

OFFICERS'

Pulse

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Coverage.

The Hindu
PIB
Yojana
Rajya Sabha TV
All India Radio

At a Glance & In Depth.

Polity and Social Issues
Economy
International Relations
Environment
Science and Tech
Culture..

CURRENT AFFAIRS WEEKLY

THE **PULSE** OF UPSC AT
YOUR FINGER TIPS.



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Correction

In Pulse issue no: 11 (August 19th – August 25th), under the News in-depth section, there is an All India Radio News Analysis report titled: **NEWS ANALYSIS: UDAAN Scheme** (Page 54).

In the report, the title is mentioned as UDAAN Scheme. However, **the correct title is UDAN Scheme**. Here is the difference between the two schemes:

UDAN Scheme

- It is a Regional Connectivity Scheme was launched in October 2016.
- Comes under the National Civil Aviation Policy and aims to make flying affordable by providing connectivity to un-served and under-served airports of country.
- Airports Authority of India is implementing agency of the scheme, which works under the Ministry of Civil Aviation.

UDAAN Scheme

- Udaan is a Special Industry Initiative for Jammu & Kashmir in the nature of partnership between the corporates of India and Ministry of Home Affairs and implemented by National Skill Development Corporation.
- The programme aims to provide skills training and enhance the employability of unemployed youth of J&K. The Scheme covers graduates, post graduates and three-year engineering diploma holders.
- The Scheme aims to cover 40,000 youth of J&K over a period of five years

Objectives of UDAAN

- To provide an exposure to the unemployed graduates to the best of Corporate India;
- To provide Corporate India, an exposure to the rich talent pool available in the State.

Key stakeholders of UDAAN:

- Ministry of Home Affairs (MHA) - Chief Benefactors
- State Government (Jammu & Kashmir)
- Corporates - Training Partners
- Implementation Agency (IA) NSDC

We regret the error.

-R&D Team

News @ a glance

Polity & Social Issues

Interpol Red Notice

What is Interpol Red Notice?

- A request to locate and provisionally arrest an individual and then deport or extradite.
- Not an international arrest warrant

Why in news?

- The economic offense fugitive Mehul Choksi has got citizenship of Antigua and also a passport issued by that country.
- Antigua has been insisting that an Interpol order is necessary for extradition of Mehul Choksi
- CBI has informed Antigua that an Interpol red notice is not mandatory for his extradition.

How it the red notice issued?

- Member country request through their National Central Bureau and provide case information.
- The Interpol General Secretariat issues notice after a compliance check.

Why is Red Notice important?

- Gives high, international visibility to cases.
- Makes travel difficult as border officials are alerted.
- Countries can request and share information

Is it compulsory to make arrest?

- Interpol cannot compel any member nation to make arrests and it depends on the discretion of that member country.

EVMs

EVMs

- EVMs were introduced to overcome problems associated with ballot papers like rigging, booth capture etc and to take advantage of development in technology.

Why in news?

- The Chief Election Commissioner held a meeting with all parties and discussed issues regarding elections.

Issues raised by parties

- Reliability of EVMS
- Going back to ballot papers
- Increasing number of polling stations
- Holding simultaneous elections

- Ceiling on party expenditure
- #### Why are EVMs considered safe?

- EVMS in India use one-time programmable chip which cannot be altered or tampered with.
- The machines are not networked and therefore no possibility of data corruption. Other countries use EVMs connected with internet and could be vulnerable to hacking.
- The software is developed indigenously in PSUs and not given out on contract.
- The source code for EVM is stored under controlled conditions at all times.
- The software is so designed that it allows a voter to cast the vote only once.



Female Genital Mutilation (FGM)

What is FGM?

- Female genital mutilation involves the removal of the external female genitalia, using a razor blade typically for girls aged 4 to 12, traditionally without anaesthetic.
- The practice is rooted in traditionalist Islamic ideas about sexuality, purity, modesty and beauty

Supreme Court's observations:

- Female genital mutilation leaves permanent emotional and mental scars in a young girl
- Constitution does not allow a person to cause injury to another.
- The court has to test it in the light of constitutional morality

Issue raised by community

- The practice was essential to religion and has continued since the 10th century.

Naxals

Who is a Naxal?

- A Naxal or Naxalite is a member of the Communist Party of India (Maoist).

Why in news?

- The Pune police have arrested several activists for alleged links with the Communist Party of India-Maoists

About Naxals

- The term Naxal derives from the name of the village Naxalbari in West Bengal, where the movement had its origin.
- Naxalites are considered far-left radical communists, supportive of Maoist political sentiment and ideology.
- Naxalite movement was started by Charu Majumdar, Kanu Sanyal and Jangal Santhal in West Bengal in 1967 under the banner of Communist Party of India (Marxist), the movement has changed many banners over the past four decades and is now called the CPI (Maoist), which is a banned organisation in the country.
- Maoism, is a political theory derived from the teachings of the Chinese political leader Mao Zedong, whose followers are known as Maoists



All India Services

What are the All India Services?

- At present, there are three All-India Services - Indian Administrative Service (IAS), Indian Police Service (IPS) and Indian Forest Service (IFS).
- In 1966, the Indian Forest Service was established as the third All-India service.
- The All-India Services are controlled jointly by the Central and State Governments.
- Any disciplinary action (imposition of penalties) against these officers can only be taken by the Central Government.

Why in news?

- Union Minister Ram Vilas Paswan has called for consensus among political

parties for setting up an all-India judicial service.

Constitutional provisions-Article 312

- The Parliament can create new All-India Services (including an All-India Judicial Service), if the Rajya Sabha passes a resolution declaring that it is necessary or expedient in the national interest to do so.
- Such a resolution in the Rajya Sabha should be supported by two-thirds of the members present and voting.
- The All-India Judicial Service should not include any post inferior to that of a district judge.
- Parliament can regulate the recruitment and conditions of service of persons appointed to All-India Services for which the Parliament has enacted the All-India Services Act, 1951.

Mullaperiyar dam

About Mullaperiyar dam

- This dam is located in the Idukki district of Kerala but is operated and maintained by Tamil Nadu for meeting the drinking water and irrigation requirements of five of its southern districts.
- It is built across river Periyar.

Why in news?

- The Kerala government has accused Tamil Nadu of having made sudden release of water from the Mullaperiyar dam as one of the reasons for flooding in Kerala.

History

- In 1886, an agreement was signed between the then governments of Travancore and Madras for the construction of the dam. The dam was built between 1887 and 1895.
- The full capacity of the reservoir is 152ft and in 1979 it was brought down to 136ft to carry out dam strengthening works.
- In mid-1990's, Tamilnadu wanted to raise the level of water back to full capacity as works had been completed, however no consensus was reached.
- The Supreme Court in two different judgements in 2006 and 2014 held that the water level be raised to 142ft

Other river disputes between Kerala and Tamil Nadu

- Parambikulam - Aliyar
- Siruvani of the Bhavani sub-basin
- Neyyar,
- Proposal for linking the Pamba and Achankovil rivers of Kerala with Vaippar of Tamil Nadu

DNA Technology (Use and Application) Bill, 2018

Why in news?

- The government has introduced the DNA Technology (Use and Application) Bill, 2018 in Lok Sabha in the monsoon session.
- It allows law enforcement agencies to collect data samples and create DNA profiles and special data banks for forensic-criminal investigation.
- The opposition has accused that the bill violates the privacy of an individual.



Features of the bill

- The Bill provides for regulation of use of DNA technology for establishing the identity of certain persons.

Use of DNA Data

- DNA testing is allowed only in respect of matters listed in the schedule to the Bill

Permission for use of DNA Data:

- For arrested persons, authorities are required to obtain consent if the offence carries a punishment of up to seven years and for above 7 years it is not necessary to obtain permission.
- In cases when the person is a victim, relative of missing person or minor or disabled person consent needs to be obtained from victim or relative or parents or guardian of minors or disabled persons.

DNA Data Bank

- Establishment of a National DNA Data Bank and regional DNA Data Banks, for every state, or two or more states
- Every Data Bank will be required to maintain indices for the following categories of data:
 - Crime scene index
 - Suspects' or undertrials' index
 - Offenders' index
 - Missing persons' index
 - Unknown deceased persons' index.

Protection of information:

- All information has to be kept confidential
- DNA data may only be used for identification of the person.

- However, the Bill allows for access to information in the Data Bank for the purpose of a one-time keyboard search

Retention of DNA Data:

- The bill provides for removal of the DNA Data of the following persons
 - Of a suspect if a police report is filed or court order given
 - Of an undertrial if a court order is given
 - On request, of persons who are not a suspect, offender or undertrial from the crime scene or missing persons' index.
- However, information contained in the crime scene index will be retained.

DNA Regulatory Board

- Bill provides for the establishment of a DNA Regulatory Board, which will supervise the DNA Data Banks and DNA Laboratories
- The Secretary, Department of Biotechnology, will be the ex officio Chairperson of the Board.
- 12 members including
 - an eminent person with at least 25 years' experience in biological sciences, as the Vice Chairperson
 - Director General of the National Investigation Agency and the Director of the Central Bureau of Investigation or their nominee

Functions of the Board

- Advising governments on all issues related to establishing DNA laboratories or Data Banks
- Granting accreditation to DNA Laboratories
- Developing training modules and framing guidelines for training manpower

DNA Laboratories

The board may revoke accreditation for failure to

- Undertake DNA testing
- Comply with the conditions attached to the accreditation

Obligations of DNA laboratories

- Following standards for quality assurance in collection, storing, testing, and analysis of DNA samples
- Depositing DNA samples with the Data Bank.
- Return sample to investigating officer or destroy it

Offences

- Penalties for various offences like
 - Disclosure of DNA information
 - Using DNA sample without authorization

Drone regulation

Why in news?

- The Directorate General of Civil Aviation has issued today the Civil Aviation Requirements (CAR) for civil use of Remotely Piloted Aircraft System (RPAS) commonly known as drones.

Features of the regulation

- All RPAS except nano and those owned by NTRO, ARC and Central Intelligence Agencies are to be registered and issued with Unique Identification Number (UIN).
- Mandatory equipment required except nano category
 - GNSS (GPS)
 - Return-To-Home (RTH)
 - Anti-collision light
 - ID-Plate
 - Flight controller with flight data logging capability
 - RF ID
 - SIM/ No-Permission No Take-off (NPNT)
- Drones must operate within visual line of sight (VLoS), during day time only, and upto maximum 400 ft. altitude.
- Small and large drones can fly up to a maximum height of 400 feet. Nano drones must not fly beyond 50 feet and micro drones must be within 200 feet from ground level.
- For flying in controlled Airspace, filing of flight plan and obtaining Air Defence Clearance (ADC) /Flight Information Centre (FIC) number shall be necessary.
- Air space has been partitioned into Red Zone (flying not permitted), Yellow Zone (controlled airspace), and Green Zone (automatic permission).

Digital Sky Platform

- The Digital Sky Platform is the first-of-its-kind national unmanned traffic management (UTM) platform that implements “no permission, no take-off” (NPNT).
- Users will be required to do a one-time registration of their drones, pilots and owners.
- For every flight (exempted for the nano category), users will be required to ask for permission to fly on a mobile app and an automated process permits or denies the request instantly.
- The UTM operates as a traffic regulator in the drone airspace and coordinates closely with the defense and civilian air traffic

controllers (ATCs) to ensure that drones remain on the approved flight paths.

Categories

- Nano-less than 250gm
- Micro-between 250 gm and 2kg
- Small-between 2 and 25 kg
- Medium-between 25 and 150kg
- Large-more than 150 kg

No Drone Zones

- Around airports
- Near international border
- Vijay Chowk in Delhi
- Parliament
- State Secretariat Complex in State Capital
- Eco-sensitive zones
- Strategic locations/vital and military installations; etc

Uses

- Taking photographs
- Conducting surveys such as for laying of pipelines and agricultural purposes
- Surveillance
- On a case by case basis for
 - Spraying of pesticides
 - Delivery of relief material during a natural disaster
- Cannot be used for delivery of items



Bureau of Indian Standards (BIS)

What is Bureau of Indian Standards (BIS)?

- BIS is the National Standard Body of India established under the BIS Act 1986 and is headquartered in New Delhi.

Why in news?

- The Bureau of Indian Standards (BIS) is set to formulate a framework for quality services that should be provided to consumers and also talk about the benchmarks to deal with consumer complaints or after sales service in an effort to ensure quality in the services sector.

Objective

- Harmonious development of the activities of standardization, marking and quality certification of goods

Benefits of BIS

- Providing safe reliable quality goods
- Minimizing health hazards to consumers
- Promoting exports and imports substitute
- Control over proliferation of varieties etc. through standardization, certification and testing.

Activities

- Standards Formulation
- Product Certification Scheme
- Compulsory Registration Scheme
- Foreign Manufacturers Certification Scheme
- Hall Marking Scheme
- Laboratory Services
- Laboratory Recognition Scheme
- Sale of Indian Standards
- Consumer Affairs Activities
- Promotional Activities
- Training Services, National & International level
- Information Services

Collegium System

What is the Collegium system?

- The Collegium system is one where the Chief Justice of India and a forum of four senior-most judges of the Supreme Court recommend appointments and transfers of judges.
- In case of High Court, it is composed of the Chief Justice of High Court and the two seniors most judges of that High Court.
- The current system was adopted as per the Third Judges Case.

Why in news?

- A study shows how Chief justices of India have involved senior colleagues in major cases.

Conflict with Convention

- Case allocation in the Supreme Court is based on a number of factors, largely related to the expertise of various judges.
- But senior judges have generally been represented in higher numbers in benches numbering three and above.
- The four collegium judges who complained about case allocation had felt that cases were allocated to junior hand-picked judges against the conventions of the court.

The numbers

- Data from January 1999 till date shows the allocation of cases to collegium other than the Chief Justice.
- The average representation for collegium judges (barring the CJI) in major cases was 52.1% for this period.

- However, in nearly two-thirds of the cases referred to various benches (of three judges and above), Chief Justice Misra did not appoint a single Collegium judge other than himself
- Collegium members (two to five) were involved only in 29.3% of the judgments delivered
- During Justice G.B Pattanaik's term the representation of the four collegium members was 29.2%
- Former CJIs H.L. Dattu (68%), R.M. Lodha (67.5%), K.G. Balakrishnan (55.1%) and A.S. Anand (63.5%) used other collegium members most in cases involving three judges or more, going by the judgment percentages.



Successor to CJI

What is the convention in appointing CJI?

- As per the convention, the outgoing CJI nominates the name of the senior most judge of the Supreme Court considered fit to hold the post to the union law minister.
- On receiving the CJI's recommendation, the Law Minister puts the proposal before the Prime Minister who, in turn, advises the President of India on the appointment.
- In case of a doubt about the fitness of the senior-most Judge to hold the office of the Chief Justice of India, other Judges would be consulted before the appointment of the next Chief Justice of India.

Why in the news?

- The present Chief Justice of India, Dipak Mishra has been asked by the union law minister, Ravi Shankar Prasad to name his successor as the next CJI keeping in line with the memorandum of procedure that has been followed to name the next Chief Justice.
- The next Chief Justice of India is expected to be Ranjan Gogoi.

Govt. scraps scientific panels, forms council.

Background:

- Earlier, Scientific Advisory Committees (SACs) were there to advise the PM and the cabinet on various matters.
- These committees, which were first set up in 1999 under the Atal Bihari Vajpayee government, had a term running concurrently with the government's.
- In 2014, the new NDA government decided not to constitute this committee.
- According to government officials, the scientific advisory bodies had been defunct for a while now.

Why in the news?

- Such scientific committees have been replaced by a single team consisting of 9 members called the Prime Minister's Science, Technology and Innovation Advisory Council (PM-STIAC).
- The 9-member team will consist of eminent persons well known in various scientific and technical fields.
- The newly constituted body is proposed to be a high-level advisory body to several ministries and execute mission-oriented programmes.
- The new council will not go out with the current government. This council is concerned with the national effort and will remain in office till it is reconstituted

Arrest of activists

Background

- Recently certain human rights activists were arrested from various parts of the country in a nation-wide crackdown.



Why in the news?

- The Supreme Court directed the law agencies to place those who were detained by them under the Unlawful Activities (prevention) Act under house arrest pending further investigation and litigation.

- The court observed that dissenting voices are the safety valves of democracy and is now investigating whether the activists were involved in any illegal activity or the government was just suppressing dissenting voices.

Curb on Fake News

Background:

- There is a sharp increase in cases of lynching in the country primarily due to the spread of fake news through social media in the recent past.

Why in the news?

- The home ministry is drawing up plans to stop the spread of fake news that could lead to violence by holding popular social media such as Facebook, WhatsApp, Twitter responsible if any such fake news present in the social media is not removed by them.
- Cases could be registered against the CEOs in India of these media houses in India
- There shall also be a special task force to prevent the same.

Reservation for SC/ST

Background

- A Constitution Bench was answering a on the legal question whether a Scheduled Caste person from a State would be accorded the same concessions in employment in another State (Bir Singh versus Delhi Jal Board Case, 2013)

Present scenario

- Reservation for disadvantaged groups such as SC/STs is state-specific; that is, the person who is a member of the disadvantaged groups is entitled to reservation only in that particular state and can't avail of the same when the person goes to another state.
- The benefits of reservation provided for by the Constitution would stand confined to the geographical territories of a State/Union Territory in respect of which the lists of Scheduled Castes/Scheduled Tribes have been notified by the Presidential Orders issued from time to time

Why in the news?

- An observation was made by 4 of the 5-member bench of judges in the Supreme Court stating that: "a person belonging to a Scheduled Caste in one State cannot be deemed to be a Scheduled Caste person in relation to any other State to which he

migrates for the purpose of employment or education.”

- They also said that since Delhi represents the whole of India, Pan-India reservation applies to Delhi.
- This means, people belonging to Scheduled Casts (SCs) and Scheduled Tribes (STs) and migrated to the capital from other states cannot be denied benefit of the reservation in government jobs in Delhi.
- However, the SC did not examine the issue regarding to other Union Territories and left it for an appropriate bench to adjudicate

Atal Ranking of Institutions on Innovation Achievements (ARIIA)

What is ARIIA?

- It is a ranking of educational institution, based on their level of innovation.

Why in the news?

- Called ARIIA- Atal Ranking of Institutions on Innovation Achievements, it will be launched on October 15th and the result of the exercise will be declared on February 28th 2018 coinciding with Science Day.
- This index will concentrate on budget expenses, revenues generated; facilitating access to advance centres; ideas of entrepreneurship; innovation ecosystems supported through teaching and learning; and innovative solutions to improve governance of the institution.

Law Commission Reports

What is Sedition Law?

- The sedition law (Section 124A) of the Indian Penal Code was introduced by the British to quell any dissent against the British administration of India.
- The law continues even in Independent India, and calls for imprisonment of even for life for any activity that is against the government.

Law commission on sedition

- The Commission maintained that freedom of expression and dissent are essentials in a democracy and was of the opinion that either the section concerned should be modified or repealed altogether.
- Anti-Government activities are not necessarily anti-national activities in a democracy and the commission questioned when there is a provision for punishment for contempt of court, should such a

provision exist for contempt of the government?

Law commission on simultaneous polls

- The law commission pointed out the simultaneous polls for centre and state legislatures could be done in 2019 elections citing saving of expenses and the fact that some state elections are already synchronous with national elections.
- Such an exercise would be a reality only if all the states voluntarily agreed for the same and extend cooperation.

What is Uniform Civil Code?

- A uniform civil code administers the same set of secular civil laws to govern all people irrespective of their religion, caste and tribe.
- The need for such a code takes in to account the constitutional mandate of securing justice and equality for all citizens.
- A uniform criminal code is applicable to all citizens irrespective of religion, caste, gender and domicile in our country.
- The constitution has a provision for Uniform Civil Code in Article 44 as a Directive Principle of State Policy which states that “The State shall endeavour to secure for the citizens a uniform civil code throughout the territory of India.”

Issues with UCC

- The personal laws vary widely in their sources, philosophy and application. Therefore, there is an inherent difficulty and resistance in bringing people together and unifying them when different religions and personal laws govern them.
- As a result, a code pertaining to marriage, divorce, succession and other family matters has not been brought in to effect.

Law commission on UCC

- The law commission pointed out that the need for a uniform civil code in the country is not necessary or desirable at this point.
- Emphasising on the multiple diversities in India, it said that a basic common law could be applied to all communities and not necessarily a uniform application of laws.



Law Commission of India

Special Courts for Politicians

What is it about?

- The Supreme Court had suggested that special courts be established to exclusively deal with cases involving politicians.

Why in the news?

- The SC noted that the government had not yet taken steps to address the issue.
- The direction comes in the backdrop on a petition filed before the court urging to impose a ban on convicted politicians from contesting further elections.

Food fortification

What is Food fortification?

- Fortification is the addition of key vitamins and minerals such as Iron, Iodine, Zinc, Vitamins A & D to staple foods such as rice, wheat, oil, milk and salt to improve their nutritional content. These nutrients may or may not have been originally present in the food before processing or may have been lost during processing.
- The Food Safety and Standards Authority of India (FSSAI) has notified Food Fortification Regulations 2018, which provide for minimum and maximum range of fortification of staples like wheat, maida, rice, salt, vegetable oil and milk.
- Food fortification was made mandatory for common food materials in order for common people to achieve certain minimum nutrition standards.

Why does India need Food fortification?

- Deficiency of micronutrients or micronutrient malnutrition, also known as *hidden hunger*, is a serious health risk.
- Access to safe and nutritious food is a must and sometimes due to lack of consumption of a balanced diet, lack variety in the diet or unavailability of food, one does not get adequate micronutrients.
- Often, there is considerable loss of nutrients during the processing of food as well. One of the strategies to address this problem is fortification of food.
- This method complements other ways to improve nutrition such as such as diversification of diet and supplementation of food.

Benefits of Food fortification

- Food Fortification has a high benefit-to-cost ratio. The Copenhagen Consensus estimates that every 1 Rupee spent on fortification results in 9 Rupees in benefits to the economy.

- Nutrients are added to staple foods since they are widely consumed. Thus, this is an excellent method to improve the health of a large section of the population, all at once.
- It is a safe method of improving nutrition among people. The addition of micronutrients to food does not pose a health risk to people. The quantity added is small and well under the Recommended Daily Allowances (RDA) and are well regulated as per prescribed standards for safe consumption.
- It is a cost-effective intervention and does not require any changes in eating patterns or food habits of people. It is a socio-culturally acceptable way to deliver nutrients to people.
- It does not alter the characteristics of the food like the taste, aroma or the texture of the food.

Does food fortification increase the cost of food products?

- No. Even when all program costs are passed on to consumers, the price increase is approximately by 1-2%, which is less than the normal price variation

Why in the news?

- Arguing that food fortification involving sourcing nutrients from animal sources amounts to violating the beliefs and practices of vegetarians and hurting religious sentiments besides vested interests of certain corporate and organizations, Swadeshi Jagran Manch opposed such an exercise.



Faulty Hip Implants

What is it?

- The Articular Surface replacement (ASR) hip implants manufactured by leading healthcare provider Johnson and Johnson was found to be faulty and were recalled globally due to major troubles patients faced while using the device.
- The troubles included increased discomfort and threat to the health of the patients using the device.

Why in the news?

- Some patients affected by the ASR hip implants approached the government for a copy of the report on the issue. It is estimated that 3600 patients who received it are untraceable or dead.
- The chairman of the committee has recommended that INR 20 lakh be paid to each affected patient and that the reimbursement programme for revision surgeries continue until August 2025.

Census 2021 to collect OBC data

Why in the news?

- Population census is conducted every 10 years. The last one was in 2011 and the next one will be in 2021.
- The census will collect data about the Other Backward Classes to get a clearer picture of the social scenario of the community.

Kashmir Special Status

Background:

- Jammu and Kashmir, is the only state in India to have a separate constitution and special status.

- Laws applicable to J and K don't immediately apply to the state unless passed by the state legislature.
- Even though the provision was temporary, it is continuing till date and hence its validity was challenged before the court.

Why in the news?

- The Supreme Court, at the request of the government of India citing law and order issues and heightened sensitivities in the event of local elections in the state has postponed the hearing on the validity of Article 35A that gives the state special status based on a petition filed by the NGO- 'We the citizens'



Economy

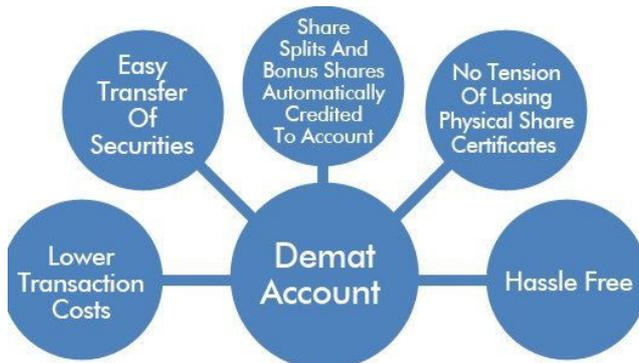
DEMAT

What does DEMAT mean?

- Dematerialization (DEMAT) is the move from physical certificates to electronic book keeping.
- In earlier eras, transactions at stock exchanges were conducted by traders who shouted buy and sell prices. The deals were recorded on paper receipts.
- After the markets closed, the paperwork would continue in order to properly register all the transactions.
- The introduction of dematerialization served to eliminate such a paper-oriented process.
- Furthermore, by adopting electronic bookkeeping, this allowed for accounts to be updated automatically and swiftly.
- Through dematerialization, so-called demat accounts allow for electronic transactions when shares of stock are bought and sold. Within a demat account, the certificates for stocks and other securities of the user are held as means for seamless trades to be made.

What's in the news?

- To curb black money, the government proposes to make it mandatory for unlisted companies to issue new shares only in the dematerialised (demat) form or electronic form.
- Such a move will also check benami transactions, shell firms, duplicity and is said to effective from 1st October.



Closure of Overseas PSBs

Background:

- Public Sector Undertaking (PSU) Banks have been in the news for all the wrong reasons for various scams and the mounting of bad loans/ non-performing

assets bringing considerable stresses in the banking sector.

Why in the news?

- In order to attain fiscal prudence/ capital conservation, as many as 70 overseas branches of various PSU Banks that are non-viable will be closed.
- This will help to cut losses of these banks.

Catastrophe Bonds

What is a catastrophe bond?

- A catastrophe bond (CAT) is a high-yield debt instrument that is usually insurance-linked and meant to raise money in case of a catastrophe such as a hurricane or earthquake.
- It has a special condition that states if the issuer, such as the insurance or reinsurance company, suffers a loss from a particular predefined catastrophe, then its obligation to pay interest and/or repay the principal is either deferred or completely forgiven.



Advantages of CAT

- Catastrophe bonds are used by property/casualty insurers and reinsurers to transfer risk to investors. This lowers their reinsurance costs and frees up money for the company to invest

Disadvantages of CAT

- Although CAT bonds reduce risk to insurance companies, this is borne by the buyers of the securities.
- It is mitigated somewhat by the short maturity, which is typically three to five years.

Why in the news?

- Such insurance covers have been present in USA for quite some time and cover for the damages due to natural disasters.
- Recently, Kerala was affected by the severe floods that resulted in enormous damages to property and life.

- Such bonds would cover the damages and give good returns to investors.

Share buyback

What is it?

- A buyback, also known as a share repurchase, is when a company buys its own outstanding shares to reduce the number of shares available on the open market.
- Companies buy back shares for a number of reasons, such as to increase the value of remaining shares available by reducing the supply or to prevent other shareholders from taking a controlling stake.



NPAs in power sector

Background:

- The power sector is reeling under losses that are piling up as Non-Performing Assets. A considerable part of the gross NPAs in India is held by the power sector
- The RBI had issued directions that if a borrower delays even by a day the repayment of a loan, the debt would be classified as stressed and the lenders should begin the resolution process.
- The rules also said that the lenders had to do this within 180 days of the first default, failing which they had to initiate proceedings under the Insolvency and Bankruptcy Code in 15 days.



Why in the news?

- The Allahabad High Court refused to grant any relief to the power sector from RBI

directions and asked the parties to face the proceedings under the insolvency and bankruptcy code.

- This could increase the woes of the power sector.

Strong fundamentals of economy

What's in the news?

- The finance minister was referring to the need for strong macroeconomic parameters in order to achieve high growth rates.
- This included the solving of the NPAs, stop reckless lending by banks among others.
- The Indian economy faces threats from an increase in oil prices and trade wars, that are ongoing in the global scene.

OPEC-Plus Deal

What is OPEC?

- The Organization of the Petroleum Exporting Countries is an intergovernmental organization of 15 nations, founded in 1960 in Baghdad. Its headquarters is in Vienna, Austria.

What is OPEC-Plus?

- OPEC-Plus refers to OPEC's cooperation with non-OPEC oil producers to affect production cuts.

Why in the news?

- As a result of an agreement reached by OPEC and Non-OPEC major oil producers coupled with ongoing trade dispute between the USA and China, Oil prices rose to USD 76 per barrel.
- A deal between OPEC and Non-OPEC members were reached to cut oil production available in global markets.



99% Demonetised Notes Back

What's in the news?

- An RBI report in 2017-18 has shown that 99% of the demonetized 500 and 1000-rupee notes were recovered.
- The opposition has called the government's demonetization exercise a colossal flop and

that it only harmed the Indian economy besides inconveniencing the public.

Argument against demonetisation

- With the RBI receiving back 99% of all the demonetized 500 and 1000 rupees notes, it has been pointed that the entire exercise seemed a waste and besides causing immense hardship to the people, had slowed down the pace of economic growth as a lot of MSMEs were affected by opposition members.

Counter-argument

- The government pointed out the increased tax compliance post demonetization.
- The number of tax filings increased from 3.8 crores to 6.86 crores. The IT returns have also increased by 19% and 25% respectively.
- Besides this, more formalisation of economy, money in the system, higher tax revenue and expenditure, higher growth after the first two quarters were observed.
- Pre-demonetization, the growth in the first two quarters in the previous year were 6.6% and 9%, and that increased to 15% and 18% in the next year.

Inflation risk

Why in the news?

- Due to increase in crude oil prices and devaluation of the rupee due to external factors, the RBI has cautioned the threat of inflation beyond the tolerable limits.
- Rise in commodity prices and increments in house rent allowances of central government employees were other factors that could cause further inflation.
- These have prompted the RBI to increase the repo rate to 6.5%.

Rupee hits new low

Why in the news?

- The rupee fell further down to a new low closing at 71 against the dollar.

Why did this happen?

- This was due to the strengthening of the dollar against all currencies, the effect of US sanctions on Turkey, causing a cascading effect on emerging currencies including India.

The Scenario

- The rupee has been the worst performing currency in Asia at present and has led to a flight of foreign capital from Indian market.
- Although due to external factors, the RBI is taking steps to slow down the fall of the

rupee so that it doesn't cause sudden shocks in the Indian financial market.



Frauds on the rise at PSBs

Why in the news?

- There has been a sharp increase in cases of bank frauds as per a report of the RBI.
- Public Sector Banks accounted for most of the victims as a result of frauds, the most recent being the Nirav Modi case, causing significant losses to banks.

Statistics

- PSBs accounted for a major share with 87%, followed by private sector banks at 11%.
- The share of PSBs in frauds relating to 'off-balance sheet items' such as Letter of Credit (LCs), Letter of Undertaking, and Letter of Acceptance was even higher at 96%; Off-balance sheet items accounted for 14.68% of fraud cases.
- New private sector banks accounted for more than 20% of the frauds related to 'cash/cheques/clearing' and foreign exchange transactions.
- Public sector banks (PSBs) accounted for about 85% of the cumulative amount involved in frauds as of March 2018 and private banks accounted for a little over 10%.

India remains top FDI destination

What is FDI?

- A foreign direct investment (FDI) is an investment in the form of a controlling ownership in a business in one country by an entity based in another country.
- Generally, FDI takes place when an investor establishes foreign business operations or acquires foreign business assets, including establishing ownership or controlling interest in a foreign company.
- Foreign direct investments are distinguished from portfolio investments in which an investor merely purchases equities of foreign-based companies.

Why in the news?

- Manufacturing sector has gained momentum, aided by growth in the services and agriculture sectors, consumption demand being robust in the country make India an attractive investment destination for Foreign Direct Investment.
- Mauritius followed by Singapore were the top sources of FDI to India.
- India is now among the top 100 countries for foreign investment and has received more FDI than China or USA.

Impact of Sterlite Closure

Background:

- The Sterlite plant located in Tuticorin district of Tamil Nadu was closed down due to protests from the locals mainly on the issue of environmental and health damages due to the plant.
- The Tuticorin plant supplied almost 40% of India's copper.

Why in the news?

- As a result of the shutdown, a surge in imports and a fall in exports in copper has been observed, causing significant impacts on various industries using copper as a raw material, leading to production cuts in allied industries.

8.2% GDP growth in April-June

What's in the news?

- Due to good growth in the manufacturing, agricultural and construction sectors, India has achieved a GDP growth of 8.2% in the

April-June quarter and aims to achieve an annual growth of 7.5%.

- The manufacturing and construction sectors clocked 13.5% and 8.7% growth respectively.

Causes for worry

- Increasing oil prices and volatile global scenario are still causes for worry.

Steepest Diesel price increase

What's in the news?

- As a result of the sharp drop in the rupee value, the price of diesel shot up significantly.
- Fuels such as LPG witnessed the same scenario.

The problem with GST on LPG

- When international prices for fuel increases, the government provides a higher subsidy.
- But as per tax rules, the GST on LPG has to be calculated at the market rate of the fuel.
- The government can choose to subsidise a part of the price, but tax will have to be paid at market rates. This has led to an increase in its price.



International Relations

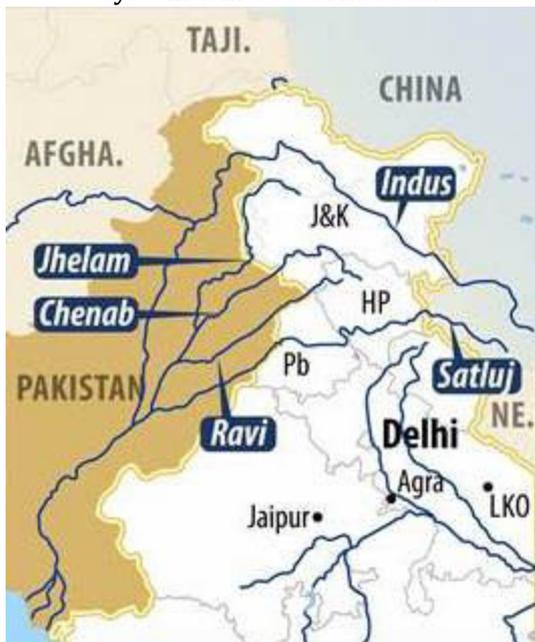
Indus treaty

What is it?

- The Indus river system consists of the river Indus and its tributaries. Its waters are shared between India and Pakistan by a mutual agreement between the two nations known as the Indus Treaty.
- The 1960 Indus Waters Treaty, brokered by the World Bank and signed by then Prime Minister Jawaharlal Nehru and former Pakistan President Ayub Khan, administers how the waters of the Indus River and its tributaries that flow in both the countries will be utilised.

Why in the news?

- Every year twice representatives of the two countries meet. Last session was held in Delhi. This time it is in Lahore, Pakistan.
- The meetings aim to sort out any issue that arise with respect to the sharing of waters/ any developmental activities that may take place in the river basin/ system.
- Pakistan has objected to India's developmental projects on the Chenab such building of dams/ water storage areas. Apart from this, prompt sharing of hydrological data of the shared rivers and regular meetings regarding the Indus system will be worked out.



Wuhan spirit and BRI

Wuhan

- Wuhan is a place in China where a diplomatic, informal summit took place

between India and China to sort out key issues between the two countries.

Belt and Road Initiative (BRI)

- The Belt and Road Initiative is a China led economic corridor that connects Asia with Europe and extend to Africa, thus passing through many nations.
- While many countries have agreed and supported the initiative, India has objected to this as a part of the initiative passes through Pakistan occupied Kashmir (The China-Pakistan Economic Corridor), questioning India's sovereignty and so has not joined the initiative.

Why in the news?

- China urged India to join the initiative and participate in dialogues with Pakistan to sort out all issues including Kashmir within the framework of the Shanghai Cooperation Organisation.
- If successful, such an exercise would bring stability of South Asia and the region as a whole.
- India and Pakistan worked together in the counterterrorism exercises held by the SCO. China believes that there exists further scope for India Pakistan Cooperation.

NAFTA

What is NAFTA?

- It is the abbreviation for the North American Free Trade Agreement and is a trade agreement between Canada, USA and Mexico.

Why in the news?

- The USA has insisted on renegotiating the agreement as it believes that jobs are taken away from it to other members.
- Hence, it first reached a deal with Mexico, where 75% of auto content to be made in the U.S. and Mexico, requiring 40% to 45% of auto content to be made by workers earning at least \$16 per hour.
- A deal with Canada is expected to be reached soon.

Indian Choppers in Maldives

Background

- Some helicopters gifted by the Indian military to the Maldives are located in strategic islands in the Maldives India for

coastguard surveillance as well as medical evacuations.

What about it?

- Maldivian President Abdulla Yameen has been demanding these helicopters with their crew to go back to India and had not extended the visas of the crew for the purpose.
- The choppers and crew are still on Maldives and no developments have happened after that.

China's 'Type 002'

What is it?

- Type 002 is an aircraft carrier built at the Dalian Shipyard, China is undergoing further tests.

Why in news?

- As tensions in the South China Sea increases between China and the USA, in addition to the ongoing trade war between the two countries, China is also devising new military utilities to protect its interests in the region.



Exercise Peace mission 2018

What is it?

- The Exercise Peace mission 2018, an 8-member joint military exercise of SCO member nations concluded in Russia.
- The exercise included counter terrorism operations and ways to prevent terrorist actions in member nations.



Why in the news?

- Despite stand-off at border areas, India and Pakistan have cooperated in the exercise

and performed joint military exercises at the SCO military exercise held in Russia.

BIMSTEC

What is BIMSTEC?

- It stands for Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation and is an organization of seven member-states, dependent on the Bay of Bengal in some way.
- Its members include Bangladesh, Bhutan, India, Myanmar, Thailand, Sri Lanka, Nepal.
- Leadership is rotated in alphabetical order of country names.
- The permanent secretariat is in Dhaka.

Why in the news?

- Recently the prime minister of India stressed on the connectivity of member nations in the fields of trade and economics, digital technology, transport, inter-people to boost relations between members.

Impact

- Such an exercise will even help in rooting out terrorism from member nations besides bring in prosperity to all.
- Enhanced cooperation amongst member states will benefit all and help build resilience against natural calamities.

Other initiatives

- A centre for cultural research is to come up in the Nalanda university.
- A declaration to root out terror activities by member states was mooted.

SAARC meet

What is SAARC?

- It stands for South Asian Association for Regional Cooperation.
- It is the regional intergovernmental organization and geopolitical union of nations in South Asia.
- Its member states include Afghanistan, Bangladesh, Bhutan, India, Nepal, the Maldives, Pakistan and Sri Lanka.
- SAARC was founded in Dhaka on 8 December 1985. Its secretariat is based in Kathmandu, Nepal.
- The organization promotes development of economic and regional integration.
- It launched the South Asian Free Trade Area in 2006.
- SAARC maintains permanent diplomatic relations at the United Nations as an observer and has developed links with

multilateral entities, including the European Union.

Why in the news?

- In the backdrop of increased friction between India and Pakistan, the foreign ministers of the two countries are expected to meet in New York on the sidelines of SAARC Ministerial Summit and UN General Assembly addressing.



Pakistani experts in Kashmir

Background:

-

- India is developing hydel plants across the Chenab, which Pakistan objects as it believes the project will threaten water security in Pakistan.

Why in news?

- To address the concerns of Pakistan, India has invited experts from Pakistan to visit the proposed plant sites in order to assure Pakistan's rightful supply of water.
- Agreements over the use of the Indus river water and its tributaries are governed by the Indus Water Treaty and has been mutually accepted by India and Pakistan.
- Under the provisions of the Treaty, waters of the rivers — Sutlej, Beas and Ravi — had been allocated to India and the rivers — the Indus, Jhelum and Chenab — to Pakistan, except for certain non-consumptive uses for India with India in the upstream and Pakistan in the downstream locations.

Science & Technology

Multi-role Helicopters

Multi-role Helicopters

- It performs missions ranging from anti-submarine operations to fire support & early warning at Sea.
- Will replace three-decade old and almost obsolete British built Sea King Helicopters.
- They are an integral part of frontline warships like aircraft carriers, destroyers and frigates.
- Modern anti-submarine helicopters add more strength to the India Navy in engaging in a host of operations.

Why in News?

- The Defence Acquisition Council (DAC) cleared the procurement of Multi-role Helicopters (MRH) for the Indian Navy ahead of the 2+2 dialogue to be held on September 6, 2018.
- The 24 MH-60R MRHs worth around will be procured under government -to -government deal from the U.S.

DAC

- Created in 2001 under Ministry of Defence, headed by the Defence Minister
- To fight corruption and speed up decision making in procurement of equipment's to the armed forces.
- Responsible to give policy guidelines to acquisitions, based on long-term procurement plans.
- Clears all acquisitions, including both imported and indigenously produced.

2+2 Dialogue

- High level dialogue mechanism involving the Ministers of Defence and External Affairs between the two participating nations.
- India had involved in such mechanism with Japan and Australia.
- India and U.S. are set to start the first rounds of the mechanism on September 6, 2018.



Way Forward

- A direct government purchase from the U.S. ahead of the much hyped 2+2 dialogue shows positive engagement between the two countries.

Pollution in Textile Industry

About Textile Industry

- The textile sector in India ranks next to Agriculture in terms of employment generation.
- It is one of the nation's oldest industries contributing around 14% of manufacturing value-addition.
- It is a water intensive industry also causes high levels of water pollution.

Why in News?

- Researchers from the University of Calicut, Kerala, have developed a green method to replace water use in textile industry.
- Water is used intensively for sizing and de-sizing cotton and polyester yarn, which is also a water polluting process.

Sizing

- Sizing is any adhesive material used to fill pores in surfaces or to stiffen fabrics.
- It is used in papermaking as well as textile manufacturing to change the absorption and wear characteristics of those materials.
- Strengthening the yarn before weaving it into a fabric is essential to decrease its breakages in the loom and sizing becomes necessary for the same.
- Sizing also removes or smoothen the projecting micro-fibres that might interfere with the weaving process.

Sizing process

- The yarn is coated with sizing agent, traditionally starch mixed in water, where plenty of water is needed.
- The used water is disposed of leading to severe water pollution.
- The yarn after sizing has to be dried which is energy-intensive.

What's the new method?

- Researchers used liquid carbon dioxide as solvent and tested three agents that readily dissolve in carbon dioxide for sizing cotton and polyester yarn.
- Liquid and supercritical carbon dioxide instead of water and sucrose octa-acetate in place of starch has made the sizing and de-sizing process eco-friendly.

Findings

- A smooth, glassy coating on the surface and the strength of the yarn nearly doubled with improved mechanical properties essential for weaving when the above combination is used.
- Abrasion resistance increased and all the micro-fibres that protrude from the yarn were aligned and smoothened.
- Drying after sizing is not involved as the yarn becomes instantaneously dry with reduction in pressure of the liquid carbon dioxide.

De-sizing Process

- The sizing agent must be completely removed from the fabric or yarn as it might resist dyes and chemicals which will be used in downstream in the textile industry.
- Large volume of water is used for de-sizing or washing the fabric to remove the sizing agent from the yarn, thus generating lots of waste water.

What's the new method?

- Supercritical carbon dioxide in place of water alters the ecological effect of the processes.
- But the rate of molecular diffusion of supercritical carbon dioxide is 10 times more than liquid CO₂.
- More the molecular diffusion, faster will be the movement of molecules in the fluid and this determines the efficiency of cleaning.
- Sizing agent dissolves in supercritical CO₂ when it comes in contact with it.
- Similar to sizing, the yarn becomes dry almost instantaneously when the pressure of CO₂ is reduced to gas phase after de-sizing.
- The sizing agent thus separates out from the yarn and settles at the bottom.



Greener Practice

- Zero-polluting and zero-waste process as both CO₂ and the sizing agent can be recycled endlessly.
- The sizing and de-sizing process of the textile industry will move from a wet to a completely dry process.
- Textile industry known for its water intensive nature can shift to a greener path with such technological interventions.

Mental Health: A Plan for Change

- Mental health care has been an area of neglect since Independence with only few laws and policies trying to provide basic regulations.
- India has an estimated 150 million people who needed mental health care and treatment.

Why in News?

- With the enforcement of Mental Healthcare Act (MHCA), 2017, universal mental health care is now a justiciable right.
- This is the first time that a law has recognised the right to access health care for citizens and specifically for mental health.
- A watershed moment for the 'right to health' movement in India.

What the Data reveals?

According to the National Mental Health Survey (NMHS) of India, 2016:

- India spends less than 1% of its entire health budget on mental health.
- 150 million people need mental health care and treatment.
- 92% out of 150 million do not have access to any form of mental health care.
- Stigmatisation and discrimination form the mother of all concerns.

MHCA - Will it Change the Scenario

- If properly implemented, it will be a ground-breaking piece of legislation. It mandates the government to:
 - Provide accessible, affordable, acceptable and high-quality mental health care.
 - Provide above by integrating mental health-care services at each level of the public health system.
 - Establish mental health facilities in proportion to the population in each State.
 - Provide free mental health-care to socio-economically deprived sections of the population.

- Awareness generation on mental health promotion and preventive programmes using public media.

A Road Map

- Impressive on paper, it is a difficult task to achieve without a strong political will.
- Certain steps are recommended in order to make it happen, which are-
 - Budgetary allocations at the Centre
 - Responsible States
 - Integration of all stake holders

Budgetary Allocations

- To plug existing infrastructure gaps, the government will have to make appropriate budgetary provisions.
- Mapping of existing mental health systems in the State is necessary to analyse –
 - Prevailing demand-supply factors for services
 - Identifying shortages in mental health professionals
 - Shortage of other operational barriers
- Promoting innovative models of community mental health care can support the MHCA using existing community resources.
- Atmiyata project in Meshana (Gujarat), trains community volunteers to provide psychological counselling, social care and referral services to those with mental health problems.
- Support to such centres which caters more than 1 million populations will support MHCA objectives.

Responsibility of States

- State Governments have the following responsibilities –
 - To immediately set up and ensure the functioning of State mental health authorities and mental health review boards.
 - To establish regulations for registering mental health establishments and professionals.
 - Conducting social audits
 - Defining quality standards for mental health services and facilities.
- As quasi-judicial bodies, mental health review boards will play crucial role in ensuring day-to-day implementation of the MHCA, such as-
 - Monitoring long-stay admissions
 - Registering advance directives
 - Appointing nominated representatives
 - Adjudicating complaints on human rights violations and deficiency in care and services.

Integrated Approach of All Stake Holders

- Without coordinated efforts of all stakeholders, successful implementation of the MHCA will not occur.
- Law enforcement officials, judges, mental health professionals and government officials need to be trained as a matter of priority to develop the necessary attitudes and skills for implementing the MHCA.
- Civil society will have to pursue coordinated advocacy efforts with the government in setting up the necessary infrastructure.

Way Forward

- Universal health coverage and the right to health are the most important right advocated by the world nations.
- India has already made this a reality for mental health care by passing MHCA.
- If well implemented, it will be a pioneering model for universal mental health care across the world and will go a long way to in addressing the mental health concerns of 150 million people.



Antibiotic Resistance

- Antibiotic resistance is emerging as a threat to the successful treatment of infectious diseases, organ transplantation, cancer chemotherapy and major surgeries.
- Every being at natural process develops a degree of resistance towards its harsh environment and for microbes, against the antibiotics.
- Antibiotic resistance happening now is on the rise due to indiscriminate antibiotic use in health care and the agriculture and veterinary sectors.

Why in News?

- Human beings, in their stomach hold some friendly bacteria, which aid them in the process of digestion and other health benefits.

- Scientists at the Translational Health Science and Technology Institute (THSTI) have found that these friendly gut bacteria are a reservoir of drug resistance genes.
- When these genes get transferred to disease-causing bacteria, it makes them untreatable or antibiotic resistant.

Which shows Antibiotic Resistance?

- Antibiotic resistance traits are found in dominant gut bacteria.
- Samples of six healthy individuals who had not consumed antibiotics for the past 6 months revealed a vast number of antimicrobial genes.
- This reflects that the friendly gut bacteria from these individuals harboured resistance against multiple antimicrobials.
- The most abundant resistant genes were the ones associated with tetracycline resistance, an antibiotic used to cure cholera, malaria and other infections.
- Next is beta-lactamase genes, which functions counter the effect of medicines used to fight a broad range of bacteria.

Diversifying Resistance and more

- In-depth analysis showed the presence of several resistance genes for each class of antimicrobials.
- The major concern is the ability of the bacteria to transfer the antimicrobial genes to their progeny and its surrounding bacteria.
- The presence of antimicrobial genes on the genetic element of the friendly bacteria is such, that transfer of traits to pathogen and its progeny is so easy.
- Adding to the worries is that, research proves that cholera-causing bacteria have been found capable of taking DNA from their surroundings.

Need for Research

- India's fight against antibiotic resistance has been on the rise.
- The resistance patterns among organisms are found to vary with their geographical location.
- Friendly gut bacteria fostering resistance traits led to opening up a vast tract of unexplored area in research.
- There is a pressing need to pursue active research to overcome antimicrobial resistance crisis in India.

Way Forward

- With poor sanitation and malnutrition on one side and a high burden of infectious disease such as tuberculosis and diarrhoeal

disease on the other, antibiotic resistance increases the burden.

- Strategic use of antibiotics would be a crucial step in the process.



Manned Space Mission

What's in the News?

- ISRO chief stated that three Indians will be launched into space by an Indian rocket before the 75th Independence Day.
- This is the aim of India's ambitious manned spaceflight mission, Gaganyaan.
- He further stated that according to the plan, in 40 months, the mission will take place.

Manned Mission to Space

- ISRO began work on this in 2004.
- Demonstration of the following technologies provided strength to mission –
 - Space Capsule Recovery Experiment
 - Crew Module Atmospheric Re-entry Experiment
 - Pad Abort Test
- Most of the technologies are already developed.
- GSLV Mk-III launch vehicle will be used which has the necessary payload capability to launch Gaganyaan.
- Two unmanned mission will be undertaken within 30 months.
- After its success, manned mission will take place within 40 months.

Launch Sequence

- A crew module, along with the service module, together called the orbital module weighing seven tonnes, will be mounted atop the GSLV vehicle.
- The crew will reach low earth orbit in 16 minutes and stay in orbit for 5-7 days.
- Microgravity experiments will be carried out during this stay.
- During return, at 120 km above earth, the crew module will separate from the service module.

- Separated service module will head towards earth in a controlled manner, taking 36 minutes to reach the earth.
- It may land on Arabian Sea or Bay of Bengal to ensure safety of the crew.
- The mission crew can be either Air Force pilots or even civilians.

Cost-Effective

- The total programme is expected to cost less than ₹10,000 crore.
- It will also result in significant sub-projects or other large projects in multiple dimensions such as technology or in social sector.
- Similar missions sent by other countries are comparatively costlier.
- Also benefits to arise from this mission will be invaluable.

National Effort

- With ISRO, the participation of academia, industry as well as other government and private agencies made this happen so far.
- Given the complexity of the programme, such involvement is needed greatly to achieve the mission's success.

- Employment generation to 15,000 people mostly in the private sector is another spill over effect of this mission.
- ISRO is considering seeking collaborations with space agencies from friendly countries with advanced space programmes to accelerate the programme.

Way forward

- The mission stays with the spirit of the Prime Minister's 2018 Independence Day address, to send Indians to space by 2022.
- So far only the U.S., Russia and China have launched Human Space Flight Missions.
- India will become the fourth nation in the world to have a manned space mission, once the programme gets launched.



Environment

Cities without clean-up plans

What is it?

- This refers to the problem where 30% of the 102 cities across India singled out by the Centre for their alarming pollution, levels have not submitted a plan of remedial action to the CPCB

Why in the news?

- Pollution is a major cause for concern in urban India.
- In the 102 cities surveyed, 29 have not yet submitted their action plan to deal with pollution such as burning of wastes, construction and demolition activities, vehicular emissions, etc.
- This comes even as the WHO termed Delhi and Varanasi among the most polluted cities in the world with regards to PM 2.5

Pollution by contact lenses

Why in the news?

- As the menace of plastic pollution is threatening our oceans, research shows that even disposable contact lenses when flushed down in drainages could contribute to the pollution of water bodies.
- These lenses are made of strong plastics that don't decay easily and add to the micro plastic pollution. Hence a proper mechanism to dispose such wastes is needed.

Compensatory Afforestation Fund

What is the Compensatory Afforestation?

- Compensatory Afforestation (CA) refers to afforestation and regeneration activities carried out as a way of compensating for forest land diverted to non-forest purposes.
- As per the Forest (Conservation) Act 1980 whenever a forest land is to be diverted for non-forestry purposes, the equivalent non-forest land has to be identified for compensatory afforestation and funds for raising compensatory afforestation are to be imposed.

Concerns

- Due to certain discrepancies in the implementation of compensatory afforestation, some NGOs had approached The Supreme Court for relief.
- The Supreme Court on 10th July 2009 issued orders that there will be a

Compensatory Afforestation Fund Management and Planning Authority (CAMPA) as National Advisory Council under the chairmanship of the Union Minister of Environment & Forests for monitoring, technical assistance and evaluation of compensatory afforestation activities.

Compensatory Afforestation Act 2016: Salient Features

- It seeks to establish the National Compensatory Afforestation Fund under the Public Account of India, and a State Compensatory Afforestation Fund under the Public Account of each state.
- The payments into the funds include compensatory afforestation, NPV, and any project-specific payments. The National Fund will get 10% of funds collected and the remaining 90% will go to the respective State Fund.
- The collected funds will be utilised for afforestation, regeneration of forest ecosystem, wildlife protection and infrastructure development.
- The act also seeks to establish National and State Compensatory Afforestation Fund Management and Planning Authorities to manage the funds.
- The determination of NPV will be delegated to an expert committee constituted by the central government. NPV quantifies the services provided by the forest. It includes goods and services (tourism and timber); regulating services (climate change); and non-material benefits (recreation).



Why in News?

- Recently Former Environment Minister raised serious objections regarding the rules governing the administration of the Compensatory Afforestation Fund.

Critical Assessment

- Experts are of the opinion that CAF Rules “undermined” several aspects of the Forest Rights Act (FRA) and the Panchayats (Extension to Scheduled Areas) Act (PESA).
- In the current form, they significantly reduced the authority of the Gram Sabhas in having a say in their local compensatory afforestation projects and reduced them to the role of “consultants”.
- Much power instead was vested with the State-level forest bureaucracy.
- The provisions laid out in the rules limit compliance with the FRA only to those areas where rights holders have been formally recognised.

Scientific Management of Reservoirs

Why in News?

- As Kerala grapples with the aftermath of unprecedented rains and inundation, it is important to understand the challenges the state faces in terms of forecasting floods in the State with relatively small rivers prone to flash floods and inaction at the local level despite meteorological alerts and dam management.

Challenges in Kerala

- The Central Water Commission (CWC) doesn't have a flood warning station in Kerala.
- In Kerala the rivers are relatively small therefore if it rains in a hilly region, it can easily lead to floods on the other hand rivers like Cauvery and Narmada have huge basins and such inundations are much slower.
- In India, none of the reservoirs are managed using a scientific, decision-support system. It's left to a few individuals to take a decision.

Future challenges

- Using past data, it has been categorically documented that the frequency of extreme events is increasing. It can happen anywhere and is part of global warming.
- This is because, warming means more moisture retention, heightened Westerlies and intense precipitation. In addition to this urbanisation will lead to more intense rain over cities

Way Forward

Gadgil Committee Report

- The Report defined the boundaries of the Western Ghats for the purposes of ecological management. The total area in this boundary came to 1,29,037 square km,

running about 1.490 km north to south, with a maximum width of 210 km in Tamil Nadu and minimum of 48 km in Maharashtra.

- It proposed that this entire area be designated as ecologically sensitive area (ESA). Within this area, smaller regions were to be identified as ecologically sensitive zones (ESZ) I, II or III based on their existing condition and nature of threat.

Kasturirangan Committee Report

- It broadened the definition of Western Ghats and included a total of 1,64,280 square km in it. It then classified it as comprising cultural landscape and natural landscape. It said nearly 60% of the Western Ghats was cultural landscape, where human settlements, agriculture and plantations existed. The remaining was natural landscape, of which the “biologically rich” area was only 37% or about 60,000 sq. km. It was only this part that the committee said needed to be classified as ecologically sensitive area (ESA).

Its main recommendations for ESA

- A ban on mining, quarrying and sand mining
- No new thermal power projects, but hydropower projects allowed with restrictions
- A ban on new polluting industries
- Building and construction projects up to 20,000 sqm was to be allowed but townships were to be banned
- Forest diversion could be allowed with extra safeguards



Jatropha-based fuel

Jatropha

- Jatropha is drought-resistant perennial plant that can grow in marginal or poor soil.

- It seeds has oil content of 37% which be combusted as fuel without being refined.
- It burns with clear smoke-free flame. It has been tested successfully as fuel for simple diesel engine.
- Its oil also acts as insecticide.

About the Fuel

- It was indigenously developed by Council for Scientific and Industrial Research (CSIR) lab based in Dehradun along with Indian Institute of Petroleum.
- A blend of 25% of bio jet fuel and 75% of aviation turbine fuel (ATF) was carried in one of the two engines of the plane, while the other engine carried only ATF. International standards permit a blend rate of up to 50% biofuel with ATF.

Why in News?

- A blend of oil from jatropha seeds and aviation turbine fuel propelled the country's first ever bio jet fuel-powered flight on Monday between Dehradun and Delhi.

Features Of Jatropha- Biodiesel

- Jatropha grows well on **low fertility soils**
- Jatropha begins yielding seeds in the **first year** after plantation.



Background

- In order to promote biofuels in the country, a National Policy on Biofuels was made by Ministry of New and Renewable Energy during the year 2009.
- Globally, biofuels have caught the attention in last decade and it is imperative to keep up with the pace of developments in the field of biofuels.
- Biofuels in India are of strategic importance as it augers well with the ongoing initiatives of the Government such as Make in India, Swachh Bharat Abhiyan, Skill Development and offers great opportunity to integrate with the ambitious targets of doubling of Farmers Income, Import Reduction, Employment Generation, Waste to Wealth Creation.
- Biofuels programme in India has been largely impacted due to the sustained and

quantum non-availability of domestic feedstock for biofuel production which needs to be addressed.

Significance

- The flight was a technological demonstration that bio jet fuel can be used in flights. It has the potential to reduce fuel costs by 15-20%.

US to study Kerala flood

Why in News?

- A team of scientists from the U.S.-based Geotechnical Extreme Events Reconnaissance (GEER) Association is coming to Kerala to investigate the impact of the torrential rains that wreaked havoc across Kerala.

Geotechnical Extreme Events Reconnaissance (GEER)

- It is a volunteer organization of geotechnical engineers, engineering geologists, and earth scientists from academia, industry, government organizations, and non-profit organizations
- They respond to geotechnical extreme events, conducting detailed reconnaissance and document observations that so as to obtain valuable perishable information that can be used to advance research and improve engineering practice.

National Science Foundation

- The week-long study is sponsored by the U.S. National Science Foundation (NSF).The National Science Foundation is a United States government agency that supports fundamental research and education in all the non-medical fields of science and engineering.

O-SMART

Ocean Services, Technology, Observations, Resources Modelling and Science (O-SMART)?

- It is an umbrella scheme that encompasses a total of 16 sub-projects addressing ocean development activities such as Services, Technology, Resources, Observations and Science.
- The scheme is piloted by the Ministry of Earth Sciences

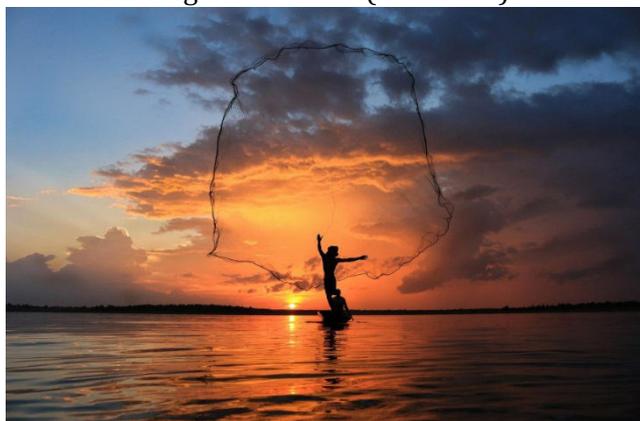
Why in News?

- India is set to get more disaster warning systems along its coasts
- The system is part of a programme called O-SMART (Ocean Services, Technology, Observations, Resources Modelling and

Science) that is being piloted by the Union earth sciences ministry.

Objectives of O-SMART

- As the resources on land are not adequate enough to meet the future demands, India is also embarking on blue economy for effective and efficient use of the vast ocean resources in a sustainable way, which would require a great deal of information on ocean science, development of technology and providing services.
- Further, the coastal research and marine biodiversity activities are important to be continued also in the context of achieving United Nations Sustainable Development Goal-14 to conserve and sustainably use the oceans, seas and marine resources for sustainable development. This has been envisaged under the (O-SMART) scheme.



Significance of O-SMART

- The ocean advisory services and technologies being rendered and developed under the scheme play a pivotal role in the development activities over dozen sectors, working in the marine environment including the coastal states of India, contributing significantly to the GDP.
- The state-of-the-art early warning systems set up for oceanic disasters viz., Tsunami, storm surges, are also providing round the clock services for India and countries of the Indian Ocean, which have been recognized by UNESCO.
- The services rendered under the O-SMART will provide economic benefits to a number of user communities in the coastal and ocean sectors, namely, fisheries, offshore industry, coastal states, Defence, Shipping, Ports etc.
- Implementation of O-SMART will help in addressing issues relating to Sustainable Development Goal-14, which aims to conserve use of oceans, marine resources for sustainable development. This scheme

(O-SMART) also provide necessary scientific and technological background required for implementation of various aspects of Blue Economy.

Siang River

About River Siang

- There is a lot of concern at the international, national and local levels about the geologically and strategically important Siang River that impacts Bangladesh too.
- Siang river, which originates in Tibet, is known as Tsangpo in China.
- It joins Lohit and Dibang rivers downstream to form the Brahmaputra in Assam.

What's in the News?

- Heavy discharge of water from China, the highest in 50 years, is threatening to submerge at least 12 villages along the River Siang in Arunachal Pradesh.

What is the issue?

- Hydrological experts said the “unusually high” discharge indicates sudden release of water from man-made barriers or a natural dam that was formed due to landslips caused by major earthquakes in the Tibetan region of China in November 2017.
- Earthquakes triggered landslides and dammed Tsangpo last year resulting in Siang's water turning muddy, many in India had talked about the sudden collapse of the earthen dam in the future leading to moderate to big flood downstream in Arunachal Pradesh and Assam

Nilgiri Tahr Thriving

Why in News?

- A recent census has revealed that the population of the Nilgiri tahr at the Mukurthi National Park has grown by an impressive 18% in the last two years, from 480 to 568.

About Nilgiri Tahr

- The Nilgiri tahr known locally as the Nilgiri Ibex or simply ibex, is an ungulate that is endemic to the Nilgiri Hills and the southern portion of the Western Ghats in the states of Tamil Nadu and Kerala in Southern India. It is the state animal of Tamil Nadu.

Conservation Status

- Listed in Schedule I of Wildlife (Protection) Act, 1972 and as Endangered on IUCN Red List.

Distribution

- The Nilgiri tahr inhabits the open montane grassland habitats at elevations from 1200 to 2600 m (generally above 2000 m) of the South Western Ghats. Their range extends over 400 km from north to south, and Eravikulam National Park is home to the largest population.
- The other significant concentration is in the Nilgiri Hills, with smaller populations in the Anamalai Hills, Periyar National Park, Palni Hills and other pockets in the Western Ghats south of Eravikulam, almost to India's southern tip.

Threats

- The population also faces several threats researchers point to the continuing spread of invasive species of flora, such as wattle and pine, and exotic weeds like scotch broom (*Cystisus scoparius*) and gorse, which end up diminishing grazing land.

Mukurthi National Park

- Mukurthi National Park (MNP) is a protected area located in the western corner of the Nilgiris Plateau west of the Ooty hill station in the northwest corner of Tamil Nadu state in the Western Ghats mountain range of South India.
- The park was created to protect its keystone species, the Nilgiri tahr.



News in-depth

The Hindu Editorials

Council Conundrum

Why in News?

- The Odisha Cabinet has approved a 49-member Legislative Council, accepting the report of a committee set up in 2015 to study the functioning of the second chamber in other States and make recommendations.

Bicameral Legislature

- A bicameral legislature simply refers to a particular body of government that consists of two legislative houses or chambers.
- The Constitution provides for a Bicameral Legislature at the centre consisting of an Upper House (Rajya Sabha) and a Lower House (Lok Sabha)
- In the states having a bicameral system, the Legislature consists of the Governor, The Legislative Council (Vidhan Parishad) and the Legislative Assembly (Vidhan Sabha)
- At present only seven states have two houses (Bicameral system). These are Andhra Pradesh, Telangana, Uttar Pradesh, Bihar, Maharashtra, Karnataka, and Jammu and Kashmir.

The process of creating an Upper House

- The Constitution provides for abolition or creation of Legislative councils in the states. Accordingly, the Parliament can create or abolish a Legislative council, If the Legislative Assembly of the Concerned state passes a resolution to that effect.
- Such a specific resolution must be passed by the state assembly by a special majority, i.e the majority of the total membership of the assembly and a majority of not less than two-thirds of the members of the assembly present and voting.

Advantages of having a bicameral legislature

- An Upper House provides a forum for academicians and intellectuals, who are arguably not suited for the rough and tumble of electoral politics.

- It provides a mechanism for a soberer and more considered appraisal of legislation that a State may pass.

Main Objections

- Rather than fulfilling the lofty objective of getting intellectuals into the legislature, the forum is likely to be used to accommodate party functionaries who fail to get elected.
- It is also an unnecessary drain on the exchequer. It is estimated that Odisha will have to spend ₹35 crore annually for the Council, the members of which will get salary and allowance as given to the members of the Legislative Assembly.
- Another issue is that graduates are no longer a rare breed, besides the question arises that why should graduates be privileged as people's representatives in a democracy.

The Present Scenario

- The Rajya Sabha's case is different as it represents the States rather than electoral constituencies. It is also a restraining force against the dominance of elected majorities in legislative matters. Legislative Councils are subject to varied and inconclusive discussions around their creation, revival and abolishment.
- Two Bills introduced in the Rajya Sabha in 2013 for establishing Legislative Councils in Assam and Rajasthan are still pending, indicating the lack of support for such a move.
- A parliamentary committee that went into these Bills cleared the proposals but struck a cautionary note. It wanted a national policy on having an Upper House in State legislatures to be framed by the Union government so that a subsequent government doesn't abolish it. It also favoured a review of the provision in the law for Councils to have seats for graduates and teachers.

Powell doctrine: on raising interest rates

Why in News?

- Recently the U.S. Federal Reserve Chairman Jerome Powell, in a speech signaled a gradualist approach to raising interest rates.

Background

- In recent years, the actions of advanced country central banks produce strong impacts on the financial market conditions of emerging market economies like India.
- For example, a possible interest rate hike by the US Fed (the central bank) may bring down stock prices and make the rupee weaker.

Easy Money Policy

- In an Easy Money Policy, the central bank reduces interest rate and expands the money supply. The objective of this strategy is to encourage people to take more loans so that consumption and investment activities are increased.
- If consumption and investment expenditure are increased, it will help economic growth. But on the contrary, often, the availability of funds in countries like the US is taken by the investors to invest in other countries like India where the return is high.

Tight Monetary Policy

- A Tight Monetary Policy or an increase in interest rate by the Fed will increase the overall interest rate structure in the economy as well. The higher interest rate may lead to a higher yield for government securities as well. This will encourage US

investors to invest in the US as the return from the US becomes more attractive.

- The general expectation about the after-effects of the US Fed's rate increase is that significant capital outflows may occur from emerging market economies like India.

Present Scenario

- With the American economy growing at a strong pace, inflation being close to the Fed's 2% target and unemployment at a 20-year low, President Donald Trump has been sharply critical of this approach of raising interest rates since he is worried that rising interest rates could derail the country's economic growth, check the stock market boom and thereby effect his electoral chances.

Fed's Future Policy Direction

- In the future, the interest rate hikes will be gradual. However, it was also hinted that "risk factors abroad" could lead to a change in the Fed's policy stance in the future.

Impact of Fed's Tightening Policy

- The Fed's tightening policy stance has rattled several emerging markets, most notably Turkey and Brazil, which have seen their currencies tank under selling pressure.
- Higher interest rate by the Fed may encourage capital outflow from India-bringing a decline in stock prices and value of rupee. The Reserve Bank of India, has had to raise rates twice in the last few months, in part to defend the rupee.

Article 35A and the Basic Structure

Introduction

- A Delhi-based non-governmental organisation recently filed a petition challenging the special treatment accorded to the state of Jammu and Kashmir (J&K).
- When the drama over Article 35A is mostly political, the matter needs to be looked beyond the interests of political considering the depth of it.

What is Article 35A all about?

- It was inserted into the constitution as a part of bunch of amendments introduced through a Presidential Order in 1954, imposed under article 370.
- It empowers J&K to define who constitutes "permanent residents" of the State.

- Other special rights and privileges conferred on the permanent residents by the government of J&K with respect to the state are-
 - With respect to matters of public employment.
 - Acquisition of immovable property.
 - Settlement in different parts of the State.
 - Access to scholarships or other such aids that the State government might provide.
- Legislation which infringe on one or other of the fundamental rights of the Constitution can be exempted by being scrapped by the State of J&K under this article.

Rocking the Boat

- The recent petition cites the above special features as discriminatory and therefore, Article 35A should be declared unconstitutional.
- The petitioner makes two accusations-
 - Article 35A could not have been introduced through a process outside the ordinary amending procedure prescribed under Article 368.
 - Even assuming that the President possessed this power to introduce outside Article 368, it infringes the Basic Structure of the Constitution.
- Clearly stating this petition deserves absolute dismissal, as it suffers from fundamental flaws.
- But the Court waits for petitioner's argument over how the Article 35A infringes the Basic Structure.
- To dismiss the petition or to forward it to a larger bench of Judges leans heavily on this argument.

Why not to Entertain the Petition?

- The Petition falls short of the following fundamentals.
- Article 368 deals with the powers of the parliament to amend the Constitution and the procedure involved whereas Article 370 grants special autonomous powers to J&K.
- Article 370 is as much a part of the Constitution as Article 368.
- From the words of the drafters of the Constitution, "Kashmir's conditions are special and so it requires special treatment".
- Such special treatment "is one of our commitments to the people and the Government of Kashmir".
- Keeping these in mind, no legislations will be added except with the consent of the Constituent Assembly or the approval of the state of J&K.

Strengthening Article 370

- Verdict of the Supreme Court in the following cases strengthened the above promises made by the drafters of the Article 370.
 - Prem Nath Kaul v. State of J&K in 1959.
 - Sampat Prakash v. State of J&K in 1969.
- The verdicts state that Article 370 of the Constitution has never ceased to be operative.

- There can be no challenge on this ground to the validity of the Orders passed by the President in exercise of the powers conferred by this Article.

Asymmetric Federalism

- Indian constitution establishes a form of asymmetric federalism with some States enjoying greater autonomy over governance than others.
- In its original form, Article 370 provides the following special privileges to J&K –
- Exemption from Constitutional provisions which governs other States.
- Parliament's power to legislate over the State is limited to three core subjects of defence, foreign affairs and communications.
- Parliament could legislate on other areas only through an express presidential order, made with the prior concurrence of the State Government.
- For subjects beyond the Instrument of Accession, further sanction of the State's Constituent Assembly was mandated.
- It granted the President the power to make orders declaring the provision inoperative, but subject to the condition that this authority could be exercised only on the prior recommendation of the State's Constituent Assembly.

Well Settled Law

- Previous benches have already delivered their verdicts on the 1954 Presidential Order.
- It needs to look beyond Article 35A, if the new petition tries to strike the unconstitutionality of the Article 370.
- The disbanding of the Constituent Assembly in 1956, which has to ratify laws passed over J&K by the Parliament, is the only loop hole.
- But with the 1954 presidential order incorporating Article 35A, on the express recommendation of the State's Constituent Assembly has full legal safeguards.
- The extension of India's Constitution subsequent to 1956 thus cannot be annulled.

Fortifying Federalism

- The disbanding of Article 370 has not weakened federalism but strengthened it.
- One of the provisos made under Article 35A makes it clear that the changes made to the Constitution under Article 368 will not mechanically apply to J&K.

- Prior assent under Article 370 makes the article the only way of taking the Indian Constitution in to the state of J&K.
- In Kesavananda Bharati v. State of Kerala, in 1973, SC stated that the powers of amendment under Article 368 are not wide and the basic structure cannot be abrogated.
- This was based entirely on Article 368 and doesn't extend to amendments made under Article 370.

The Larger Picture on GDP Numbers

Introduction

- Gross Domestic Product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.
- The Central Statistics Office's National Account Division is responsible for the calculation of GDP and publishes quarterly estimates of GDP figures.
- The new data on GDP have raised a political storm, with the back series for GDP growth since 1993-94 becoming available.

How is GDP Calculated?

- An economy produces a large number of goods and services, where new ones get added all the time.
- The production of all these items has to be estimated in order to calculate the rate of growth of the economy.
- Requirement of massive data is the complex issue considering the volume of goods and services produced.
- A select set of items is taken to represent the entire production, which raises question about the accuracy of the data generated through it.
- Another problem is with development in technology, older items get replaced by newer ones and so revision of items is necessary.

Base Year Revision

- A base year is used for comparing the measure of business activity or economic index of an economy.
- It takes a year whose growth rate is average compared to its preceding and following years to measure the current and following growth rate of the economy.
- With new items replacing the older ones, older series where 2004-05 was used as base year to calculate GDP was replaced by 2011-12 as the new series in 2015.

Conclusion

- The recent petition has to be seen a tool to further strengthen the traits of Indian federalism.
- Any verdict entertaining the notion that Article 35A is dispensable over the basic structure will impinge the basic tenets of Constitutional interpretation.
- The most solemn promise that lies at the heart of Indian Federation will be damaged.

- New series comes with the question on a host of problems such as comparison of data and growth measurement using the new series for the previous years as well.
- To answer such questions analysts demands a back series whenever a new series is prepared.
- The committee on Real Sector Statistics headed by Sudipto Mundle which has presented its report on the back series was set up for this purpose.

Tedious Task

- Change in the list of items used to calculate growth and a more extensive database called MCA 21 made the new series (2011-12) more difficult to use.
- Despite of availability of MCA 21 from 2006-07, it was stable only from 2010-11.
- So, it was not comparable across years and could not be used to generate the back series.
- The task of the committee was made more difficult due to this and thus it could not mechanically generate the back series.
- The committee had to use a new method which had its own assumption, likely to spark another debate among the experts later.

What Sparked the Debate?

- The rate of growth as per the new series under the National Democratic Alliance (NDA) is faster than the earlier series had shown.
- But the current government's claim of the second United Progressive Alliance (UPA II) government's messing up with the economy was denounced by the current series.
- The rate of growth during the last two years of UPA II was higher than what the old series showed indicating good economic performance under them.

- Also exposed was the fact, the current government inherited a healthy economy, growing at a rate of 8.4% in the second quarter of 2014 from its predecessor.

What does the Date Reveal?

- The rate of growth, after the NDA took over, fell and then rose to a peak of 8.65% in fourth quarter of 2015-16.
- Then it fell for five consecutive quarters to 5.57% by 2017-18 Q1.
- Demonetisation and Goods and Service Tax, the two shocks to the economy had a big negative impact of the rate of growth.
- This is not even captured in the new data, as shocks require change in methodology of calculating growth.
- More and more political traction is due to data showing that the growth under UPA is higher than the current regime.

Political Sluggfest Continues

- The criticism on the methodology has diverted to criticise on how the higher growth was achieved during UPA.
- Faster growth is attributed to the wrong policies of the government like rising fiscal deficit, expansion of bank loans, etc.
- It is justified by rising non-performing assets, twin balance sheet problems, higher inflation and current account deficit during the previous regime and even its continuance now.
- But, this higher growth was on the back of a 38% rate of investment and a 36% rate of savings during economic crisis of 2007-08.
- The 2007-08 crises were global but Indian economy was doing pretty much good, when other economies were reeling low.

Until Dams do us Part

Why in News?

- The tragedy in Kerala has highlighted the dangers of excess water accumulation in dams. India's policy on dams has to be urgently reviewed.

Argument Against Dams

- Dams store millions of tonnes of fresh water in large reservoirs, submerging prime forests, villages, farms and livelihoods. The 4,700 large dams built since 1947 have cumulatively displaced 4.4 million people. This makes dams the single largest cause for displacement post-Partition.
- The argument for dams that they provide drinking water and water for agriculture is

- The above rates under the current regime have reduced to 32% and 30%, respectively.

Shortcomings of the New Series

- The result is biased towards the current period of 2000s.
- The growth rate in the new time series for the earlier part (the 1990s) is lower than in the older series.
- On the other hand, the new time series for the later part (the 2000s) is higher than in the older series.
- It is unable to take the black economy.
- Changes in the unorganised sectors left unaccounted.

Current Slowdown and the New Series

- The crisis of 2012-13 was largely due to international factors and rising oil prices.
- The current slowdown on the other hand is policy induced and international factors are less involved.
- The twin shocks have largely affected the unorganised sector.
- Household savings have declined sharply and the investment climate remains poor with large number of dollars leaving the country.

Conclusion

- The recent debate starting from the need, outcome and efficiency of the new series completely shifted to the political arena.
- With declining savings and outgo of investment from the country, the government might consider leaving the data debate to the experts instead of making it a political one.

today scientifically discredited. Solving the drinking water crisis does not require giant storage structures; these dams take decades to come up and only a fraction of their output is for the household sector.

- Over 85% of them are used in agriculture for producing cash crops such as sugarcane. Dams have displaced the poorest of India's people in favour of richer farmers and urban residents, often with little or no compensation.
- Dams are far more hazardous than any other infrastructure project, except nuclear plants. Even as Kerala and Tamil Nadu have battled over the safety of the 116-year-old Mullaperiyar dam, there are, according to

the India Water Portal, over 100 dams in India which are over a century old, and more than 500 large dams which are 50-100 years old, many of which have major defects and need urgent repair.

- It is also accepted today that dams can trigger seismic events. The reservoir-induced seismicity (RIS) from the weight of the reservoir has resulted in earthquakes in various parts of the country: of the 75 cases of RIS reported worldwide, 17 have been reported from India.

Dam Rehabilitation and Improvement Project (DRIP)

- The objective of the Dam Rehabilitation and Improvement Project for India is to

How Dams Can Control Floods

Why in News?

- In the aftermath of the Kerala Floods, numerous reasons are being cited to account for the tragedy. Experts are of the opinion that there should be space for greater storage of water in reservoirs before the onset of monsoon.

Purpose of Dams

- The world over, dams are constructed mainly for the purposes of irrigation, power generation, and flood control. The role of dams in flood control has always been underestimated.
- Authorities always look to store the maximum amount of water in reservoirs during the monsoon season, which is then used for irrigation and generation of electricity during the summer months.
- It is an internationally accepted practice that the water level of a reservoir should be kept below a certain level before the onset of the monsoon season. This is so that when the monsoon rains come, there is space to store the excess rainwater and also so that water can be released in a regulated manner, thus preventing floods downstream when there is heavy inflow to the dams.
- However, the maximum amount of water is stored in reservoirs even before the close of the monsoon, only to ensure greater electricity generation and irrigation.

Space in Reservoirs

- In order to ensure that the flood control purpose of dams is met, it is important that at least 30% of the storage capacity of dams be kept free before the monsoon. While

improve the safety and operational performance of selected existing dams in the territory of the participating states.

- The project development objective (PDO) will be achieved through rehabilitation and improvement of dams and improvement in central and state-level institutional capacity to sustainably manage dam safety administration and operation and maintenance.

Way Forward

- The immediate task is to critically review every dam in the country, decommission those that are at end-of-life, stop building new ones and establish sound safety protocols.

simultaneously allowing discharge of water, it is possible to increase storage slowly as the monsoon progresses.

Importance of Dams

- Some argue against the existence of dams, but it is an irrefutable fact that dams are useful. We need them for irrigation and electricity generation. However, even if the monsoons fail and dams fall short of water and there is a shortfall in electricity generation, this is not a loss compared to the possible loss of lives in the event of a flood of this magnitude.

Thrust on Policies

- It is time for the government and the public to formulate water management policies for reservoirs in such a manner that dams are used to control floods, not cause them.

Alternative Sources

- In 2015, hydropower generation was only 16.6% of the world's total electricity production. The tendency to hold the maximum amount of water in our reservoirs while ignoring the high risk involved in doing so can be attributed to our over-dependence on hydel projects to produce electricity. Therefore, it is time to think of non-conventional sources for electricity generation such as solar, wind and tidal power.
- The practice of solar power generation in Kochi airport can be copied in similar large-scale projects by other government agencies. The public too should be encouraged to adopt the practice of solar power generation. This will greatly reduce

our dependence on dams for power generation.

Proper Water Management

- At present, the task of dam and water management is vested with the Public Works Department, the Electricity Board, and the Irrigation Department. Even in normal conditions, given contradictory opinions from various departments, it is difficult to implement decisions. Hence, the

Restoring dignity: On the stigma attached to leprosy

Why in News?

Two recent developments with respect to Leprosy-

- One was the introduction of a Bill in Parliament to remove leprosy as a ground for seeking divorce or legal separation from one's spouse, and
- The other was the Supreme Court asking the Centre whether it would bring in a positive law conferring rights and benefits on persons with leprosy and deeming as repealed all Acts and rules that perpetuated the stigma associated with it.

What is leprosy?

- Leprosy, also known as Hansen's disease, is a chronic infectious disease caused by *Mycobacterium leprae*.
- The disease mainly affects the skin, the peripheral nerves, mucosal surfaces of the upper respiratory tract and the eyes.
- Leprosy is known to occur at all ages ranging from early infancy to very old age. Leprosy is curable and early treatment averts most disabilities.

The Global Leprosy Strategy

- In 2016 WHO launched the Global Leprosy Strategy 2016–2020: Accelerating towards a leprosy-free world, which aims to reinvigorate efforts to control leprosy and avert disabilities, especially among children still affected by the disease in endemic countries.

Indian Scenario

- The global leprosy situation has changed significantly over the last four decades after the introduction of multidrug therapy (MDT) in 1982. The programme in India also saw a reduction from a prevalence rate of 57.8/10,000 in 1983 to less than 1/10,000 by the end of 2005 when India declared to have reached the World Health Organization (WHO) target of elimination as a public health problem.
- Despite this Success, India continues to account for 60% of new cases reported

State Dam Security Authority, if competent, should be entrusted with the task of water management in reservoirs and with taking decisions in emergency situations.

- The State government, the State Dam Security Authority and the National Water Commission should all be prepared to take bold decisions together on water management so that there are no such devastating floods in the future

globally each year and is among the 22 "global priority countries" that contribute 95% of world numbers of leprosy warranting a sustained effort to bring the numbers down.

- In India, the National Leprosy Eradication Programme (NLEP) is the centrally sponsored health scheme of the Ministry of Health and Family Welfare, Government of India. While the NLEP strategies and plans are formulated centrally, the programme is implemented by states and union territories (UTs). The programme is also supported by the WHO, ILEP, and few other nongovernmental organizations (NGOs).

The Personal Laws (Amendment) Bill, 2018

It was introduced in Lok Sabha recently. It seeks to amend five Acts. These are:

- The Divorce Act, 1869,
- The Dissolution of Muslim Marriage Act, 1939,
- The Special Marriage Act, 1954,
- The Hindu Marriage Act, 1955, and
- The Hindu Adoptions and Maintenance Act, 1956.

These Acts contain provisions related to marriage, divorce, and separation of Hindu and Muslim couples. Each of these Acts prescribes leprosy as a ground for seeking divorce or separation from the spouse. The Bill seeks to remove this as a ground for divorce or separation.

Supreme Court

- Since last year, the Supreme Court has been hearing a writ petition by the Vidhi Centre for Legal Policy seeking to uphold the fundamental rights of people with leprosy and the repeal of discriminatory laws against them. The court has been approaching the issue with sensitivity and is seeking to find legal means to ensure a life of dignity for them.

Way Forward

- The Personal Laws (Amendment) Bill, 2018, is only a small step. An affirmative

action law that recognises the rights of those affected and promotes their social inclusion will serve a larger purpose.

- It may mark the beginning of the end to the culture of ostracisation that most of them face and help remove misconceptions about the disease and dispel the belief that physical segregation of patients is necessary
- The 256th Report of the Law Commission came up with a number of suggestions, including the repeal of discriminatory legal

Toxic silence

Why in News?

- Reports on sexual harassment within labs and research institutes are not adequate.

What is Sexual Harassment?

Sexual harassment includes such unwelcome sexually determined behaviour (whether directly or by implication) as:

- Physical contact and advances;
- A demand or request for sexual favours;
- Sexually coloured remarks;
- Showing pornography;
- Any other unwelcome physical verbal or non-verbal conduct of sexual nature.

Thus, sexual harassment need not involve physical contact. Any act that creates a hostile work environment - be it by virtue of cracking lewd jokes, verbal abuse, circulating lewd rumours etc. counts as sexual harassment.

Steps taken by the Govt:

Vishakha Guidelines

- The Vishakha Guidelines were a set of procedural guidelines for use in India in cases of sexual harassment. They were promulgated by the Indian Supreme Court in 1997 and were superseded in 2013 by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- In Vishakha and others v State of Rajasthan case in 1997, regarding sexual harassment at workplace. The court stated that these guidelines were to be implemented until legislation is passed to deal with the issue.
- The court decided that the consideration of "International Conventions and norms are significant for the purpose of interpretation of the guarantee of gender equality, right to work with human dignity in Articles 14, 15 19(1)(g) and 21 of the Constitution and the safeguards against sexual harassment implicit therein.

provisions. It listed for abolition personal laws and Acts on beggary.

- The report cited the UN General Assembly resolution of 2010 on the elimination of discrimination against persons with leprosy.
- The resolution sought the abolition of laws, rules, regulations, customs and practices that amounted to discrimination, and wanted countries to promote the understanding that leprosy is not easily communicable and is curable.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Internal Complaints Committee and Local Complaints Committee

- The Sexual Harassment Act requires an employer to set up an Internal Complaints Committee (ICC) at each office or branch having more than 10 employees of any gender.
- The government is in turn required to set up a Local Complaints Committees (LCC) at the district level to investigate complaints regarding sexual harassment from establishments where the ICC has not been constituted on account of the establishment having less than 10 employees or if the complaint is against the employer.
- The Sexual Harassment Act, 2013 also sets out the constitution of the committees, process to be followed for making a complaint and inquiring into the complaint in a time-bound manner.

Interim Reliefs

The Sexual Harassment Act empowers the ICC and the LCC to recommend to the employer, at the request of the aggrieved employee, interim measures such as-

- transfer of the aggrieved woman or the respondent to any other workplace; or
- granting leave to the aggrieved woman up to a period of three months in addition to her regular statutory/ contractual leave entitlement.

In addition to ensuring compliance with the other provisions stipulated, the Sexual Harassment Act casts certain obligations upon the employer to-

- Provide a safe working environment
- Display conspicuously at the workplace, the penal consequences of indulging in acts that may constitute sexual harassment and

the composition of the Internal Complaints Committee.

- Organise workshops and awareness programmes at regular intervals for sensitizing employees on the issues and implications of workplace sexual harassment and organizing orientation

Challenges at BIMSTEC

Why in News?

- The Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC) to be held in Kathmandu will be another milestone for India after the BRICS-BIMSTEC Outreach Summit hosted by it in 2016.

About BIMSTEC

- The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a regional organization comprising seven Member States lying in the littoral and adjacent areas of the Bay of Bengal constituting a contiguous regional unity.
- This sub-regional organization came into being on 6 June 1997 through the Bangkok Declaration. It constitutes seven Member States: five deriving from South Asia, including Bangladesh, Bhutan, India, Nepal, Sri Lanka, and two from Southeast Asia, including Myanmar and Thailand.

Objective

- The objective of building such an alliance was to harness shared and accelerated growth through mutual cooperation in different areas of common interests by mitigating the onslaught of globalization and by utilizing regional resources and geographical advantages.
- Unlike many other regional groupings, BIMSTEC is a sector-driven cooperative organization. Starting with six sectors—including trade, technology, energy, transport, tourism and fisheries—for sectoral cooperation in late 1997, it expanded to embrace nine more sectors—including agriculture, public health, poverty alleviation, counter-terrorism, environment, culture, people to people contact and climate change—in 2008.

Significance

- The regional group constitutes a bridge between South and South East Asia and represents a reinforcement of relations among these countries. BIMSTEC has also established a platform for intra-regional

programmes for members of the Internal Complaints Committee

- Treat sexual harassment as a misconduct under the service rules and initiate action for misconduct.
- The employer is also required to monitor the timely submission of reports by the ICC.

cooperation between SAARC and ASEAN members.

- The BIMSTEC region is home to around 1.5 billion people which constitute around 22% of the global population with a combined gross domestic product (GDP) of 2.7 trillion economy. In the last five years, BIMSTEC Member States have been able to sustain an average 6.5% economic growth trajectory despite global financial meltdown.

BIMSTEC's Rise to Prominence

- Stagnation of SAARC -A key reason for India to reach out to its BIMSTEC neighbours has been the stagnation of the South Asian Association for Regional Cooperation (SAARC). This limited both the scope of India's growing economic aspirations as well as the role it could play in improving regional governance.
- Two recent instances underscore its failed attempts. At the 18th SAARC Summit in Kathmandu, in 2014, India proposed the SAARC Motor Vehicles Agreement. However, this could not progress due to resistance from Pakistan. This compelled Bangladesh, Bhutan, India, and Nepal (BBIN) to sign the BBIN Motor Vehicles Agreement in 2015.
- Pakistan opted out of the ambitious SAARC Satellite project proposed by India, leading to a change in its name to the South Asia Satellite.
- Linking South Asia-The main motivation for India to push BIMSTEC is not Pakistan; rather, it is in the country's interest to ensure that the region does not lag behind and that an unstable neighbourhood does not drag its growth. India's desire to link South Asia to the economically dynamic Southeast Asia is also part of this strategy.

Challenges

- **Funding**-India is currently the largest contributor to the BIMSTEC secretariat's budget. With the Secretariat planning to strengthen its capacity by increasing human resources and the number of

officials representing each member state, India may need to consider allocating more resources.

- **Internal Politics**-Another issue would be for India to counter the impression that BIMSTEC is an India-dominated bloc, a problem that it faced for a long time in SAARC. To moderate such suspicions, India will need to show sensitivity to the concerns of smaller neighbours.
- **China Factor**-Another strategic challenge for India is that China has long desired to be part of the SAARC grouping. Some SAARC

members also have their own interests in bringing China into the equation: they want it to balance India's dominance. China has observer status in SAARC. When this was given, it only increased the demand to make China a full member of SAARC.

- **Regional Politics**-India will have to carefully navigate the emerging regional geopolitics, as many of the elements that made SAARC hostage to political rivalry and turned it into a defunct mechanism can re-emerge in BIMSTEC.

Power play: On troubles of the power sector

Why in News?

- The Allahabad High Court recently dismissed a plea from private power producers seeking relief from an RBI diktat to banks to take cognisance of a stressed loan if repayments were missed even by a day.

Background

- Across the banking system, about 70 firms with loans of around ₹3.8 lakh crore outstanding are expected to face insolvency proceedings. Thirty-four of the troubled accounts are from the power sector and constitute nearly 54% (or ₹2.02 lakh crore) of banks' exposure in these cases, according to the credit rating agency ICRA.
- In a bid to hasten the resolution of bad loans, the RBI on February 12 abolished half a dozen loan restructuring schemes and instead provided for a strict 180-day timeline for banks to agree on a resolution plan in case of a default or else refer the account for bankruptcy.
- The High Court on May 31 stayed the February 12 RBI circular on companies other than willful defaulters and directed the Finance Ministry to hold a meeting of all stakeholders on resolutions.

The issue with the Power Sector

- According to industry estimates, the stressed assets in the power sector are over 40 GW.
- Fuel shortages due to the cancellation of coal block allotments or lack of supply linkages;
- The absence of power purchase agreements signed by State discoms; and
- Cost overruns due to delayed clearances.

The Standing Committee on Energy (Chair: Dr. Kambhampati Haribabu)

Key Observations were as follows-

- Stressed assets in power sector: As of June 2017, NPAs in the electricity sector amounted to Rs 37,941 crore. The Committee looked at 34 thermal power projects that have turned into stressed assets. These have a capacity of 40 GW. Reasons for financial stress in these thermal power projects include:
 - Non-availability of fuel (coal),
 - Lack of enough power purchase agreements (PPAs) by states,
 - The inability of the promoter to infuse equity and working capital,
 - Tariff related disputes,
 - Issues related to banks, and
 - Delays in project implementation leading to cost overruns.
- The Committee noted that currently in the power sector, delays in fulfilment of debt obligation even by a day leads to the asset (power project) being de-rated. As the rating goes down, banks start charging penal interest instead of supporting the asset. The Committee recommended that to classify assets as NPAs and consequent action, banks should consider factors that are responsible for an asset becoming an NPA and help it not become an NPA.
- The Committee also noted that banks have not observed due prudence while considering loans for power projects. It recommended that the process of grant of loan, supervisory mechanism and its subsequent monitoring should be revisited. Further, RBI should advise all commercial banks to follow the credit rating system proposed by the government to assess the credit risk of infrastructure companies and prescribe risk weight accordingly.

Way Forward

- The Finance Ministry can consult RBI as per the provisions of Section 7 of The Reserve Bank of India Act, 1934. As per the Act "the Central Government may from time to time give such directions to the Bank as it may, after consultation with the Governor of the Bank, consider necessary in the public interest."
- The Finance Ministry could ask the RBI to provide 180 days for resolution of stressed power projects with a view to avoiding potential value erosion of operating plants.
- The Parliamentary Committee recommended that an additional 180 days beyond the timelines prescribed under RBI's February 12 circular may be allowed to commissioned power projects which have been commissioned before February 12 or have not been referred to NCLT.
- There is a need to steer stalled big-ticket investment projects out of regulatory

landmines, through various steps including an overhaul of the process for coal block allotments and the UDAY scheme to rev up State discoms' finances.

- The Standing Committee on Energy observed that development in the power sector has not been balanced. While delicensing generation helped increased generation activities, the other segments (transmission and distribution) have not been given much attention.
- The Electricity Policy does not look into the issues around clearances, land acquisition, the continuance of old and inefficient plants, instability in FSA policies, and other regulatory challenges and delays. It recommended revisiting the Policy to address such issues being faced by the sector.

Pieces of the Asian Dream

Introduction

- With rising ambitions of India to play a significant role in South Asia and the Global arena, its policy towards its neighbours and other countries needs course correction.
- This year has so far been tremendous in resetting strained relations with China and closer connections with some other East Asian countries.

Was India Moving in the Right Direction?

- Towards china, India's action at the following sparked a lot of analysis as to what kind of strategic positioning India is heading itself.
 - The informal summit at Wuhan in April
 - PM Modi's keynote speech at the Shangri-La Dialogue in Singapore in June
 - Shanghai Cooperation Organisation (SCO) Summit in June at Chinese port city of Qingdao
- This is important at a time when China and U.S. are caught up in a geopolitical rivalry in the Asia-Pacific.
- But India's greater ambition raised the doubt of what kind of strategic policy it will take.

India's Greater Ambition

- In Singapore, at the Shangri La Dialogue, Modi's speech revealed India's greater ambitions in the Indo-Pacific region by engaging in the following-

- Increasing engagement with the Association of Southeast Asian Nations (ASEAN)
- Developing friendship with China
- Maintaining cordial ties with Russia
- Pursuing interests with Australia
- Engaging more with U.S

Tug of Power

- Power tussle between India and China continues to impact sea lanes and chokepoints as the two countries eye on littoral states spread across the Indo-Pacific.
- India pursues influence through heightened diplomatic, bilateral and military engagement.
- China on other hand started influencing through hard investments in cash-strapped littoral nations suffering from massive infrastructural deficits.
- The heavy investments by China have brought the ASEAN nations closer to its influence where despite an international ruling against its activities in the South China Sea (SCS), the ASEAN as a bloc agreed to cooperate with China.

China, at the Driver Seat

- On certain ASEAN countries like Cambodia, its influence is huge.
- During the 2016 ASEAN ministerial meeting, Cambodia refused to endorse the

join communiqué if it referred to the International Court ruling against Beijing.

- China is Cambodia's largest provider of foreign aid and has invested in dams, oilfields, highways, textile operations and mines.
- When U.S. legislators blocked the sale of about 26,000 M4 rifles, Beijing provided rifles and guns worth \$11 million to fight against extremists in the city of Marawai.
- China's growing power over ASEAN with its money and military presence outshines India's diplomatic route to garner support in Indo-Pacific region.
- In trade, China surpasses India over ASEAN with Chinese foreign direct investment in ASEAN being 9 times higher than India.

Chinese Over-presence in South Asia

- Failure to address the concerns of its immediate neighbourhood like Nepal and Sri Lanka undermined India's regional leadership.
- China with its multibillion dollar investments in Sri Lankan ports and cities have inched the country much closer.
- Sri Lanka handed over its Hambantota port to China on a 99-year lease last year.
- Also, under its Belt and Road Initiative (BRI), China has over the years promised billions to littoral states in the Indian Ocean Region.
- Resource constrained India on the other hand faces uphill task in matching China.

India's Footprint on Indo-Pacific

- Annoyed by the open aspirations to control the region, many countries in East and Southeast Asia seek friendship with India which promises a safe ally for a long run.
- Indonesia and Singapore are looking to strengthen their ties with India.
- With a sizeable Indian Diaspora in Singapore and Malaysia and a shared cultural affinity, religious diversity and ancient ties, ASEAN is still in warm relations with India.
- After the U.S., India enjoys global soft power through its art, literature, music, dance and cinema.

Easing Tensions: On U.S. -Mexico Deal

Introduction

- Trade war is the current ongoing crisis which the global economies face, started a few years ago.

- Japan has increased its engagement with India which now enjoys robust military ties.
- India and Australia have initiated the '2+2' dialogue signalling Australia's interest in deepening a maritime security with India.

The Big Reset

- India can strike a better balance with China by participating in BRI.
- China cannot take forward the BRI without participation from India, which has reservations on the China-Pakistan Economic Corridor (CPEC).
- India can positively influence China to re-evaluate the details of CPEC by showing willingness to join the BRI.
- Interests of India in the regional groupings like Bay of Bengal initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and Bangladesh, Bhutan, India and Nepal initiative (BBIN) can be better served with a strategic Chinese partnership.
- The recent renewal of data sharing on cross-border flow of waters from the Brahmaputra during the flood season, during the SCO summit is a positive sign.
- Also, the two countries signed a protocol which enables India to export all rice varieties to China, a demand pressed by India to rectify its adverse balance of payments against China.
- A trade target of \$100 billion by 2020 suggested by Chinese President is nothing but a thaw in relations.

Conclusion

- India cannot match China's resource spending and has to develop a strategy to leverage its soft power and optimise its military power to effectively counter China's cash and hard power.
- By outlining its geopolitical role in the Indian Ocean region and in the Indo-Pacific region, India is clearly seeking its rightful place among the Super Powers.
- With limited resources, the kind of strategy India is going to take is the question in the mind of experts in outplaying an aggressive and assertive China.
- With economies leaning towards Protectionism to save their domestic industry, the result is inevitably a distortion in Global Trade.

- The United States administration under Mr. Donald Trump is aggressively following this policy to protect the interests of U.S.

Trade War

- An economic conflict in which countries impose restrictions on each other in order to restrict the imports from each other.
- Barriers in terms of tariff and non-tariff are created for the purpose of restricting imports from other countries.
- Tariff barrier includes import tariff or tax, export tax, ad valorem duty, countervailing duty, anti-dumping duty and so on.
- On the other hand, non-tariff barriers include quotas, embargoes, sanctions and other restrictions such as quality control.

U.S Sparks Economic Tensions

- Under the current administration, Mr. Donald Trump had created a major havoc with almost all the major economies and blocs creating trade distortions.
- In the recent years, the trade relations of U.S. with China, European Union, threatened to pullout from WTO and many more.
- On March 7, 2018, U.S. announced 25% tariff on imports of steel and aluminium from China.
- China countered by threatening to impose duties on \$3billion worth U.S. products, announcing tariff up to 25% on imports of food including frozen pork, wine and some fruits on April 1,2018.
- The spate of events almost created global economic tensions and an unsettled global market.

U.S –Mexico Deal

- The U.S. and Mexico on Monday reached a breakthrough bilateral trade agreement replacing the decades-old North American Free Trade Agreement (NAFTA).
- The breakthrough is after Mexico agreed to the concessions demanded by the U.S. that is 75% of all automobile content must be made regionally.
- The current level stands only at 62.5% heavily benefitting the U.S.
- 40-45 % of such content must be manufactured using labour that costs at least \$16 an hour.
- This will discourage the manufacturers in U.S. from moving their facilities to Mexico, where rate of labour is cheaper than U.S.

Signs of Hope

- In June, President Trump stated that he might enter in to separate trade agreements with Canada and Mexico.
- The above deal with Mexico comes in the aftermath of this statement effectively ending NAFTA.
- U.S. also invited Canada to join talks for a renegotiation of trade terms in favour of U.S. interests.
- The market reaction for his statement was positive with the Nasdaq Composite Index and the Dow Jones Index performing brightly.
- This reaction was probably a relief, riding on hopes that tit-for-tat tariff war between the U.S. and its trade allies could end soon.

Setting an Example

- Mexico had earlier joined hands with other economies such as Canada, China and the European Union to impose retaliatory tariffs against the U.S.
- Current stand of Mexico could set an example for other countries which have engaged in trade war against the aggressive policies of U.S.
- U.S. protectionist trade policy, including the current deal with Mexico which increases restriction on cross-border trade, is harmful to the global economy.
- But the best way to win the trade war against the U.S. may simply be to accept “defeat” by refusing to double down on retaliatory tariffs.

Retaliatory Tariffs

- A tax that a government charges on imports to punish another country for charging tax on its own exports
- China has been forefront on slapping retaliatory tariffs on several goods of the U.S., worth billions of dollars.
- Retaliatory tariffs can only cause further harm to the world economy by increasing the burden of taxes on the private sector, which is crucial to increase growth and create jobs.
- The right response to the current ongoing trade war is to abstain from any mutually destructive tit-for-tat tariff wars.

Conclusion

- The recent events occur as a breakthrough giving some respite to the tensions of trade war.
- Simultaneous peace talks are also necessary in order to strengthen global trade and bilateral relations.

Money Money Money: on demonetisation

Why in News?

- The Reserve Bank of India's annual report for 2017-18 reveals that 99.3% of currency notes that were demonetised at midnight on November 8, 2016, have returned to the banking system.

Demonetisation

- Demonetisation is a radical monetary step in which a currency unit is declared as an invalid legal tender.
- This is usually done whenever there is a change in the national currency of a nation.
- Such a step is especially taken to curb the menace of counterfeiting, black money and money laundering.
- On November 8, 2016, it was announced that Rs 500 and Rs 1000 denomination notes will become invalid.
- It had a wide impact as it caused the withdrawal of nearly 86% of the currency in circulation in India's high currency using economy.

RBI Report

- The Reserve Bank of India's annual report for 2017-18 reveals that 99.3% of currency notes that were demonetised at midnight on November 8, 2016, have returned to the banking system. This is only marginally higher than its provisional estimate last year that over 99% of the currency that was in circulation at the time had been deposited by June 30, 2017.
- Firstly, this indicates that the assumption that a large chunk of unaccounted money would not return to the system, was not accurate.
- As a result, the plan to transfer the arising surplus from the RBI to the Centre, which

The shale gas challenge

Why in News?

- On August 1, 2018, the Central government approved a far-reaching policy that allows private and government players to explore and exploit unconventional hydrocarbons (including shale gas) in contract areas that were primarily allocated for extracting conventional hydrocarbons.

About Shale Gas

- Shale gas & oil is defined as natural gas & oil from shale formations. The shale acts as both the source and the reservoir for these unconventional hydrocarbons. Older shale wells were vertical while more recent wells are primarily horizontal and need artificial

was not formally declared but strongly rumored, will not be possible.

- Secondly, given the sheer logistical difficulty in penalising all those who converted unaccounted money into legal tender, demonetisation worked as an unintended amnesty scheme.

Benefits of Demonetisation

- The number of income tax returns filed has increased. It has strengthened the tax enforcement mechanism. Demonetisation helped to add more people into the tax net.
- Cashless modes of payment have become more common, demonetization encouraged people to embrace digital methods.
- Demonetisation has reduced the informal economy, With the increased use of digital payments, economic transactions become recorded. Along with the highly digital documented GST, India's informal sector is getting absorbed into the formal economy.

Demerits of Demonetisation

- It has led to a decline in economic activities and thus contributed to low GDP growth for at least couple of quarters.
- The unorganized sector daily wage earners and other low-income groups have suffered from income fall during the demonetisation period.
- Businesses like the textile industry, salons, restaurants, and seasonal businesses are low capital enterprises and work on the basis of liquidity preference. Demonetisation gravely impacted their revenue collection and threatened their existence to an extent.

stimulation, like hydraulic fracturing, to produce. Only shale formations with certain characteristics will produce gas and oil.

- The Government of India has carried out studies through various national and international agencies for the identification of shale oil and gas resources in the country. Based on the data available from conventional oil/gas exploration in the country for the last so many years, the country holds promising reserves of Shale Gas & Oil resources and the following sedimentary basins are considered

prospective from Shale oil and gas point of view:

- Cambay Basin
- Gondwana Basin
- KG Basin
- Cauvery Basin
- Indo-Gangetic Basin
- Assam & Assam-Arakan Basin.

Shale Gas Extraction

- Hydraulic fracturing – commonly known as fracking – is the process used to extract shale gas. Deep holes are drilled down into the shale rock, followed by horizontal drilling to access more of the gas reserves, as shale reserves are typically distributed horizontally rather than vertically.
- Unlike conventional hydrocarbons that can be sponged out of permeable rocks easily, shale gas is trapped under low permeable rocks.
- Fracking fluids containing sand, water and chemicals are then pumped at high pressure into the drilled holes, to open up fractures in the rock, enabling the trapped gas to flow through the fractures into collection wells. From there it is piped away for commercial use. Recovery rates for shale gas are much lower than for conventional gas.

Major Concerns

- The process of Shale Gas extraction requires around 5 to 9 million litres of water per extraction activity, posing a daunting challenge to India's freshwater resources.
- Directorate General of Hydrocarbons (DGH) issued a guideline on environment management during shale gas extraction, However, the guideline falters and states that these challenges will be dealt while granting environmental clearances as per the Environment Impact Assessment (EIA)

Foreign Aid and Pride

Introduction

- The ongoing crises in Kerala due to heavy rains causing worst floods in the State in close to a century has led to the debate on policy revision of the Centre.
- New Delhi's unwillingness to accept foreign aid reflects poor judgement, bad vision and goes against the spirit of co-operative federalism.
- The Central government recently declined offers of humanitarian aid from the United

process. The EIA process, however, does not differentiate between conventional and unconventional hydrocarbons.

- A recent study from Duke University observes that from 2011 through 2016, the water use per well in the U.S. increased up to 770% resulting in some shale wells consuming up to 42 million litres of water per well. The study further conveys that over a period of time, the usage of water dramatically increases for extracting the same amount of shale gas from a well. The importance of clarity in water usage and the place of shale gas extraction in India is linked directly with the water requirements of priority sectors like agriculture.
- Shale rocks are usually adjacent to rocks containing useable/ drinking water known as 'aquifers'. As noted by U.S. Environmental Protection Agency in 2017, while fracking, the shale fluid could possibly penetrate aquifers leading to methane poisoning of groundwater used for drinking and irrigational purposes
- Indian households and irrigation thrive on groundwater. Implementation of the fracking processes without a consultative thought through process, especially on 'water usage policy', may result in larger issues including water stress, contamination of groundwater, and related health hazards.

Way Forward

- We should not miss the opportunity to comprehensively regulate the fracking process for a sustainable shale gas exploration in India. As a first step, a sector-specific EIA manual on exploration and production of unconventional hydrocarbon resources may be a good idea.

Arab Emirates and other countries for Kerala.

The Big Question

- With the current government's adversarial attitude towards foreign funded NGO is well exhibited, the present decision to decline foreign aid does not fits to a rising power.
- The government's response to the denial is simply sticking itself to the past policy of its predecessors.

- But a set of arguments are made by the offices' and policy makers who support the government's informal decision.
- The merit of such arguments needs to be analysed and are as follows.

Policy Precedent

- The strongest and the primary argument for refusing foreign aid are directed towards the past practice and not a policy.
- In the wake of tsunami in December 2004, Dr. Manmohan Singh, Prime Minister during that period, stated that "We feel that we can cope with the situation on our own and we will take their help if needed."
- Avoiding foreign aid during natural calamities after this statement is because the government has been confident of "coping with the situation" using internal sources.
- The 2004 statement by Dr. Singh was a political directive and not a legal directive or policy document.

Door Kept Open

- His statement did not close the door to external aid as he mentioned that, "we will take their help if needed."
- Since 2004, various policy documents have directly and indirectly suggested that government may accept foreign aid during emergencies.
- The National policy on Disaster Management of 2009 and the Disaster Management Act of 2005 are positively inclined towards coordinating with external agencies and institutions for disaster relief.
- The 2009 document even argues that "disasters do not recognise geographical boundaries."
- The 2016 National Disaster Plan states, "If the national government of another country voluntarily offers assistance as a goodwill gesture in solidarity with the disaster victims, the Central Government may accept the offer."
- In short, the question is whether the situation in Kerala can persuade the Centre to consider the word "may accept foreign aid" in a generous manner.

National Pride

- The time we were forced to go abroad begging for aid had been over and we can look after ourselves is the next argument factored around National Pride.
- India is not a poor country any longer and hence it does not need anyone's charity.

- This argument, despite its emotional appeal, is misplaced at several levels.
- Only poor states accept foreign aid in times of natural disasters is a serious misconception which has examples even involving India in the past.
- India's offer of aid was accepted by the U.S. in the wake of Hurricane Katrina in 2005.
- Similarly, China after the 2008 Sichuan earthquake accepted India's aid.
- Countries reeling under natural calamities routinely accept emergency aid from other countries irrespective of their money power.

Self-sufficiency

- To manage the needs of the country with its domestic resources in dealing with ravages of natural disaster is the third argument against foreign aid.
- One important concern is the need to make a distinction between foreign aid during normal periods and emergency humanitarian and reconstruction assistance.
- By providing only a fraction of the emergency and reconstruction assistance instead of the sum requested by the State Government of Kerala, the self-sufficiency factor is blown away.

Strings Attached

- Foreign aid always comes with certain amount of conditions and developmental assistance in the past from the Western nations or the World Bank is a clear proof to that.
- This is the fourth argument stated to decline the foreign aid and humanitarian assistance.
- Demands of economic restructuring or resetting governance priorities, and change in foreign policy are some of the strings attached to the foreign aid.
- But there is a fundamental difference between such funding and humanitarian assistance provided during natural disasters.
- Abu Dhabi's intention to aid Kerala is clear with a major Malayali population in its country which has been crucial in its development.

Fear of Foreign Aid?

- The deep fear displayed by successive governments in New Delhi about the 'foreign hands' constantly trying to undermine the Indian state is primary reason to decline such aids.

- Over the years this has increased where the Foreign Contribution (Regulation) Act (FCRA) licenses of thousands of NGOs were cancelled depriving them of foreign funding.
- The irony is the New Delhi despite cancelling foreign funding on the above terms it recently amended the FCRA to allow foreign funding of political parties.

Money Won't Bring Relief

- Airdropping of monetary aid alone does not help the reconstruction of disaster affected areas which also requires a capable and effective administrative machinery to carry out those.
- The Fifth argument is that, monetary aid without a focus on governance capacity building is useless or could even make the situation worse.
- In the case of Kerala which happens to be one of India's best governed States, this argument doesn't have any relevance.
- Monetary assistance is the need of Kerala and not lessons in governance.

Trade War Marathon

Introduction

- The magnitude of the ongoing "trade war" between the U.S. and the China has been on the rise creating global tensions.
- China's leaders have expressed confidence in countering the political storm which apparently targets President Xi after his counterpart Mr. Trump unleashed a full-blown trade war against Beijing.

Is China Making a Wrong Move?

- Many Chinese leaders believed that instead of a tit-for-tat tariff war, China should have tactically surrendered to U.S.
- Opening up the market to favour additional U.S. products is one the main demand of the Trump administration.
- Aggressive reaction of China over Washington's main accusation of "stealing" cutting-edge intellectual property from American high-technology firms should have been avoided.
- Instead China could have successfully saved the masterstroke of her Made-in-China 2025 blueprint, the plan for digital manufacturing, which requires high-tech hardware including advanced computer chips from U.S.

Made-in-China -2025

- A 10-year national plan announced in 2015, to enhance its competitiveness in the

Dent at the Federal Character

- The unilateral decision not to let humanitarian assistance to reach a needy State is against the spirit of Federalism.
- Such crucial decisions considering the magnitude of the disasters should be taken after consultations with the States involved.
- Large population, geographical phenomena and the collateral effect it has on its neighbouring states should all be considered enhancing the federal cooperation.

Conclusion

- Seeking or receiving regular foreign aid is not the question in focus now or never.
- But accepting foreign aid in times of humanitarian emergency, as do several countries, including the U.S., China and Japan is necessary.
- Evolving sensible, practical and empathetic guidelines on receiving emergency aid for the federal units in times of dire need is needed of the hour.

manufacturing sector to boost its economic growth.

- The blueprint of the plan is designed to transform China from a manufacturing giant into a world manufacturing power.
- It was China's first action plan in that period focussing on promoting manufacturing amid continued slowdown of the economy.
- The plan will be followed by another two plans in order to transform China into a leading manufacturing power by the year 2049, which marks the 100th anniversary of the founding of the People's Republic of China.

The Lie-Low Approach

- Adopting the lie-low approach mastered by Deng Xiaoping may have also allowed advanced technology to flow into China through straightforward acquisition of select American firms.
- "Keeping a low profile" is the phrase used by Deng Xiaoping, paramount leader of People Republic of China, as part of a famous description of China's foreign policy.
- It means observe calmly, secure our position, cope with affairs calmly, hide our capacities and bide our time, be good at

maintaining a low profile and never claim leadership.

- Keep a low profile is not a trick, but an expression of a particular approach to indicate strategic use.
- By using a non-confrontational approach, China could have safeguarded its critical plan to escape the middle-income country tag through the Made-in-China route.

Beidaihi Conclave

- Beidaihi is an exclusive coastal retreat in Beijing's neighbouring Hebei province.
- Once a year, China's present and former leaders seal themselves for nearly two weeks in this isolated seaside resort.
- The result is secretive, no-holds-barred brainstorming, where the current leaders respectfully listens and often imbibes the advice given on all critical issues of governance by the previous generation.
- Mr. Xi's vision, current policies and highly personalised leadership style and the ongoing trade war all may be topics of discussion in the next conclave.

Not a Trade War but Cold War

- Since the last Beidaihi Conclave, the Communist Party of China has asserted the following-
- The Trump administration's trade war was not a commercial assault but a direct warning to the China's rise in the global stage.
- Instead of a trade war, it remains more of a cold war.
- So whatever tactical moves China takes, it is not going to shift U.S. focus from undermining China.

Conclusion

- The real motive behind the so called "Trade war" on China by U.S. may be to undermine rising China or to protect the interests of the United States.
- The Chinese Government seems to have arrived at the fair conclusion that containing China was the core reason of the trade war.
- China has no option but to move ahead with a long geo-economic campaign against the U.S.

RSTV Corner

THE BIG PICTURE: Falling Rupee-Surging Markets

Why in News?

- Recently the rupee hits its all-time low against the dollar as it breaches the historical 70 mark.
- This has been a continual affair since April when the rupee started to depreciate sharply and on the other hand US Dollar was moving to a stronger position.
- The Finance Ministry has blamed “**external factors**” for the rupee’s fall; Economic Affairs Secretary Subhash Chander Garg said Tuesday that the external factors may ease going forward and that there was “nothing at this stage to worry”.

Causes of Depreciation

- The US Federal Reserve’s rate hikes have made dollar assets give more returns thereby making emerging market assets look less appealing.
- Higher crude oil prices.
- Escalation of a global trade war especially US-China trade war.
- High import intensity in some key segments like petroleum and gems and jewellery.
- Turkey’s currency crisis has been the trigger for fresh selling across emerging markets, and the rupee has reacted sharply.

How it affects you?

- The weakening of currency makes the imports costlier.
- Rising crude oil prices will further increase the retail fuel prices which eventually lead to higher transportation charges and inflation.
- It will be costlier for students studying in overseas universities as this is the time when they purchase dollars towards fees.
- The importers of capital goods will face a great setback as the price increases rapidly.
- The gems and jewellery industry will face a major drawback because of this effect.
- The domestic tourism could grow as more tourists visit India since their currency now buys more here.

Effect on Exports

- The exporters will face a major relief as the goods are said to be exported in a large extent.

- In the medium term, export-oriented industries may also create more jobs.
- Increased exports are not just about the value of the currency, but are also heavily determined by factors like quality and productivity.
- The traditional view is that depreciating currency will boost export competitiveness and set in a demand for Indian produce.
- But significantly, most other competing currencies (like Vietnam) are also weakening currently, thereby eliminating the currency advantage.
- For example, in textile sector, India’s share of exports to U.S. growing just 1% between FY 12-18 from 6.5% to 7.5%.
- While Vietnam’s exports to US increased over 5%, from 7% to 12% during the same period.
- The most important point here is , during the above mentioned years, Vietnam’s Dong depreciated just about 10% while Indian Rupee fell around 30%.

Way Forward

- The government must make sure that the FII(foreign institutional investment),FDI(foreign direct investment) must flow into the economy as promised earlier in various investor summits.
- Providing infrastructure and local support to the investors and make them to feel Indian as a great investment hub.
- Over a longer period, reducing dependence on imports and attracting consistent foreign direct investment through friendly policies may make the currency less vulnerable to external shocks.
- Making government bonds available to non-resident investors will also increase the inflow of dollars in to the country and help contain the CAD, and in turn, the depreciation of rupee.
- As India's central banking institution and monetary policymaker, RBI must take necessary steps to contain depreciation of rupee.
- Nationalism must be differentiated with economics. Following rigid protectionist policy and curbing all the imports will affect the nation in a longer run.

THE BIG PICTURE: Fake News-The Fix

What Is Fake News?

- **Fake news** is a type of yellow journalism or propaganda that consists of deliberate misinformation or hoaxes spread via traditional print and broadcast news media or online social media.
- Fake news is written and published with the intent to mislead in order to damage an agency, entity, or person, and/or gain financially or politically

New Age Crimes

- Fake news has been the foundation for various criminal activities such as **lynching, mob attacks, attack by cow vigilantes, hatred against other community** etc
- Child pornography and Terrorism has been the key benefiter of this fake news scenario.
- Since large part of the Indian population has been using Social media (250 million approx.), it has been difficult for the government to tackle this issue.

User Generated Content

- UGC is the term used to describe any form of content such as **video, blogs, discussion form posts, digital images, audio files, and other forms of media** that was created by consumers or end-users of an online system or service and is publicly available to others consumers and end-users. User-generated content is also called **Consumer Generated Media (CGM)**.
- This UGC sets up the basis for the formation of fake news, as the users share the posts without knowing the credibility of information.



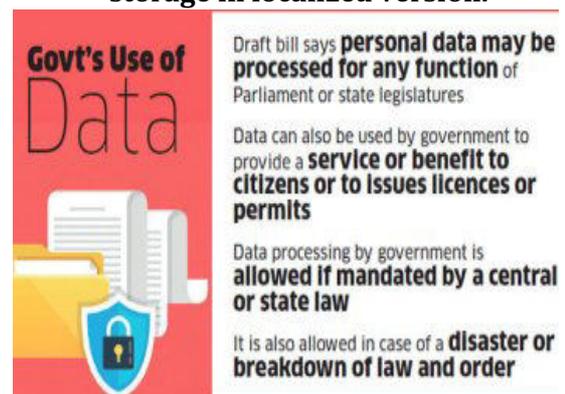
Causes of Fake News

- The online media doesn't have a regulator like mainstream media such as **PRESS COUNCIL OF INDIA**
- Many online news and information portals had been started without having proper verification mechanism.

- Keeping privacy as a benchmark, the social media platforms extracts the **METADATA** from the posts and deletes them.
- Metadata provides information about a certain item's content. For example, an image may include metadata that describes how large the picture is, the colour depth, the image resolution, when the image was created, and other data.
- **Communal polarisation and hatred** among people are the other main causes of creation and spreading of fake news.
- Large economy is being cultivated behind this fake news culture, through click bait phenomenon. **Click bait** is one whose main purpose is to attract attention and encourage visitors to click on a link to a particular web page.

Steps Taken by Government

- The Union Government has set up a committee for **DATA PROTECTION POLICY** headed by Justice **BN Srikrishna**.
- Various URLs which had been spreading fake news has been blocked by the government, it has also asked the service providers to pre-filter the objectionable content For e.g., Child pornography etc
- The government has asked the social media websites to provide the metadata information of the fake news content.
- The Union Government has asked social media platform **WHATSAPP** to start a **legal local entity** in the country and make **data storage in localized version**.



Way Forward

- A new **SELF REGULATING AUTHORITY** like PCI must be formed for social media platform.
- The intermediary guidelines under Section **79 of the 2011 IT Act** mandates companies to follow "due diligence" and allowed time up to **36 hours** for companies to remove objectionable content.

- This time limit must be further reduced, as 36 hours is longer time in this technological era.
- A new **SOCIAL MEDIA POLICY** must be framed by the government, which must have a balancing feature between both privacy and fake news prohibition.
- The Fake news must be looked in a holistic approach by adjoining inspection of both mainstream and online media.

- **SOCIAL MEDIA LITERACY** must be taught in educational institutions in order to enrich the future generation against the fake news.
- **Artificial Intelligence tools** must be used in order to preserve the metadata and other provisions and help the law enforcement agencies when they need it.

WORLD PANORAMA: USA Imposes Fresh Sanctions on Russia

Why in News?

- The Trump administration will punish Russia with sanctions for poisoning an ex-spy living in Britain with a chemical weapon, the State Department said Wednesday.
- Spokeswoman Heather Nauert says the sanctions will go into effect around Aug. 22.

Why US Sanctions Russia?

- The U.S. determined that the Government of the Russian Federation has used chemical or biological weapons in violation of international law or has used lethal chemical or biological weapons against its own nationals (ex-spy) in UK.
- The United States joined nearly two dozen countries in condemning Russia for the attack, and took part in a mass expulsion of Russian intelligence officer.
- The Russian consulate in Seattle was also closed as part of the response.



Implications on Russia

- Russia's currency, which was already facing its worst day against the U.S. dollar

since April, sank even further after the sanctions were announced.

- Russia's export and import will hit hard as US DOLLAR is the RESERVE CURRENCY of the world economy.

Implications on United States

- In a long-term effect US might be in trouble as Russia might offload US security bills and move to GOLD RESERVES. It might lead to loss of status of US currency as a Reserve currency of the world
- China is not willing to follow US sanctions and India says it will follow only UN sanctions. This leads to loss of respect of US among the other world countries.
- The other world countries are also against this kind of economic warfare, as CAATSA affects even the countries that trade with sanctioned nations. For e.g. US blocks India from buying s-400 missiles from Russia etc.

Way Forward

- If Russia does not provide assurances that it will no longer use such weapons within the next three months, the U.S. government has warned that it will move to impose even "more draconian" sanctions.
- It will lead to a possible downgrade in diplomatic relations between the two countries.
- This economic warfare will deteriorate the world economy, especially developing countries like India.
- The UN and other world organisations must take necessary steps to stop this kind of warfare and make things in sustainable manner.

WORLD PANORAMA: USA Sanctions on Iran

Why in News?

- The United States said it was reimposing economic sanctions against Iran that were lifted under a 2015 nuclear accord (JCPOA).
- The sanctions are a consequence of President Trump's decision in May to

withdraw from an international deal that sought to limit Iran's nuclear program.

What Is JCPOA?

- It is called the Joint Comprehensive Plan of Action (JCPOA) and was signed between

Iran and the P5, plus Germany and the EU in 2015.

- P5 is the 5 permanent members of the UNSC (US, China, France, Russia, and UK).
- The deal aimed to curb Iran's nuclear program, in return of lifting international sanctions on them.
- According to JCPOA. most of Iran's enriched uranium was shipped out of the country, a heavy water facility was rendered inoperable and nuclear facilities were brought under international inspection

Reasons for Sanction

- In spite of the deal being successful, US doesn't like Iran entering again into mainstream part of world economy.
- The rise of Iran is also a major concern of US allies such as Israel, Saudi Arabia etc
- Iran's rising economic profile would it to increase its importance in regional presence and it poses threat to the interests of the U.S.-Saudi-Israel axis.

Implications on India

IN-DEPTH: Rebuilding Kerala: Road to Recovery

Sources

- *In Depth - Rebuilding Kerala: Road to Recovery,*
- *In Depth - Rebuilding Kerala: Stories from ground zero,*
- *The Big Picture: Rebuilding Kerala*

Why in news?

- State of Kerala faced the nightmare monsoon and the worst flood of the century forcing livelihood to shelter in relief camps. Now as the flood water recedes the task lies in rebuilding the state from the scratch.

Impacts and challenges

- This national disaster has been termed as a '**calamity of severe nature**' by the Centre.
- State government estimated a loss of around 20,000 Cr of rupees with connectivity in road, telecom, electricity, water supply and access to public health care tampered.
- It not only requires Crores of rupees but thousands of hands and tones of equipment and machinery to rebuild and recover while reaching far flung places.

Demands and grants

- Kerala has sought a package of 2,600 Cr rupees under the centrally sponsored schemes including MNREGA.

- It creates an unstable region around West Asia for trading purpose.
- Other nations such as India might face serious consequences because of trade ties with Iran.
- Iran is India's third-largest supplier after Iraq and Saudi Arabia. A disruption to this trend may affect India's energy trade.
- India's goal of helping Afghanistan's reconstruction may be affected if Chabahar is slowed down.

Way Forward

- The UK, Germany, China, France and Russia still remain committed to the agreement, but it is to be seen if Europe and other powers will stick together or change under US pressure.
- India might well want the JCPOA deal to continue to see no blockade in its oil trade with Iran.
- Iran's position is cautious, saying it would engage diplomatically with the remaining signatories.

- A call for aid from Centre assisted along with the salaries of MPs, judges and Railways.

What led to the situation

- **Higher than normal rainfall:** According to the India Meteorological Department (IMD), the cumulative rainfall in Kerala showed a deviance of nearly 30% from the normal, doubling the impact of overrun.
- **Dam mismanagement:** overflowing of rivers led to at least 35 of dams to be thrown open releasing water on to the already flooded areas downstream
- **Unpreparedness:** ecologically-sensitive zones (ESZs) as referred by the **Gadgil Committee** was either neglected or rejected.
- **Anthropogenic factors:** increase in built up area, mining and the depletion of forest increased the surface run-off leading to landslides.

Present situation

- Relief centers crowded with people unwilling to return to their own place because of the damaged house situation out there.
- Fear of epidemics and diseases due to water borne diseases, death of animals and their carcasses and due to overcrowding at shelter homes.

Why was the Gadgil Committee set up?

- In February 2010, Environment Ministry set up the Western Ghats Ecology Expert Panel under 'Save the Western Ghats' group to assess the ecology and biodiversity of the Western Ghats and suggest measures with its footprints in Gujarat, Maharashtra, Goa, Karnataka, Kerala, and Tamil Nadu.
- It defined the boundaries of the Western Ghats proposed that this entire area be designated as ecologically sensitive area (ESA) I, II or III based on their existing condition and threats from construction, mining, industries, real estate, hydropower and tourism.

What was the need for the subsequent Kasturirangan Committee?

- 81% of the concerned states were not in favour of the Gadgil recommendation.
- In August 2012, then Environment Minister constituted a High-Level Working Group on Western Ghats under Kasturirangan to "examine" the Gadgil Committee and come up with recommendations.

- The part of the district that depends only on tourism worst affected.

Relief and rehabilitation

- Waste management by chlorination, ensuring epidemics prevented.
- Educating people with do's and don'ts in dealing with after flood effects
- Help from Indian defense, NGOs, National Disaster Management Authority (NDMA).
- Supply with ready to eat food and medical kits.

THE BIG PICTURE; Organ Donation-Gift to Life

What is Organ Donation?

- Organ donation is the donation of biological tissue or an organ of the human body, from a living or dead person to a living recipient in need of a transplantation.
- The person who gives the organ is called the donor while the one who receives is called the recipient. It is done to replace the damaged organ with the working organ, so that the recipient could function normally.

Types of Organ Donation

- **Living donation** takes place when a living person donates an organ (or part of an organ) for transplantation to another person.

- Technical reshaping facilitated along with the restoration of railways and roadways under NHAI.
- Monetary relief from center, states, and countries like UAE, Qatar, Maldives and China
- Insurance companies directed to hold special camps for speedy compensation.
- The Government cancelled the Onam celebrations in reallocating funds to relief efforts.

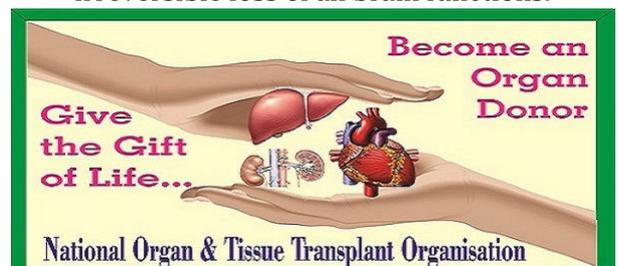
Way forward

- Sustainable and long-term development that would involve minimal intervention in natural processes.
- The Madhav Gadgil Report for disaster risk reduction (2015-2030) must be considered while adopting integrated and inclusive institutional measures.
- increase preparedness for response and recovery and resilience a strong early warning and management system
- understanding the culture of cascading projects on the land.
- putting in place the Dam Safety Bill 2018 for regulating through the policies.
- Government compensation to be made available sympathetically.

Conclusion

- The catastrophic event received help from both government and non-government along with the support of locals. With the relief, rescue and rehabilitation getting coordinated its time to take a look at what led to the calamity and what can be done to avoid it in the future.

- **Deceased Cadaver Donation** is done at the time of donor's death. (Cadaver means corpse).
- Can donate after the donor is declared brain dead. Brain death is the total and irreversible loss of all brain functions.



Indian Scenario

- Organs that can be donated include kidneys, liver, pancreas, lungs and heart,

while tissue constitutes eyes, skin, bone, bone marrow, nerves, brain, heart valves, eardrum, ear bones and blood.

- **The Transplantation of Human Organs Act (THOA), 1994** provides the legal framework around organ transplantation in India.
- Under THOA, source of the organ may be Near Relative donor, Other than near relative donor: needs approval of the authorization committee, Deceased donor, especially after Brain death.

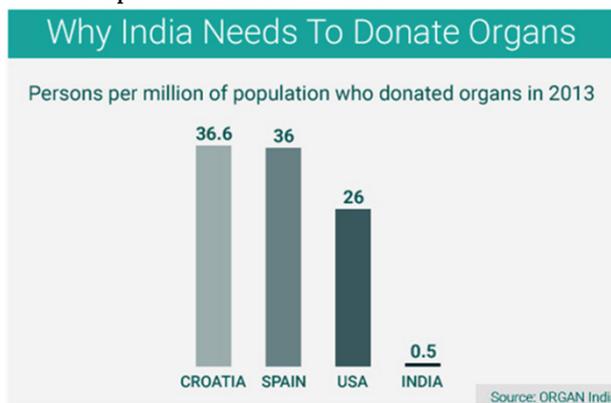
Challenges

- The organ donation rate is very low when compared to other world countries, is due to various reasons.
- In India, people mostly avoid organ donation due to **RELIGIOUS BELIEF, CULTURAL INFLUENCE and LOW KNOWLEDGE** about organ donation.
- **LACK OF AWARENESS** among rural people is another major reason for low success of organ donation.
- The concept of 'brain death' and its legal implications unfamiliar to majority of Indian population
- Limited facilities for transport of donated organs.
- Lack of awareness among doctors and transplant coordinators.
- Unregulated cost of transplant surgeries; cost out of reach of poor
- All states in India do not have active organ donation programmes. Since health is a state subject, there are issues with implementation of THOA

Spanish Model

- Spain, one the pioneers in successful organ donation has developed great framework for easy implementation of donation process.
- Creation of **National Transplant Organization**, which Coordinates transplant policies across Spain.
- It had designated appropriate professionals (intensive care doctors) to ensure organ donations are fast and efficient.
- More importance is given for organ donation in patients older than 65 years of age- In Spain 10% of donors are 80+ persons.

- Proper auditing is also a key feature of Spain successful model.



Initiatives Taken by Government

- The Central government had announced plans to set up a fund for families of people who have donated organs after brain stem death.
- The Government is implementing the **National Organ Transplant Programme (NOTP)** to promote organ donation across the country.
- The Government has included grandparents and grandchildren in **NEAR REALTIVES** category to ease the process of organ donation.
- **BRAIN STEM CERTIFICATION COMMITTEE** has been started in every district of country.

Way Forward

- Public awareness is the most important step that can lead to improved rates of deceased organ donation.
- Training transplant coordinators, doctors, paramedical personnel for better service.
- Improving transport of organs, most importantly developing air ambulance services.
- Bringing up all religious leaders in a single platform and make them to create awareness about organ transplantation.
- Reducing the problem of finance that results in reduction in cost of transplants.
- Can create **NATIONAL POLICY FOR ORGAN TRANSPLANTATION**, to bridge the policy gap between different states.
- Try to implement **OPT-OUT SYSTEM** in trial basis.
- The **opt-out system** is prevalent in several countries where organ donation is automatic unless opted out.

All India Radio

MONEY TALK: Roadmap for Reforms in Banking Sector

View on how the new finance minister is going to enforce provision of prompt corrective action frame work:

- The new finance minister Piyush Goyal has been giving great emphasis on the fact that the public sector banks must be healthy because they are basically institutional lenders now in India, the whole institution are widely backward and state industrial development corporation are no longer functional.
- The quality of banks, management, and way to avoid risk and how to manage is very comprehensive.

Does ministry of finance take an active role?

- There should be a regulator for bank and the whole conduct is RBI. But sadly the RBI is very slow and lagging. So correctly we believe Mr. Piyush Goyal has activated ministry of finance that it has an equal responsibility, because it does have all shares of all public sector banks are monitored and administered by ministry of finance.
- So, while the regulations are sometimes may do very good work and also leads to

failure, it is not the mistake of RBI. In order to avoid this, we need a separate regulator for this. Public sector banks are owned by government of India or assets of government of India

Reconstruction in banking terms:

- Reconstruction usually comes not in terms of changing management mode but ownership mode.
- Sometimes government has felt that the public sector units will improve the status of private sector ownership.
- Some of the public sector banks operate concentratedly in some of the states like Andhra bank in Andhra Pradesh, Punjab national bank in Punjab.

Advantages

- When a new branch is opened it shows a sign of growth, they hire people, increase the strength.
- As reforms are introduced, the profitability and efficiency can increase.
- Nonperforming asset ratio progressively came down.

CURRENT AFFAIRS: Infrastructure Development in The Country

Introduction

- The union road and transport ministry has laid a serious of foundation stones in Andhra Pradesh took national highways import connectivity. This is an ongoing project for the government which is building upon infrastructure in highway to improve connectivity.
- If we talk about infrastructure, it is a huge area which can cover power, bridges, dams, railways, road, urban transport etc.
- Infrastructure investment has a natural spin off benefit for whole economy, reflected not only in economic growth, it also boosts the job opportunity in terms of productivity.
- There are many areas where infrastructure investment plays a crucial role. So, infrastructure sector is the key driver for the Indian economy.
- There are 2 things happening in this area, in last 4 years we have seen that the focus is not on building roads and the focus is also to make how road investment

becomes a national viable project.it is good to build good roads.

- It is important to make sure that people make use them and also important to have a mechanism by which we generate revenues to maintain roads

Ports and river water system

- Ports are making money, ports create liveliness, and ports are profitable. Along with that ports are also using public market to tap resource.
- Without improving the navigability of Indian river system, we have planned so much cargo can be moved by the river network as the loading and unloading points, the location of supply chains, value chains, these have not been considered before making a grand plan of inland waterways system.
- We invest enough in building the river water system unless we invest enough in creating infrastructure to make it navigable, clearing the draft and also inland

waterway transport is not suitable for all kind of cargos.

- They do take time in moving things. There are certain cargos which will not be suitable for river transport, so it is an important element in entire transportation network it can work as a very good public transport in various parts of a country particularly in north eastern, eastern and southern side.

Investments

India has a requirement of investment worth Rs 50 trillion in infrastructure by 2022 to have sustainable development in the country.

- The AIIB has announced that 200 million dollars investment into the national investment and infrastructure fund (NIIF)
- The NIIF partnered with UAE based DP world to create a platform that will mobilize the investments worth 3 billion dollars into ports, terminals transportation and logistics businesses in India

MONEY TALK: Reforms in banking sector

- Union government is expecting that the public sector banks placed under RBI's prompt corrective action (PCA) framework will come out of it by end of this year as many as 11 out of 21 state owned banks are currently under PCA framework.

Prompt corrective action in banking sector

- Prompt corrective action is a term coined by RBI. PCA is a process to ensure that the banks do not go bust. It started a way back in 2014, even before that in some other forms but it was in April 2017 to be precise. The RBI brought out recent update guidelines on the kinds of terms that they would use the criteria to classify the banks falling under prompt corrective actions. In fact, of these 11 banks, 2 is RBI and United Bank of India had been under PCA since 2014.
- PCA is the ratio of gross performing assets to non-performing assets of total asset return in equity and capital adequacy. It has certain terms and under which there are 3 criteria are satisfied. Recently Bank of India was brought under prompt corrective action because they fail to satisfy the capital adequacy norms.

Challenges for public sector banks and the banking sector in India

- The biggest challenges for the PSBs and for the Banking sector of India as a whole are to tackle the surge in bad loans and to

Government initiatives

The government of India is expected to invest highly in the infrastructure development, mainly highways, renewable energy and urban transport, prior to the general elections in 2019.

- Rs 16000 crore is invested to achieve universal household electrification in the country
- Rs 4200 crore to increase the capacity of green energy corridor project along with other wind and solar power projects
- Railways received the highest ever budgetary allocation of Rs 1.48 trillion dollars.

Conclusion

- India's national highway network is expected to cover 50000 km by 2019 with around 20000 km of work scheduled for completion in the next couple of years, according to the ministry of road, transport and highways.

expedite recovery of non-performing assets. Another big challenge for the Banking sector and especially PSBs is Asset Quality Deterioration which is leading to worsening of the banking stability indicator (BSI).

- Also, due to rising bad loans and NPAs Public Sector Banks are now extra careful about lending which is resulting in Low Credit Off take.
- The fast-changing Banking scene along with fast changing trends and rapid digitalization also presents a unique challenge for PSBs. Entry of new players after Reserve Bank of India (RBI) introduced differentiated banking license and Small Finance Banks increases competition for PSBs, especially because the new players won't have any legacy issues and will be more focused and digitally savvy.
- New reforms being introduced such as Bankruptcy Code and fresh capital via recap bonds will also require adaptability on part of the PSBs. Public Sector Banks will also have to improve their focus on new banking segments such as micro loans and consumer durable financing.

Way forward for banks and banking sector

- The positive answer lies in the economy, about 10-15 years ago a similar situation in early 90's when the NPA banks are very

high the economy did very well in the banks were able to improve the position.

- The government should give more freedom to the banks. Many problems arise because of public sector banks are precisely

because of government ownership in them is so large and government does not give them operational flexibility. Many of the public sector banks faces social obligations because of this.

CURRENT AFFAIRS: Monsoon Session of Parliament

Introduction

- The monsoon session of the parliament which will begin on 18 July will be addressing various pending bills and six ordinances. this session will also introduce new bills within a span of 18 days. The government announced on 25 June that the parliament's monsoon session will commence on 18 July and will go on till 10 august.
- The 5-week session nearly had 17 sittings and as the Lok Sabha speaker said in the right to address on 112 hours work was constructed many bills would be taken up. Importantly "no confidence motion" taken to the beginning of the session.
- Once the no confidence motion was there and also it got nearly 12 hours of time allotted, it was a daylong session which ended almost in midnight.

Twist of "no confidence motion"

- This time the NCM is different. Previous occasion that it is against the central government on a variety of issues but this time it is a TDP which has been running team of Telugu Desam Party was that the Andhra Pradesh has not been given justice that the special category status demand and not been accepted by centre .so the whole thing started with that when other members spoke they took up other issue but the focus on NCM was on this.

Take away of monsoon session

- The major take-away for government from this session it could not only keep all the members of national democratic alliance to get the intact, but also get more support from outside. There are lots of political games for government in this.
- The bill was deliberately introduced in Rajya Sabha rather than Lok Sabha because

if it is introduced in Lok Sabha, given the strong majority as a government to determine the part in Rajya Sabha. Knowing that there will be objections

- If we look at 4 state which are going to be held elections in this winter, they do not have a significant Muslim population like Rajasthan, Madhya Pradesh Chhattisgarh, Mizoram as compared to other states like Bengal, UP, Maharashtra, Andhra Pradesh.
- After the parliament session ends the government as well as the ruling party will be observing the social justice from august 15 onwards. Triple talaq bill has been passed, it also has joined in the list in terms of providing social justice.

Bills to be introduced

- The banning of unregulated deposit schemes bill
- The micro small and medium enterprises development bill
- The arbitration and conciliation bill
- The trafficking of persons prevention, protection and rehabilitation bill
- The airports economic regulatory and authority of India bill
- The commercial courts, commercial division and commercial appellate division of high courts bill.

Pending bills for consideration and passage

- The negotiable instruments amendment bill
- The consumer protection bill
- The fugitive economic offenders bill
- The representation of the people bill
- The major port authorities bill
- The transgender persons bill
- The right of children to free and compulsory education.
- The National medical commission bill.

NEWS ANALYSIS: Pradhan Mantri Gramin Awas Yojana

Introduction

- Prime minister Narendra Modi took part in a community *gram pravesa* where 125000 families were given certificate for houses that had been completed under Pradhan Mantri Awas yojana-Grameen.

- PMAY-G launched on 20th November 2016 by the prime minister.

Objective

- To provide pucca houses to all houseless and living in dilapidated houses in rural areas by 2022.

How beneficiaries are selected

- Identification of beneficiaries eligible for assistance and their prioritization to be done using information from SECC database those who were living in one kutch house, those who were homeless. Ensuring total transparency and objectivity.
- The list will be presented to gram Sabha to identify beneficiaries who have been assisted before or who have become ineligible due to other reasons. The finalised list will be published.
- There is a permanent wait list to cover all of them by 2022 but those who are poorest among them get the 1st priority.

Target

- There is a target set to complete 1 crore houses by march 2019. basically it is about 24-26 months of time and happy to report that more than 46 lakhs are already completed in PMAY-G and another 20 lakhs are almost near completion, among 1 crore, 90 lakhs are already under sanctions and remaining 10 lakhs is to get sanction in next 10-12 days.
- It is an end to end solution besides that home is not just a cement or concrete. It is made to connect livelihood, it ensures that

these households have LPG gas connection (UJWALA).

- Electricity connection under Saubhagya, have drinking water facility trying to provide a complete home meeting the requirements of a family and also simultaneously efforts to build livelihood using the women's self-help group to generate livelihood diversification and develop on a large scale.

Is there a support system?

- Government just now completed gram swaraj Abhiyan under which 64000 villages in the country trying to saturate 7 basic things like gas, power, immunization of children and pregnant women, bank account for every household, accident insurance or life insurance.
- Tamil Nadu is the 1st state to do this for housing, clearly ownership of housing by women increasing the social status and also makes them co sharers in the family and clearly, we did push this and most of the housing is in the name of the women except in cases of widow or old women or differently abled persons. It is linking with women SHG that promotes the livelihood mission for diversification.