 15,000 idols of Goddess Durga are immersed in the Hooghly river alone.
- ▶ The study states that this releases 16.8 tonnes of varnish and garjan oil and 32 tonnes of colours in the water.

- ▶ These colours contain a good doze of heavy metals like manganese, lead, mercury and chromium. The study also found that during Dusshera, oil and grease in the river increased by 0.99 milligram per litre (mg/l) and the concentration of heavy metals increased by 0.104 mg/l.

Steps initiated by different states

- ▶ The **Gujarat** government imposed a blanket ban on the use of PoP and other hazardous materials in idols and their immersion in any main water body. The state forest and environment department directed all the district collectors and municipal corporations to strictly prevent immersion of idols in natural water bodies by making artificial ponds near lakes and rivers for immersion of Tazia and idols during Ganesh Chaturthi, Dussehra and other festivals.
- ▶ The local administrations have been asked to barricade the “**Idol Immersion Points**” and put synthetic liners in the artificial ponds ahead of immersion processions. These liners would be removed after the immersion ceremonies along with the idol remains, and disposed as per the solid waste management rules.
- ▶ The **Karnataka** SPCB has introduced mobile immersion units for the immersion of Ganesh idols to prevent pollution of water bodies.
- ▶ KSPCB’s move is aimed at providing “immersion points” to people near their residence.
- ▶ It has also appealed to the residents to make use of eco-friendly idols for the festivities.
- ▶ **Nagpur** Municipal Corporation (NMC) had introduced the concept of eco-friendly immersion by installing artificial ponds in 2012.
- ▶ To promote more eco-friendly immersions, NMC increased the number of artificial tanks in the city from last year’s 30 to over 100 this year.
- ▶ The **Indore** Municipal Corporation has also been installing artificial tank and trench for the immersion.
- ▶ People are required to strip the idols of plastic and other non-biodegradable materials used to make garlands and clothes before the immersion.
- ▶ The **Calcutta** High Court had directed that the guidelines framed by the West Bengal SPCB will have to be followed for cleaning up the river Ganga after immersion of idols.
- ▶ The court also emphasised that it is the duty of the **Kolkata Port Trust** (KPT) and municipalities to clean the river and sea front after idol immersion.

According to CPCB, general guideline for idol immersion mentioned below:

- ▶ Idols should be made from natural materials as described in the holy scripts. Use of traditional clay for idol making rather than baked clay, plaster of paris, etc. may be encouraged, allowed and promoted.
- ▶ Painting of Idols should be discouraged. In case idols are to be painted, water soluble and non-toxic natural dyes should be used. Use of toxic and non-biodegradable chemical dyes for painting idols should be strictly prohibited.
- ▶ Worship material like flowers, vastras (clothes), decorating material (made of paper and plastic) etc. should be removed before immersion of idols. Biodegradable materials should be collected separately for recycling or composting. Non biodegradable materials should be collected separately for disposal in sanitary landfills. Clothes may be sent to local orphan house(s).

- ▶ Public should be educated on ill effects of immersion in the holy water bodies through mass awareness programme.
- ▶ The “**Idol Immersion Points**” shall be cordoned and barricaded. Synthetic liner may be placed in the bottom, well in advance. The said liner shall be removed on completion of immersion ceremony so that remains of idols would be brought to the bank. Bamboo and wooden logs, if any would be reused. Clay, etc may be taken to sanitary land fill for disposal.
- ▶ In Pune, the municipal corporation has successfully convinced people not to immerse the ‘**nirmalya**’ into the water. Instead, they have installed large bins shaped as traditional pots or ‘kalashes’ to receive this nirmalya. While this is a good first step, the appropriate management of the nirmalya is still crucial considering the volumes that are collected every year.

Conclusion

These guidelines if followed and acted upon can help in bringing tremendous change in the water quality of water bodies post idol immersion. Debris flowing through in water bodies can be collected and treated with technical measures that can prevent the further deterioration of the river during immersion period.

ECONOMIC ISSUE

Saubhagya Plan



Pradhan Mantri Sahaj Bijli Har Ghar Yojana - "Saubhagya" a new scheme was launched by the Prime Minister Shri Narendra Modi on 25th September 2017, to provide electricity to un-electrified households in the country in rural as well as urban areas by March 2019.

Hereby discussing the salient features of the scheme.

Introduction

Prime Minister Narendra Modi has launched the Pradhan Mantri Sahaj Bijli Har Ghar Yojana to provide electricity connections to over 40 million families in rural and urban areas by March 2019. The households in remote and inaccessible areas, where grid lines extension is not feasible, solar power pack and battery will be provided to such households.

Government aims to achieve these with this scheme:

- ▶ Environmental Upgradation by substitution of Kerosene for lighting purposes.
- ▶ Improvement education services.
- ▶ Better health services
- ▶ Enhanced connectivity through radio, television, mobiles, etc.
- ▶ Increased economic activities and jobs.
- ▶ Improved quality of life especially for women.

Salient features:

- ▶ By providing universal access to electricity under the scheme, the government plans to leverage the same to promote induction cooking, heating and charging electric vehicles, apart from the initial target of providing lighting.
- ▶ Poor households would be provided electricity connections free of cost. Other households would also be provided electricity connections under the scheme on payment of Rs.500 only which shall be recovered by the DISCOMs/Power Departments in ten (10) installments along with electricity bills.
- ▶ The beneficiaries for free electricity connections would be identified using **Socio Economic and Caste Census (SECC) 2011** data.
- ▶ There will be no subsidy component for monthly electricity consumption and the **Gram Panchayat** and public institutions in the rural areas will be authorised to carry out billing and collection tasks which have been pain points for the discoms.
- ▶ **The Rural Electrification Corporation Limited (REC) will remain the nodal agency** for the operationalisation of the scheme throughout the country.

- ▶ All power meters will have technology driven registration, payment and consumer billing to avoid any leakage.
- ▶ There will be both centre and state-level monitoring and web-based monitoring mechanism of the scheme.

Why there is a need for new scheme?

- ▶ **Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)** envisage creation of basic electricity infrastructure in villages / habitations, strengthening & augmentation of existing infrastructure, metering of existing feeders / distribution transformers / consumers to improve quality and reliability of power supply in rural areas. Besides this, last mile connectivity and free electricity connections are also provided to BPL households only identified by the States as per their list.

However, in villages which are electrified in past for a long period, many households do not have electricity connections for many reasons.

An electrified village is defined as one that has the following: (i) provision of basic infrastructure such as distribution transformers and lines in the inhabited locality, (ii) provision of electricity in public places like schools, panchayat office, health centers, dispensaries, and community centers, and (iii) at least 10% of the total number of households in the village are electrified.

Therefore, a village is considered to be electrified if 10% of the total number of households in the village have been electrified.

Some of the really poor households do not have BPL cards but these households are not capable of paying applicable initial connection charges.

The Committee recommended that the actual electrification requirement of villages must be assessed, and it should be ensured that the state discoms provide electricity to the remaining households in the village.

Further, lack of awareness about procedure to obtain electricity connection including cost of connection, uses of electricity, cost of uses vis-à-vis kerosene, benefits of using electricity (Direct & Indirect) etc. has been cited as one of the major reasons of slow progress on household electrification in various research studies.

- ▶ Similarly in urban areas, **Integrated Power Development Scheme (IPDS)** provides for creation of necessary infrastructure to provide electricity access but some households are not yet connected mainly on account of their economic condition as they are not capable of paying the initial connection charges.
- ▶ Discoms are already facing huge financial losses and hence are unable to supply electricity to the villages. Discoms continue to supply subsidised power to agricultural and residential consumers, resulting in revenue losses. Further, the average technical and commercial losses (theft and pilferage of electricity) (AT&C losses) are at around 25%. While the Ujjwal Discom Assurance Yojana (UDAY) has eased off some of the financial losses of the discoms, it remains to be seen whether discoms are able to reduce the cost-tariff gap and AT&C losses in the future.

Therefore, Saubhagya has been launched to plug such gaps and comprehensively address the issues of entry barrier, last mile connectivity and release of electricity connections to all un-electrified households in rural and urban areas.

Benefits of the scheme:

- ▶ Access to electricity definitely has positive impact on quality of life of people in all aspects of daily household chores and human development.

- ▶ Substitution of use of kerosene with electricity for lighting purposes would reduce annual subsidy on kerosene and would also help reduce the import of petroleum products.
- ▶ Electricity access would help in establishing efficient and modern health services in all parts of the country.
- ▶ Lighting after the sunset also provide a sense of enhanced personal safety especially for women and increase in post sunset social as well as economic activities.
- ▶ Availability of electricity will boost education services across all areas and quality lighting post sunset would facilitate children to spend more time on studies and move ahead further in prospective careers.
- ▶ Household electrification also increases the likelihood that women would study and earn income.
- ▶ Help financially weaker sections including Dalits and other backward classes.
- ▶ Electricity in each home would provide improved access to all kind of communications like Radio, Television, Internet, mobile etc. through which everyone would be able to access all kind of important information available through these communication mediums.
- ▶ Farmers can access information about new and improved agriculture techniques, agro-machinery, quality seeds etc. resulting in significant increase in agriculture production and consequently increase in income.
- ▶ Availability of reliable electricity services would also facilitate establishment of new shops of daily use goods, fabrication workshops, flour mills, cottage industries etc. and such economic activities would generate direct as well indirect employment.
- ▶ The implementation of the Saubhagya scheme will positively impact the power sector as its execution is likely to improve energy demand which in turn will force the discoms to supply to these villages.
- ▶ Universal connectivity, especially universal reliable rural electricity supply provides a huge opportunity to eliminate the 1.3 million premature deaths annually due to biomass burning in poorly ventilated rural kitchens. This underlines the importance of the call for the development of affordable electricity-based cooking technologies.

Challenges:

- ▶ Even if all rural households get power, making adequate returns on their investment will be a challenge for retailers given the low-usage pattern.
- ▶ Implementation capacity at the local level for enrolling new consumers will be a challenge.
- ▶ Regular metering, billing and collection from power consumers besides the stringent timeline.
- ▶ Even though it provides electricity connections free of cost, but it will not address the recurring burden of power bills.
- ▶ Improving affordability require that supply be increased drastically to lower the price paid by retail consumers.
- ▶ Poor cost recovery can result in poor maintenance and thus huge investments in network infrastructure can go waste.

- ▶ The Plant Load Factor (PLF) of coal and lignite-based plants, an indicator of capacity utilisation of power generation units, has dropped from 77.5% in 2009-10 to 59.88% in 2016-17.
- ▶ The Ujwal DISCOM Assurance Yojana (UDAY), introduced to restructure the debt of State distribution agencies, has failed to make enough difference to this state of affairs.
- ▶ Regular metering, billing and collection from power consumers besides the stringent timeline will be the biggest challenge in implementation of the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) .
- ▶ Providing electricity to every household will require huge skilled human resource.
- ▶ The scheme will also require the infrastructure and financial support of the states. Without active support of the states, scheme would not be successful.

Way forward:

Saubhagya scheme is indeed an ambitious plan to provide basic necessity like electricity to every household. However along with such plan, there is simultaneous need of reforms in the structural issues of the electricity sector to make it more feasible and attractive to both DISCOMs and customers.

New India will require an energy framework that works on the principle of **equity, efficiency and sustainability**. After connecting each house with electricity, the government's next target should be to end load shedding and provide 24x7 power.

SOCIAL ISSUE

Gender Segmentation in Economy


Context

Women consistently work less in the labor market and earn lower wages than men. While economic empowerment of women is an important objective in itself, women's economic activity also matters as a condition for sustained economic growth. Thus empowering women to engage in productive employment is not only critical to achieving gender equality but also critical for economic growth and poverty reduction.

Hereby analyzing the impact of liberalization on gender discrimination.

What is the issue about?

Conventional wisdom would suggest that gender discrimination should have declined in India, thanks to economic liberalization in the early 1990s. Increased market competition forces firms to eliminate inefficient discriminatory practices, including gender discrimination. The room for hiring their own “types” is less when firms face intense competition. Market competition works in favour of women, as women are more competitive, and offer cheaper and more flexible labour vis-à-vis men.

Factors associated with it:

Gender difference and asymmetry operate across these three dimensions and help determine an individual's access to particular types of employment. The job seeker's social, demographic and to a lesser extent, educational circumstances, are centrally determined by gender. Employment opportunities, economic sectors and statuses are almost always “gendered” — with male and female labor differentially organized throughout most areas of the economy. And finally, over-supply of labor (or lack of jobs) is usually at the expense of women's employment or results in males moving into sectors once considered “female”.

When women employees are found grouped in specific areas of economic activity, this generally means that such activities are accessible to them. Accessibility to women may be due to a range of factors which may have positive or negative underpinnings. In positive terms, accessibility may be due to employer policies that encourage the integration of women, or that provide supports and benefits that allow women to meet their domestic responsibilities while working outside the home. On the negative side, accessibility may be to an employer preference for female workers who can be paid less than males or who are non-unionized and therefore easier to control.

Assumptions about the “natural” abilities of each gender can also play a pivotal role in providing or denying access to certain types of work according to gender. Heavy manual work or work with heavy machinery is assumed to be more appropriate for

males. Work that involves caring, nurturing or careful handwork is usually considered appropriate for females. Within a single workplace one can often find these assumptions at play in assigning different tasks to males and females. Although such distinctions can be found world-wide, on a practical level they are never fixed.

Gender Segmentation Scenario in India:

- ▶ The share of females in manufacturing employment has barely increased over the last two decades. Female activity is largely concentrated in the unorganized sector. The concentration of female entrepreneurs in low-wage industries has grown over time. Despite many competitive reforms that India has undertaken, this pattern of gender-based segmentation has been accentuated over the years.
- ▶ Women entrepreneurs are more dominant in industries that pay lower average wages. Within the manufacturing sector, female ownership shares are highest and typically exceed 50% in industries related to chemicals and chemical products, tobacco products, and paper and paper products. At the opposite end, female ownership shares are 2% or less in industries related to computers, motor vehicles, fabricated metal products, and machinery and equipment.
- ▶ In the service sector, female ownership rates in major cities tend to be higher than overall state averages. Among service industries, female ownership shares exceed 30% in industries related to sanitation and education. Industries related to research and development, water transport, and land transport have the lowest female ownership rates, at 1% or less.
- ▶ The states with the highest female service sector ownership rates are Kerala, Tamil Nadu, and Andhra Pradesh, with average female ownership shares exceeding 12%. The lowest female ownership rates are in Rajasthan, Bihar, Odisha and Uttar Pradesh, each with 6% or less. It is surprising that the nation's capital, Delhi, has the lowest share of female-owned establishments in manufacturing. Its position in the services sector is only slightly above the national average.
- ▶ Despite many competitive reforms that India has undertaken, gender-based segmentation has increased over the years. For instance, the share of female employees in female-led informal manufacturing plants increased from 88% in 2001 to 93% in 2010. In the case of services, the share of female employees in women-led establishments increased from 75% to 87% during the same period. Likewise, the share of male employees in male-owned businesses has increased from 80% to 86% in unorganized manufacturing.
- ▶ Gender segmentation is larger for small plants. Segmentation is larger for an average male employee vis-à-vis an average female employee across all size bands.

What can India do?

India is simultaneously a leader as well as a laggard on gender. India's 73rd Constitutional Amendment Act, passed in 1992, instituted one-third seat reservations for women in local governance bodies. The political empowerment of women had huge beneficial effects. The political reservation for women has gained India global recognition.

However, India's economic liberalization and increased market competition has not eliminated gender segmentation. Indeed, India's gender balance in entrepreneurship and jobs remains among the lowest in the world. Globalization and trade policy have made a limited contribution towards India's convergence in gender segmentation. However, improved physical and human infrastructure, and domestic pro-competitive reforms have reduced gender segmentation.

Gender will play a bigger and more strategic role in India's future growth. This growth will come in many forms: increased female labour force participation, improvements in productivity, elimination of gender discrimination in access to bank loans, and increased voice and political representation. Simply put, empowering half of the potential workforce has significant economic benefits beyond promoting gender equality.

SPORTS

Significance of Traditional Rural Games and Steps Needed for its Revival

Context

India has been a richness and diversity in culture and tradition, and games have been an important part of Indian culture since forever. There are large numbers of game such as Satoliya and Kho Kho are name a few, which have been playing at regional level but they don't have any recognition at state, national and international level.

These sports and games are tightly tied with rural culture and tradition. Gradually the time has changed and in a time of Play Stations, video games and gadgets, we all have almost forgotten the traditional rural games of India. But for the maintenance of mental and physical health traditional rural games are important.

Introduction:

Some scholars believe that human has invented games primarily as a means to meet socially with others, to display our skills and physical powers and to entertain or offer excitement. Mostly games involve some form of running, throwing and jumping, all of which developed from basic hunting skills.

Many early cultures combined their religious and political elements into their games, but there was always a desire for recreational play that eventually inspired the codification of early games and the invention of new ones. Because early human relied heavily on running to hunt prey, footraces naturally developed and became formalized into track events. With the advent of the ball and bat, running became the basis for a wide range of modern games such as association football and hockey.

The ability to throw a killing implement far and accurately was transformed from a survival skill into a game skill like javelin or disc throwing. Although no modern team game is based on jumping, the action is widely used as an adjunct in games, most notably in basketball and volleyball.

Games and sports have always played an important role in the history and mythology of India, Be it Lord Shiva and his consort Parvati playing Pachisi, the Pandavas loosing Draupadi over a game of dice or the Mughals enjoying an afternoon of chess. Sport and Games not only facilitate human interaction with rural development factors, but it will reconcile humans with development and their economic, social, cultural activities with surrounding environment.

Background:

Rural games should not be seen merely a means for fun and engagement of children and adolescents. In contrast, it should be considered an important component of life activities. Concepts such as fitness, health, personal and social development and mental health are closely related to rural games and sport. A historical review demonstrates that civilizations of the world always have paid attention to the importance and role of sport and used it for development of youth and preparing them to deal with personal and social problems.

Significance of Traditional rural games:

- ▶ **As a Socializing Tool:** The socialization process refers to the various ways in which a society's dominant values, attitudes, and beliefs are passed down from generation to next generation. Socialization also pertains to the process of starting, continuing, changing, and discontinuing sports, as well as the effect of games participation on the individual player. Children learn from parents, trainers, teachers, peers, and siblings about what is normative, important, valued, and expected in a sport context - which helps them, construct meaning of their experiences. In addition, what and who are portrayed in the sport media communicate values and attitudes to consumers and spectators about what is important.
- ▶ **As a Unifying Factor:** Sport can bring people together by giving them a sense of personal identity, as well as feelings of group membership and social identification. Sport accomplishes feelings of unity in a number of additional ways, from the individual level (e.g., an athlete who feels that he/she is part of something bigger than herself), to the regional level (e.g., when citizens and professional sport teams), to the national and international levels (e.g., athletes in the Olympic Games). Few, if any, institutions can unite people the way that sport does, largely because the popularity of sport cuts across social categories like race and class.
- ▶ **As a physical fitness Provider:** Various kinds of physical activities in games help in developing the organic system and functioning of the body. They also improve the abilities of human being to resist fatigue, to remain active and perform efficiently. Physical activities in rural games help in developing various kinds of intellectual qualities.

By participating in various kinds of games, participants become emotionally mature.
- ▶ **As a Group level cooperation:** Players learn to work in groups, with utmost co-operation and co-ordination. By Participating in rural games, qualities of group efforts, loyalty to the team and strong ties can be developed in participants. These qualities help in building a good moral character of the individuals. It brings universal brotherhood and integration among players and participants with their respective regions. Participation in rural games also brings leadership qualities among participants. Rural games have a unique language and it can provide a means for diverse understandings. With the help of various sports, friendly relationships can be established between the people of different regions.
- ▶ **As a Career Opportunity:** The importance of sports in society extends to those who make a career in sports in a ways other than playing on a professional team. To follow this path, many professionals looking for a academic degree in sports management. The program is ideal for individuals who enjoy exploring the cultural, economic or sociological sides of rural games. An academic degree in sports management could be a good choice for those who enjoy exercising their minds as much as their bodies.

- ▶ **As a Psychological Facilitator:** As we grow up, we learn to control emotions, especially the negative ones. We understand that negative emotional stress hurts performance in all sphere of life. By participating in rural games and sports, emotions can run high and we learn to channel them in a right and effective way. Many studies suggest that participating in rural games and sports can contribute to the development of self-esteem among participants. Participants have to follow some set of rules, taking direction and accepting decisions is a large pool as a part of playing sports and games, often participants are penalized for bad behavior, all these things make a person to respect authority.
- ▶ **Reduces caste hierarchy and empower women:** Games and sports respect the talent of a participant not the caste of participant. This can lead to reduce caste and gender discrimination in Indian society at various level and ultimately bring social harmony and empowerment of women.

Suggestions or steps needed for revival:

Some measures are being suggested below for revival of rural games and sports:

- ▶ Establishment of a national level statutory body **National Rural Sport Council** for recognition and to establish required coordination between different stakeholders at different level such as state, urban and rural bodies to implement policies and plans.
- ▶ Providing necessary facilities such as basic infrastructure, training to support and development of rural games especially by deployment of outstanding coaches or trainers to train rural youth to achieve excellence.
- ▶ Coordination and cooperation with relevant executive agencies and institutions including municipalities to participate and provide arrangements for development of rural games and monitor their performance.
- ▶ Research to identify barriers to the development of rural games and solutions to overcome them. Continuous research and study to strengthen the scientific and managerial basis of rural games in other countries and using their successful experiences in formulation of developmental plans.
- ▶ Quality and effective grass root level development and awareness programs need to be put in place in India to ensure the internalizing and development of a sporting culture in the country.
- ▶ Establishing and developing relationships with regional and international institutions of different games.

Conclusion

The main objective of all stakeholders should be proper distribution of equal facilities for popular and rural games in rural and urban areas of the region and thereby propelling rural talents to championship as well as using them in provincial sports teams. There is no less expensive potential than rural games for evolution as an essential factor for rural development and upliftment, because rural games will strengthen hope and vitality in mankind to achieve other common objectives. People are also getting attracted toward rural games due to many incentives offered on various stages in the form of cash prizes, and reservation in jobs under sports quota etc. Government and Non-Government agencies have worked a lot for revival in of rural sports in the country, but a lot is to be done in this regard.

SOCIAL ISSUE

India's Record of Reducing Poverty: World Bank's Atlas of SDG


Context

The World Bank's Atlas of Sustainable Development Goals paints a striking image of India's poverty reduction record in the past 25 or so years. India extricated 120 million people from extreme poverty between 1990 and 2013. However, this process was relatively slow. Over the same period, China reduced the number of people living in extreme poverty from 756 million to 25 million. Factoring in the economic growth, between 1995 and 2012, the growth elasticity of poverty reduction for India is just over 0.12. While the growth elasticity of poverty reduction for China is a little over 0.28, the numbers for Mexico and Brazil are 3.28 and 1.14 respectively.

Introduction:

World Bank's Atlas of Sustainable Development Goals stated following:

- ▶ Between 1990 and 2013 nearly one billion people were raised out of extreme poverty. Its elimination is now a realistic prospect, although this will require both sustained growth and reduced inequality. Even then, gender inequalities continue to hold back human potential.
- ▶ Undernourishment and stunting have been nearly halved since 1990, despite increasing food loss, while the burden of infectious disease has also declined. Access to water has expanded, but progress on sanitation has been slower. For too many people, access to healthcare and education still depends on personal financial means.
- ▶ To date the environmental cost of growth has been high. Accumulated damage to oceanic and terrestrial ecosystems is considerable. But hopeful signs exist: while greenhouse gas emissions are at record levels, so too is renewable energy capacity.
- ▶ Physical infrastructure continues to expand, but so too does population, so that urban housing and rural access to roads remain challenges, particularly in Sub-Saharan Africa.
- ▶ Meanwhile the institutional infrastructure of development strengthens, with more reliable government budgeting and foreign direct investment recovering from the financial crisis. Official development assistance, however, continues to fall short of target levels.

Analysis of Poverty Reduction in India:

At the time of India's independence, the percentage of poverty was estimated to be around 59-60% of total population. Today that figure stands at about 22% according to the Government of India. Though our poverty has reduced significantly mostly due to our welfare objectives, we still fail to compete with our global peers as China, Mexico and Brazil. Our global peers have significantly lower poverty levels and also higher living standards.

Factoring in the economic growth, between 1995 and 2012, the growth elasticity of poverty reduction for India is just over 0.12. By contrast, countries such as Brazil, Mexico, Ecuador and Thailand that witnessed relatively low economic growth rates, emerge as positive outliers, exhibiting higher growth elasticities of poverty reduction than many high-growth countries, including India.

The following are the perspectives of the poverty reduction from various sectors:

- ▶ **Employment:** Shifting more people from primary to secondary sectors can significantly improve incomes and also growth. (In China, the agricultural labors have shifted to export oriented industries).
- ▶ **Infrastructure:** A dire need to create infrastructure to accommodate the needs of the poor and also provide them with affordable public utilities. Focusing more on export led growth as done by China, it creates scope for employment, income from exports and also economic growth that hence a win-win situation for all sectors.
- ▶ **Education:** Education is still not prioritized in India, more focus on outcome based education rather than enrollment based. The poor and middle ranges of the distribution receive an education of significantly lower quality than the top 10 per cent, members of which usually attend better-quality private schools.
- ▶ **Healthcare:** If 22 per cent of population is unable to access healthcare, it proves to be a vicious circle that aggravates poverty and further deepens it.

Comparison with other developing nation:

The growth elasticity of poverty reduction for India is just over 0.12. By contrast, countries such as Brazil, Mexico, Ecuador, and Thailand — that witnessed relatively low economic growth rates — emerge as positive outliers, exhibiting higher growth elasticities of poverty reduction than many high-growth countries, including India.

While the growth elasticity of poverty reduction for China is a little over 0.28, the numbers for Mexico and Brazil are 3.28 and 1.14 respectively.

Growth elasticity of poverty (GEP) is the percentage **reduction in poverty rates** associated with a percentage change in mean (per capita) income. This implies that economic **growth** is fundamental to **reducing poverty** rates, particularly in low income countries.

Steps needed in India:

- ▶ **Conditional Cash Transfers (CCTs)** have been proposed as an effective instrument in this situation. An added attraction of such schemes is that, beyond the immediate safety net objectives, they could also serve longer term objectives through behavioural changes in households.
- ▶ The priority areas for future action, includes continuing plans to maintain macroeconomic stability and further reduce poverty, additional comprehensive tax reforms and new efforts to boost productivity and reduce disparities between India's various regions.

- ▶ Though India has designed various schemes like PMKVY, PMAVY, Ekalavya schools for the upliftment of poor people, the problem lies in their implementation and lack of awareness among the weaker sections of the society. Loan waivers are temporary measures; they should not be treated as helping poverty.
- ▶ Banks should not neglect their priority sector lending clauses with excuses of NPA's and low capitalization.

To maximize results, an effective poverty strategy should pay attention to the short-term safety-net aspects of any transfer-based programme, the medium-term behavioural effects, and perhaps most critically, the longer-term changes in outcomes. The access to the right mix of social services is critical.

Way forward

Reaching the targets and overcoming the challenges facing the Sustainable Development Goals requires a sharper focus on better financing, better data and better methods of delivery, working together with partners. Immediate action is necessary if we truly want to build a world that is more just, prosperous, and secure. The World Bank Group aims to end extreme poverty in a generation and to promote shared prosperity. It will help nations meet their national goals, and address long-term global problems such as climate change, fragility, pandemics, and stunting. The Bank's global practices and cross-cutting solution areas, broadly aligned with the SDGs, have deep knowledge and experience in virtually every cross-sectoral area.

Growth is an uncertain process for many individuals; benefits are elusive and, if attained, always at risk. Therefore, an essential element in any enduring poverty alleviation strategy is the prevention of large declines in household incomes that are caused by a variety of shocks — in effect, blocking off the chutes.

GOVERNANCE ISSUE

Simultaneous Elections



Election expenditures both 'declared' and 'government' in India are humongous. The "total expenditure" incurred in the last general election comes to roughly about Rs.3,500 crore. This expenditure multiplies when different states go to polls at different times thus different experts have recommended for the initiation of simultaneous elections in India.

Hereby discussing the concept of simultaneous elections, its critical analysis, etc.

Introduction

Besides Lok Sabha elections in 2014, polls to about 15 State Assemblies were held during March 2014 – May 2016. In 2014 alone, elections were held in March – May, September – October and October – December timeframes. In some cases, elections to State Assemblies were announced within a month of concluding elections to other State Assemblies. Such frequent electoral cycles end up negatively impacting administrative and developmental activities in the poll bound states/regions and the larger governance process in general as well.

Impact of frequent elections

► **Hampers growth and development:**

The Model Code is enforced from the date of announcement of election schedule by the Election Commission and is operational till the process of elections is completed. During general elections to Lok Sabha, the code is applicable throughout the country. During general elections to the Legislative Assembly, the code is applicable in the entire State.

Once the Model Code of Conduct is in force, the government concerned cannot do anything which might seem to influence voters in favour of the party in power. Grants, new schemes or projects cannot be announced. Worse, schemes that had been announced before the Model Code of Conduct came into force, but not implemented, are to be put on hold, till the election process is completed.

► **Lead to massive expenditures:**

Elections lead to huge expenditures by various stakeholders. Every year, the Government of India and/or respective State Governments bear expenditures on account of conduct, control and supervision of elections. Besides the Government, candidates contesting elections and political parties also incur huge expenditures. The candidates normally incur expenditures on account of various necessary aspects such as travel to constituencies, general publicity, organizing outreach events for electorates etc. while the political parties incur expenditures to run the party's electoral machinery during elections, campaigning by star leaders and so on. Candidates and political parties in their bid to win elections end up spending

significantly more than the prescribed expenditure limits. The urge to spend more than prescribed limits to win elections, is consequently blamed as one of the key drivers for corruption and black-money in the country.

The entire expenditure on actual conduct of elections to Lok Sabha is borne by Government of India and such expenditure on conduct of election to State Legislatures by the respective State Governments when such elections are held independently.

► **Engagement of security forces for significantly prolonged periods:**

Conducting elections is a mammoth, complex and time consuming activity. The Election Commission of India takes help of a significant number of polling officials as well as armed forces to ensure smooth, peaceful and impartial polls.

For providing the required security arrangements, the Election Commission generally involves Central Armed Police Forces (CAPF). While the deployment of polling officials is still for a smaller duration (typically few days before and after the day of voting and few days before and after the day of counting), the deployment of security forces (particularly the CAPF) is normally throughout the elections and they remain mobile from one place to another.

► **Other issues:**

- Frequent elections disrupt normal public life as holding of political rallies disrupts road traffic and also leads to noise pollution.
- Frequent elections perpetuate caste, religion and communal issues across the country.
- The cycle of continuous elections was not only affecting the developmental process and good governance, but also forcing the political class to typically think in terms of immediate electoral gains rather than focus on long-term programmes and policies for the overall progress of the nation and its people.

Thus the holding of simultaneous elections to Lok Sabha and state assemblies would reduce:

- The massive expenditure that is currently incurred for the conduct of separate elections.
- The policy paralysis that results from the imposition of the Model Code of Conduct during election time.
- Impact on delivery of essential services and burden on crucial manpower that is deployed during election time.

Issues in implementation:

► **Consensus of states:**

Creating a political consensus for simultaneous elections to the Lok Sabha and the state assemblies is the first and biggest hurdle. To hold simultaneous elections, the Centre will have to make some states agree to curtail the terms of their houses while others to extend theirs. While extension may not be a problem, curtailment of Assembly terms may be a major issue.

The harmonisation can be done, it is suggested, not at one shot, but by gradually grouping and bringing the polls together over a couple of election cycles. Some state assemblies can be extended by about a year, some cut short and assuming they happen on the current schedule, by the 2024 Lok Sabha elections things should be in synch.

► **Constitutional amendment require:**

Several constitutional amendments are required to see the plan through.

For instance, **Article 83** of the Constitution provides for the tenure of both Houses of the Parliament (Lok Sabha and Rajya Sabha). Article 83(2)11 provides for a term of five years for Lok Sabha, from the date of its first sitting unless dissolved earlier.

Similar provisions under Article 172 (1) provides for five year tenure for State Legislative Assembly from the date of its first sitting.

Further, the provisions under Article 83 (2) of the Constitution provides that when a proclamation of emergency is in operation, the term of the House may be extended for a period not exceeding one year at a time by Parliament by law and not extending in any case beyond a period of six months after the Proclamation has ceased to operate. Similar provision also exists for State Legislative Assembly under the provision to Article 172 (1) of the Constitution.

Article 85 (2)(b) of the Constitution of India provides the President with the power to dissolve Lok Sabha. Similar provision for dissolution of State Legislative Assemblies by the Governor of State is provided under Article 174 (2)(b).

Further, in respect of premature dissolution of a State Legislative Assembly, Article 356 is also relevant.

The Representation of People Act 1951, which covers various modalities of conducting elections in the country, also needs to be amended. Section 14 of the Act provides for the notification for General Elections to the Lok Sabha.

The provision to the Section 14(2) states: "... Provided that where a general election is held otherwise than on the dissolution of the existing House of the People, no such notification shall be issued at any time earlier than six months prior to the date on which the duration of the House would expire under the provisions of clause (2) of Article 83."

► **Other issues in implementation:**

Unless there is deployment of adequate number of paramilitary forces, even simultaneous elections will have to be carried out over a period of 2-3 months which will defeat the purpose. Currently, an election sees a deployment of about 800 companies of forces. The government will have to provide at least 3,000-3,500 companies to ensure that the election is conducted within 30 days at least.

► **Impact to voter behavior:**

The primary hypothesis of this criticism is that Indian voters are not mature/informed enough to differentiate between the voting choices for State Assembly and Lok Sabha in case simultaneous elections are held. This situation could lead to – a) National issues impacting electorate's behavior for voting in State Assembly elections; or b) State issues impacting electorate's behavior for voting in Lok Sabha elections. As a result, voter behavior gets influenced and he/she may vote for the same political party, which in most cases may be larger national parties.

Recommendations of the Election Commission:

The relevant recommendations are reproduced below for reference:

- In order to avoid premature dissolution, it may be provided that any 'no-confidence motion' moved against the government in office should also necessarily include a further '**confidence motion**' in favour of a government to be headed by a named individual as the future Prime Minister and voting should take place for the two motions together.

- ▶ In spite of the above arrangement, if there is a situation where dissolution of Lok Sabha cannot be avoided, then the following options can be considered:
 - If the remainder of the term of the Lok Sabha is not long (period to be specified), there could be a provision for the President to carry out the administration of the country, on the aid and advice of his Council of Ministers to be appointed by him till, the time the next House is constituted at the prescribed time.
 - If the remainder of the term is long (period to be specified), then fresh election may be held and the term of the House in such case should be for the rest of what would have been the original term.
- ▶ In the case of Legislative Assembly also, in the event of 'no-confidence motion', it should be mandatory to simultaneously move a 'confidence motion' for formation of an alternative government. This will, in normal course, eliminate cases of premature dissolution of Assemblies. If for any unavoidable reason, any existing Legislative Assembly has to be dissolved prematurely, there should be a provision for the Governor to carry out the administration of the State, on the aid and advice of his Council of Ministers to be appointed by him or for the imposition of the President's Rule, till period of expiry of term.
- ▶ If, following a general election, none of the parties is able to form a government and another general election becomes necessary, the term of the House in such case after the fresh election should be only for the remainder of what would have been the original term. Similarly, if the government has to resign for some reason and an alternative is not possible, then provision can be considered for a fresh election if the remainder of the term is comparatively longer period (to be specified) and in other cases, rule by the Governor or President's Rule as suggested in (c) above could be considered.
- ▶ Two windows of one-and-a-half months each may be fixed for holding all bye elections that become due in a particular year.

Conclusion

Elections impact everyone in the entire country – citizens, businesses, administrative machinery, constitutional institutions, political parties, leaders and so on. Eventual implementation of this measure would not only require significant Constitutional and Statutory amendments, it would also require significant consensus amongst the key stakeholders. Without a general consensus and wider acceptance, its intent and efficacy could be compromised. The Constitution does provide sufficient room to make amendments to suit the changing times and needs of the country. This flexibility is not just an enabling tool but in fact a responsibility on Governments to provide the best governance systems, processes and opportunities to its citizens.

Thus the implementation of simultaneous elections may prove to be suitable for the development of the nation.

Prelims News

Context

Hereby, compiling the important short notes of September (16 to 30), 2017.

Indian Culture

BATHUKAMMA

- ▶ Bathukamma is floral festival celebrated predominantly by the Hindu women of **Telangana** as well as **Andhra Pradesh**. Every year this festival is celebrated as per Shalivahana calendar for nine days starting Bhadrapada Amavasya (also known as Mahalaya Amavasya or Pitru Amavasya) till Durgashtami, usually in September–October of Gregorian calendar. Bathukamma is celebrated for nine days during Durga Navratri.
- ▶ Bathukamma is a beautiful flower stack, arranged with different unique seasonal flowers most of them with medicinal values, in seven concentric layers in the shape of temple gopuram.
- ▶ Bathukamma celebrates the inherent relationship between earth, water and the human beings. During the entire preceding week, women make 'boddemma' (a deity of Gowri–mother Durga–made with earthly mud) along with Bathukamma and immerse it in the pond. This helps reinforce the ponds and helps it retain more water.
- ▶ The flowers used in Bathukamma have a great quality of purifying water and such flowers when immersed in abundance into the pond have the effect of cleansing the water and making the environment much better.

BRAHMOTSAVAM

- ▶ Brahmotsavam is celebrated in memory of Lord Srinivasa's self manifestation day under the leadership of Brahma the son of Vishnu.
- ▶ The nine days Brahmotsavams are one of the magnificent festivals celebrated at Tirumala.

- ▶ During the festival, the Utsava-murti (processional deity) of the presiding deity Lord Venkateswara, along with his consorts Sridevi and Bhudevi, will be taken on a procession on different Vahanams on the streets (Madaveedula) surrounding the temple. The celebration attracts pilgrims and tourists from all parts of India and across the world.

Places in News

DABHOI

- ▶ Dabhoi also called as Darbhavati is a city and a municipality in Vadodara district in the state of Gujarat.
- ▶ At Dabhoi, recently Prime Minister has dedicated the completed interstate multi-purpose **Sardar Sarovar Project (SSP) Dam** on the Narmada river to the nation.
- ▶ Dabhoi is also a major gateway for Narmada Dam, the life line for Gujarat state.

KAAS PLATEAU

- ▶ The Kaas Plateau, better known as **Maharashtra's Valley of Flowers**, possesses a sublime quality.
- ▶ Kaas Plateau is situated at a mighty altitude of 1200 metres and is a major biodiversity hotspot owing to the many varieties of endemic flowers and butterflies that are found here. Housing about 850 species of beautiful wildflowers, the 1000 hectare area of the plateau is now a reserved forest which is famous for its natural beauty and flora, its Kaas Lake and its beautiful landscape and scenic beauty.

- ▶ The Kaas Lake is also a perennial source of water for the western part of Satara City.

RESEARCHERS FIND FOSSILS ON ZEALANDIA

- ▶ Researchers affiliated to the International Ocean Discovery Programme in the U.S. in collaboration with scientists from 23 countries mounted a nine-week expedition to drill into Zealandia found microscopic shells of organisms that lived in warm shallow seas and of spores and pollen from land plants.

About Zealandia:

- ▶ About 125 million years ago the geographical situation forced Gondwana land to expand that continued for 100 million years which led to the formation of Tasman sea floor and finally a small piece was torn away from Gondwana, which marked the birth of this lost continent-Zealandia. But as time passed by almost 93% of remains submerged in Pacific ocean.
- ▶ Zealandia supports substantial inshore fisheries and contains gas fields, of which the largest known is New Zealand's Maui gas field, near Taranaki.

KABINI DAM

- ▶ The Kabani, is a river in southern India. It originates in the Wayanad District of Kerala state by the confluence of the Panamaram River and the Mananthavady River. It flows eastward to join the Kaveri River at Tirumakudalu Narasipura in **Karnataka**. The Kaveri river then irrigates Tamil Nadu and it is major drinking water source before emptying into the Bay of Bengal near kaveri-poompattinam.
- ▶ The Kabini dam is built on the River Kabini in the district of Mysore.

Science and Environment

GLACIERS IN ASIA TO SINK

- ▶ The high mountains of Asia comprise a geographical region surrounding the Tibetan plateau, holding the biggest store of frozen water outside the poles.
- ▶ It feeds many of the world's great rivers, including the Ganges, the Indus and the Brahmaputra, on which hundreds of millions of people depend.

- ▶ According to the recent data Earth's surface has already warmed by about 1°C.
- ▶ For high warming scenarios, experts predict land-gobbling sea-level rise, worsening storms, more frequent droughts and floods, species loss and disease spread.
- ▶ A global temperature rise of 1.5°C would mean an average increase in the region of about 2.1°C, with differences between mountain ranges—all of which will warm by more than 1.5°C.
- ▶ The Hindu Kush mountain range would warm by about 2.3°C and the eastern Himalayas by 1.9°C.
- ▶ Thus for the high mountain glaciers to survive, "it is essential to minimise the global temperature increase.

NEW WETLAND CONSERVATION RULES NOTIFIED

- ▶ Wetlands are lands transitional between terrestrial and aquatic eco-systems where the water table is usually at or near the surface or the land is covered by shallow water. They support rich biodiversity and provide wide range of ecosystem services such as water storage, water purification, flood mitigation, erosion control, aquifer recharge and others.
- ▶ The Centre has notified a new set of rules under the head **Wetlands (Conservation and Management) Rules, 2017** replacing the Wetlands (Conservation and Management) Rules, 2010.
- ▶ **The new rules are as follows:**
 - The new rules stipulate setting up of a **State Wetlands Authority** in each State and union territories that will be headed by the State's environment minister and include a range of government officials.
 - They will also include one expert each in the fields of wetland ecology, hydrology, fisheries, landscape planning and socio-economics to be nominated by the state government.
 - These authorities will need to develop a comprehensive list of activities to be regulated and permitted within the notified wetlands and their zone of influence, recommend additional prohibited activities for specific wetlands, define strategies for conservation and wise use of wetlands and undertake measures for enhancing

awareness within stakeholders and local communities on values and functions of wetlands. Wise use is defined as the principle of sustainable uses that is compatible with conservation.

- The State authorities will also need to prepare a list of all wetlands of the State or Union territory within three months, a list of wetlands to be notified within six months, a comprehensive digital inventory of all wetlands within one year which will be updated every ten years.
- The rules prohibit activities like conversion of wetland for non-wetland uses including encroachment of any kind, setting up of any industry and expansion of existing industries, manufacture or handling or storage or disposal of hazardous substances and construction and demolition waste, solid waste dumping, discharge of untreated wastes and effluents from industries, cities, towns, villages and other human settlements.

CASSINI

- ▶ The Cassini spacecraft orbited Saturn from June 30, 2004, until Sept. 15, 2017, when the probe ended its life with a plunge into the ringed planet's atmosphere.
- ▶ The mission is known for discoveries such as finding jets of water erupting from Enceladus, and tracking down a few new moons for Saturn.
- ▶ Cassini is a joint project among several space agencies, which is a contrast from the large NASA probes of the past such as Pioneer and Voyager. In this case, the main participants are NASA, the European Space Agency and Agenzia Spaziale Italiana (the Italian space agency).
- ▶ **Some of the more notable findings include:**
 - Finding evidence of liquid water on Enceladus, a frozen moon that shoots out icy jets as it is warped by Saturn's gravity. In 2015, Cassini did a series of flybys of Enceladus to get more information about the gas and dust in the plumes.
 - Discovering and then pinning down more details about a giant methane lake on Titan.
 - 50-mile landslides on Iapetus.
 - A close-up view of Rhea, revealing a pockmarked surface.
 - A huge ring, 8 million miles away from Saturn, likely made up of debris from Phoebe.

AIP MODULE

- ▶ **Air-Independent Propulsion (AIP)** is any marine propulsion technology that allows a non-nuclear submarine to operate without access to atmospheric oxygen (by surfacing or using a snorkel). AIP can augment or replace the diesel-electric propulsion system of non-nuclear vessels.
- ▶ Modern non-nuclear submarines are potentially stealthier than nuclear submarines; a nuclear ship's reactor must constantly pump coolant, generating some amount of detectable noise.
- ▶ Non-nuclear submarines running on battery power or AIP, on the other hand, can be virtually silent. While nuclear-powered designs still dominate in submergence times and deep-ocean performance, small, high-tech non-nuclear attack submarines are highly effective in coastal operations and pose a significant threat to less-stealthy and less-maneuverable nuclear submarines.
- ▶ AIP is usually implemented as an auxiliary source, with the traditional diesel engine handling surface propulsion. Most such systems generate electricity which in turn drives an electric motor for propulsion or recharges the boat's batteries. The submarine's electrical system is also used for providing "hotel services"—ventilation, lighting, heating etc.—although this consumes a small amount of power compared to that required for propulsion.
- ▶ AIP can be retrofitted into existing submarine hulls by inserting an additional hull section. AIP does not normally provide the endurance or power to replace atmospheric dependent propulsion, but allows longer submergence than a conventionally propelled submarine.

ENCEPHALITIS

- ▶ Encephalitis is an inflammation of the brain tissue. The most common cause is viral infections. In rare cases it can be caused by bacteria or even fungi.
- ▶ There are two main types of encephalitis: primary and secondary. **Primary encephalitis** occurs when a virus directly infects the brain and spinal cord. **Secondary encephalitis** occurs when an infection starts elsewhere in the body and then travels to your brain.
- ▶ The symptoms of encephalitis can range from mild to severe. Mild symptoms include: fever,

headache, vomiting, stiff neck, lethargy (exhaustion). Severe symptoms include: fever of 103°F (39.4°C) or higher; drowsiness; hallucinations; slower movements; coma; sensitivity to light, etc.

IMEI NO.

- ▶ The IMEI, or **International Mobile Station Equipment Identity**, is a 15-digit number that is hardwired into every phone.
- ▶ It is usually found printed inside the battery compartment of the phone, but can also be displayed on-screen on most phones by entering *#06# on the dialpad, or alongside other system information in the settings menu on smartphone operating systems.
- ▶ The IMEI number is used by a GSM network to identify valid devices and therefore can be used for stopping a stolen phone from accessing that network. For example, if a mobile phone is stolen, the owner can call their network provider and instruct them to blacklist the phone using its IMEI number. This renders the phone useless on that network and sometimes other networks too, whether or not the phone's **Subscriber Identity Module (SIM)** is changed.
- ▶ The IMEI is only used for identifying the device and has no permanent or semi-permanent relation to the subscriber. Instead, the subscriber is identified by transmission of an **International Mobile Subscriber Identity (IMSI)** number, which is stored on a SIM card that can in theory be transferred to any handset. However, many network and security features are enabled by knowing the current device being used by a subscriber.

FOURTH GRAVITATIONAL WAVE IS DETECTED

- ▶ A fourth gravitational wave has been detected – this time with help from Italy-based equipment – after two black holes collided, sending ripples through the fabric of space and time.

About Gravitational Waves:

- ▶ Gravitational waves are ripples in the space time curvature traveling outward from the source produced by violent events such as collision of 2 black holes or by supernova explosion. They are produced by accelerating masses just the same as accelerating charged particles produce radio waves (electrons in antennas).

Economy

GST COMPOSITION SCHEME

- ▶ The composition levy is an alternative method of levy of tax designed for small taxpayers whose turnover is up to Rs. 75 lakhs (Rs. 50 lakhs in case of few States). The objective of composition scheme is to bring simplicity and to reduce the compliance cost for the small taxpayers. Moreover, it is optional and the eligible person opting to pay tax under this scheme can pay tax at a prescribed percentage of his turnover every quarter, instead of paying tax at normal rate.

Why was Composition Scheme introduced?

- ▶ The GST regime has brought in many changes along with the following:
 - Increase in the number of GST returns.
 - Payment of tax on a monthly basis.
- ▶ Small and new taxpayers will find it difficult to comply with so many rules.
- ▶ Hence, the government has introduced the concept of Composition Scheme.
- ▶ Now there is an option for small and new taxpayer to opt for Composition scheme and have lesser compliance.
- ▶ Also, a taxpayer opting for composition scheme has to pay tax at a nominal rate.

Provisions:

- ▶ Any taxpayer who is in Composite Scheme under current regime and transits to Regular Taxation under GST will be allowed to take the credit of Input, semi-finished goods and finished goods on the day immediately preceding the date from which they opt to be taxed as a regular tax payer.
- ▶ The inputs can only be availed subject to few conditions such as:
 - Those inputs or goods are meant for making taxable outward supplies under GST provisions.
 - The dealer taking the Input Credit was eligible under the previous regime but could not claim due to registered under Composition Scheme.
 - The taxpayer claiming Input credit on goods, those goods should be eligible for such credit under GST regime.

- The taxpayer must have a valid legal document of input tax credit i.e. he must possess an invoice evidencing taxes or duties have been paid.
- Those invoices or documents should not be older than 12 months before the appointed date.

BHARAT 22 INDEX AND EXCHANGE TRADED FUNDS (ETF)

- ▶ It is the second Exchange Traded Fund (ETF) that will be launched by the Union Finance Ministry. ICICI Prudential Mutual Fund will manage the fund.
- ▶ ETFs are essentially index funds that are listed and traded on stocks exchanges just like regular shares.
- ▶ They are a basket of stocks with assigned weights that reflects the composition of an index.
- ▶ Bharat 22 comprises 22 stocks including those of central public sector enterprises, PSU banks and holdings under the Specified Undertaking of Unit Trust of India.
- ▶ Bharat 22 is a well diversified ETF spanning six sectors – basic materials (4.4%), energy (17.5%), finance (20.3%), industrials (22.6%), FMCG (15.2%) and utilities (20%).
- ▶ The ETF is aimed at helping speed up the government's disinvestment programme.

INTERCONNECT USAGE CHARGES (IUC)

- ▶ The term 'interconnection' refers to an arrangement under which telecom players connect their equipment, networks and services with other Telecom Services Providers. The regulator, TRAI, addresses the various issues related to interconnection arrangements. It also regulates the IUC.
- ▶ This is a charge payable by a service provider, whose subscriber originates the call, to the service provider in whose network the call terminates. In a calling-party pays regime (CPP), if one person originate a call, he pay access provider, who in turn pays termination charges to the network person placed the call. This is paid to cover the network usage costs as the operator, on whose network the call terminates, carries the call on its network to the customers. This requires infrastructure investment. Thus, IUC ensures operators make appropriate investments to carry voice calls without terminations.

- ▶ IUC is one of the main sources of income for telecom companies. Currently the domestic termination charge is at Rs.0.14 per minute while the international call termination is at Rs.0.53 per minute.
- ▶ Recently, TRAI came out with 'Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations' wherein it directed slashing mobile termination charges by 57% from 14 paise to 6 paise per minute from October 1 and completely doing away with these charges from January 1, 2020.

GRADED SURVEILLANCE MEASURE

Introduction:

- ▶ Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced surveillance measures such as reduction in price band, periodic call auction and transfer of securities to Trade category from time to time.
- ▶ The main objective of these measures is to -
 - Alert and advise investors to be extra cautious while dealing in these securities.
 - Advise market participants to carry out necessary due diligence while dealing in these securities.

How the Graded Surveillance Measure works?

- ▶ Once a firm is identified for surveillance it goes through six stages with corresponding surveillance actions and the restrictions on trading in those securities gets higher progressively. In the first stage the securities are put in the trade-to-trade segment (meaning no speculative trading is allowed and delivery of shares and payment of consideration amount are mandatory). A maximum of 5% movement in share price is allowed.
- ▶ In the second stage, in addition to the trade-to-trade segment, the buyer of the security has to put 100% of trade value as additional surveillance deposit. The deposit would be retained by the exchanges for a period of five months and refunded in a phased manner.
- ▶ In the third stage, trading is permitted only once a week ie every Monday, apart from the buyer putting 100% of the trade value as additional surveillance deposit.

- ▶ In the fourth stage, trading would be allowed once a week and the surveillance deposit increases to 200% of the trade value.
- ▶ In the fifth stage, trading would be permitted only once a month (first Monday of the month) with additional deposit of 200%.
- ▶ In the sixth and final stage, there are maximum restrictions.
- ▶ Trading is permitted only once a month at this stage, with no upward movement allowed in price. Also, the additional surveillance deposit would be 200%.

Polity and Governance

CABINET APPROVES REVAMPED KHELO INDIA PROGRAMME

- ▶ In a move to identify and groom young sporting talent, the Union cabinet has approved a revamped *Khelo India* (Play India) scheme under which 1,000 selected athletes will receive an annual scholarship of Rs.5,00,000 each for eight years.
- ▶ **Some of the salient features of the Programme include:**
 - An unprecedented Pan Indian Sports Scholarship scheme, which would cover 1,000 most talented young athletes each year across select sports disciplines.
 - Each athlete selected under the scheme shall receive an annual scholarship worth Rs. 5.00 lakh for 8 consecutive years.
 - This is the first time ever that a long-term athlete development pathway would be made available to gifted and talented youngsters to excel in competitive sports and will create a pool of highly competitive athletes who can compete to win at the world stage.
 - The Programme aims to promote 20 universities across the country as hubs of sporting excellence, which would enable talented sports persons to pursue the dual pathway of education and competitive sports.
 - The Programme also aims at creating an active population with healthy life-style.
 - The Programme would cover about 200 million children in the age group of 10-18 under a massive national physical fitness drive, which will not only measure the

physical fitness of all children in the age group, but also support their fitness related activities.

▶ **Impact:**

- The power of sport in promoting gender equity and social inclusiveness is also fully recognized and special measures are provided for to achieve these objectives.
- The programme also aims at engaging youth living in disturbed and deprived areas, in sporting activities, to wean them away from unproductive and disruptive activities and mainstream them in the nation-building process.
- The programme strives to raise the standards of competition, both at school and college level, to have maximum access to organized sports competitions.
- It also includes the use of latest user-friendly technology in all aspects of sports promotion such as, use of mobile apps for dissemination of sports training; National Sports Talent Search portal for talent identification; interactive website for indigenous sports; GIS based information system for locating and using sports infrastructure, etc.
- This programme strives to promote “Sports for All” as well as “Sports for Excellence.”

INDIA'S IMR DECLINED BY 8%

What is IMR?

- ▶ The number of infant deaths in less than a year of birth per 1000 live births is referred to as **Infant Mortality Rate (IMR)**. Data is expressed as number of deaths per 1000 live births.

Latest data

- ▶ The latest data from **Sample Registration Survey (SRS)** Bulletin highlights a significant 8% decline in country's IMR.
- ▶ According to it India's infant mortality rate (IMR) declined from 37 per 1000 live births in 2015 to 34 per 1000 live births in 2016.
- ▶ IMR in rural India is 38 per 1000 live births as compared to 23 in the urban areas.
- ▶ The gender gap in India for child survival is reducing steadily. The data shows that the gender difference between female and male IMR has reduced to below 10%.

Government initiative for reducing IMR:

- ▶ **Janani Shishu Suraksha Karyakaram (JSSK)** entitles all pregnant women delivering in public health institutions to absolutely free and no expense delivery including Caesarean section.
- ▶ Setting up of facilities for care of sick newborn such as **Special New Born Care Units (SNCUs)**, Newborn Stabilization Units (NBSUs) and Newborn Care Corners (NBCCs) at different levels is a thrust area under NHM.
- ▶ **India Newborn Action Plan (INAP)** has been launched with an aim to reduce neonatal mortality and stillbirths.
- ▶ Home based newborn care through ASHAs has been initiated to improve new born practices at the community level and early detection and referral of sick new born babies.
- ▶ **Integrated Action Plan for Pneumonia and Diarrhoea (IAPPD)** launched in four states with highest infant mortality (UP, MP, Bihar and Rajasthan).
- ▶ Management of Malnutrition: **Nutritional Rehabilitation Centres (NRCs)** have been established for management of severe acute malnutrition in children.
- ▶ Vaccination protects children against many life threatening diseases such as Tuberculosis, Diphtheria, Pertussis, Polio, Tetanus, Hepatitis B and Measles. Infants are thus immunized against seven vaccine preventable diseases every year. The Government of India supports the vaccine programme by supply of vaccines and syringes, cold chain equipment and provision of operational costs.
- ▶ A name based **Mother and Child Tracking System** has been put in place which is web based to ensure registration and tracking of all pregnant women and new born babies so that provision of regular and complete services to them can be ensured.

**PT DEEN DAYAL UPADHAYAY VIGYAN
GRAM SANKUL PARIYOJANA**

- ▶ The Minister of Science & Technology, Earth Sciences and Environment, Forest & Climate Change, Dr. Harsh Vardhan launched "Pt Deen Dayal Upadhayay Vigyan Gram Sankul Pariyojana" which will experiment and endeavour to formulate and implement appropriate S&T Interventions for Sustainable Development through cluster approach in Uttarakhand.

- ▶ DST has conceived this developmental approach to adopt a few clusters of villages in Uttarakhand and transform them to become self-sustainable in a time bound manner through the tools of Science and Technology (S&T).
- ▶ The key deliverable in this approach is to utilise local resources and locally available skill sets using science and technology and convert them in a manner so that substantial value addition takes place in their local produce and services for sustaining the rural population locally.
- ▶ Further, this approach would help in preventing the local communities to migrate from their native places in search of jobs and livelihoods. Once this concept is validated in the few selected clusters, it can be replicated across large number of village clusters in the country.
- ▶ Areas of interventions in these selected clusters would be processing and value addition of milk, honey, mushroom, herbal tea, forest produce, horticulture and local crops, medicinal & aromatic plants and traditional craft and handloom of Uttarakhand.
- ▶ Post-harvest processing of Kiwi, Strawberry, Cherry, Tulsi, Adrak, Badi Elaichi through solar drying technology, extraction of apricot oil using cold press technology. Stringent product and process control interventions for energy and water conservation would also be ensured through this project.
- ▶ Sustainable employment and livelihood options within the clusters such as eco-tourism, naturopathy and yoga, are also planned to be promoted.
- ▶ These clusters would act as model production-cum-training and demonstration centres.

Miscellaneous News

CHINA RUSSIA NAVAL EXERCISES

- ▶ The Chinese People's Liberation Army-Navy (PLAN) and the Russian Navy began the second stage of their Joint Sea 2017 military exercises.
- ▶ The exercises are taking place in the Sea of Japan and, for the first time, the Okhotsk Sea.
- ▶ Relations between China and Russia have grown steadily closer since Xi Jinping entered office. Xi chose Moscow for his first overseas visit after becoming the Chinese president.

- ▶ Lately, Russia and China have also cooperated on a range of global issues, including the North Korean question.
- ▶ Both countries have jointly voiced their support for a “dual freeze” on the Korean Peninsula, where the United States and South Korea would scale back their military exercises in exchange for a North Korean cessation of nuclear and ballistic missile testing.

EXERCISE YUDH ABHYAS - 2017

- ▶ Exercise Yudh Abhyas - 2017 is being conducted at Joint Base Lewis McChord, Washington, USA from 14 to 27 September 2017.
- ▶ Exercise Yudh Abhyas is one of the largest joint running military training and defence corporation endeavors between **India and USA**.
- ▶ Exercise Yudh Abhyas will provide an opportunity to the armed forces of both countries to train in an integrated manner at Battalion level with joint planning at Brigade level.
- ▶ The exercise is also an ideal platform to learn from each-other’s experiences of planning and execution of operations.

BANGLADESH FIVE-POINT PEACE PLAN

- ▶ **Bangladesh** Prime Minister Sheikh Hasina has floated a five-point proposal at the United Nations to find a permanent solution to the Rohingya crisis.
- ▶ **Hasina’s five-point proposal:**
 - Myanmar must stop the violence and the practice of ethnic cleansing in the Rakhine State unconditionally, immediately and forever.
 - The UN Secretary General should immediately send a fact-finding mission to Myanmar.
 - All civilians, irrespective of religion and ethnicity, must be protected in Myanmar; for this, ‘safe zones’ could be created inside Myanmar under UN supervision.
 - Sustainable return of all forcibly displaced Rohingyas in Bangladesh to their homes in Myanmar must be ensured.
 - The recommendations of the **Kofi Annan Commission Report** must be implemented immediately, unconditionally and entirely.

PENCIL PORTAL

About the portal:

- ▶ “PENCIL” is an electronic platform for effective enforcement for no child labour developed by Ministry of Labour and Employment.
- ▶ **The genesis of the portal is in the felt need to create a robust implementing and monitoring mechanism for both enforcement of the legislative provisions and effective implementation of the NCLP especially in the backdrop that the subject of Labour is in the concurrent list and enforcement to a large extent depends of respective State Governments.**
- ▶ It was felt that an online portal which connects Central Government to State Government, District and to all Project Societies would provide a mechanism for implementation. In this backdrop the online portal PENCIL was conceptualized. PENCIL Portal has following components:
 - Child Tracking System.
 - Complaint Corner.
 - State Government.
 - National Child Labour Project.
 - Convergence.

Other initiatives:

- ▶ Government has taken several initiatives subsequent to the enactment of the **Child Labour (Prohibition and Regulation) Amendment Act, 2016** to strengthen the governance of the legislative provisions.
- ▶ This include Framing of State Action Plan and circulating to all States/ UTs for enforcement of the Amended Act, Framing of Child Labour (Prohibition and Regulation) Amendment Central Rules subsequent to the Amendment in the Act and Review of the Schedule of hazardous occupations and processes by Technical Advisory Committee.
- ▶ The **National Child Labour Project (NCLP) Scheme** initiated in the in 1988 to rehabilitate working children by eliminating all forms of child labour through identification and withdrawal of all children in the Project Area from child labour, Preparing children withdrawn from work for mainstream education along with vocational training. NCLP has been revised expanded and aligned to the new legislative provisions.