

OFFICERS'

Pulse

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Coverage.

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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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News @ a glance

Polity and social issues

EVM is information under RTI

Why it is in News?

- The Chief Information Commissioner has ruled that Electronic Voting Machines or its samples with Election Commission comes under the ambit of definition of Information in Right to Information Act.

Details about the ruling

- The machine is covered under the definition of "information" and can be demanded from the ECI.
- As per Section 2(f) and 2(i) of the RTI Act, the definition of 'information' and 'record' also includes 'any model or any sample' held by a public authority.
- Section 2(f) of the RTI Act defines 'Information' as any material in any form, including records, documents, memos, e-mails, opinions, advices, press releases, circulars, orders, logbooks, contracts, reports, papers, samples, models, data material held in any electronic form and information relating to any private body which can be accessed by a public authority under any other law for the time being in force.

Implications of this ruling

- This implies the Election Commission has to respond to an RTI application seeking the EVM either by providing it or refusing it under exemption clauses in the Act. But that also can be contested before the CIC, the highest adjudicating authority in RTI matters.

Background

- An information can be denied by a public authority if it attracts any exemption clauses listed in the RTI Act which also exempts information pertaining to commercial confidence or intellectual property from disclosure.
- One of the clauses Section 8(1)(d) exempts information including commercial confidence, trade secrets or intellectual

property, the disclosure of which would harm the competitive position of a third party, unless the competent authority is satisfied that larger public interest warrants the disclosure of such information.

Basics about CIC:

The eligibility criteria and the process of appointment of CIC/IC

- Section 12(3) of the RTI Act 2005 provides as follows:
- The Prime Minister, who shall be the Chairperson of the committee;
- The Leader of Opposition in the Lok Sabha; and
- A Union Cabinet Minister to be nominated by the Prime Minister.

Eligibility

- Section 12(5) of the RTI Act 2005 provides that the Chief Information Commissioner and Information Commissioners shall be persons of eminence in public life with wide knowledge and experience in law, science and technology, social service, management, journalism, mass media or administration and governance.
- Section 12(6) of the RTI Act 2005 provides that Chief Information Commissioner or an Information Commissioner shall not be a Member of Parliament or Member of the Legislature of any State or Union Territory as the case may be, or hold any other office of profit or connected with any political party or carrying on any business or pursuing any profession.

Term of office and other service conditions of CIC

- Section 13 of the RTI Act 2005 provides that the Chief Information Commissioner shall hold office for a term of five years from the date on which he enters upon his office and shall not be eligible for reappointment.

- Section 13(5)(a) of the RTI Act 2005 provides that **the salaries and allowances payable to and other terms and conditions of service of the Chief Information Commissioner shall be the same as that of the Chief Election Commissioner.**

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- To apply for ration card permanent residence certificate is a vital and mandate document.
- To avail the provisions of various schemes of the state or to claim scholarships of the State, permanent residence certificate is essential.

Permanent Residence Certificate

Why it is in News?

- Violence erupted in Arunachal Pradesh over the issue of Permanent Residence Certificate to six non-Arunachal Pradesh Scheduled Tribes (APSTs) living in the Namsai and Changlang districts and to the Gorkhas living in Vijaynagar.
- The protests spread despite a state government assurance that they had deferred the plan to give them PRC.

Background

- Deoris, Sonowal Kacharis, Morans, Adivasis and Mishings were demanding Permanent Residence Certificate.
- Most of these communities are recognised as Scheduled Tribes in neighbouring Assam.
- According to reports, the demand by these communities for PRC, recognising them as residents of the state, is long-standing, but is opposed by powerful groups.

What is Permanent Residence Certificate?

- The State Government of Arunachal Pradesh issues the domicile certificate otherwise called as Permanent Residence Certificate (PRC) to the residents of the state who stayed therein over a period. Those citizens who are not currently residing in the state but are sure of permanently staying therein can also apply for it.
- Besides the permanent residence certificate, the State also offers Temporary Residence Certificate (TRC) for those who reside in the State on a temporary basis.

Purpose of the Certificate

- Permanent Residence Certificate is a legal document that serves as an evidence of residence and thus must be submitted wherever a residence proof is required.
- Permanent Residence Certificate should be produced in many situations such as admission in educational organisations, job reservation under specific quotas especially for government jobs, etc. to get local preferences.

War Memorial

Why it is in News?

- Prime Minister Narendra Modi has inaugurated the National War Memorial. It is located near India Gate in New Delhi.

About the Memorial

- The memorial has been built in remembrance of soldiers who sacrificed their lives while protecting the country, post-independence.
- It also commemorates the soldiers who participated and made the sacrifice in Peace Keeping Missions, and Counter Insurgency Operations.
- The layout of the National War Memorial comprises four concentric circles: a) 'Amar Chakra' or Circle of Immortality, b) 'Veerta Chakra' or Circle of Bravery, c) 'Tyag Chakra' or Circle of Sacrifice and d) 'Rakshak Chakra' or Circle of Protection.
- The National War Memorial complex includes: a) central obelisk, b) an eternal flame, and c) six bronze murals depicting famous battles fought by Indian Army, Air Force and Navy. Busts of the 21 awardees of Param Veer Chakra have been installed at Param Yoddha Sthal have also been installed.

Eviction order of forest dwellers

Why it is in News?

- The Supreme Court has recently passed a verdict to evict people who are in forest who are in contravention to Forest Rights Act, 2006

About the News

- The Centre and the State of Gujarat has filed applications urging the Supreme Court to modify its February 13 order. **The Supreme Court had directed the eviction of more than 10 lakh of Scheduled Tribes (STs) and other traditional forest dwellers whose claims for forest land rights have been rejected under the Forest Rights Act of 2006.**

- According to the centre's application the forest rights Act, 2006, is in tune with several international covenants such as a) UN universal declaration on human rights which recognizes the equal rights of the human family (India is a signatory), b) UN convention concerning Indigenous and tribal population which seeks to protect ownership rights of population over lands they traditionally occupy (Ratified by India), c) UN declaration on rights of Indigenous people which mandates to protect the rights of indigenous people to lands, territories and resources which they traditionally own, occupy and use (India is a signatory), d) UN convention on biological diversity: advocates preservation of indigenous knowledge and practices (India is a party) and , e) Rio declaration on Environment and Development: Proclaims indigenous people have a vital role in environmental management.
- In its application, the Centre has said that the **claims of lakhs of forest-dwelling STs and other traditional forest dwellers were rejected by the States without observing due process of law. The Centre also argued that that there is no specific provision in the 2006 Act for eviction after a claim is rejected.**
- Section 6 of the FRA provides a transparent three step procedure for deciding on who gets rights under the Act: **a) the Gram Sabha makes a recommendation, b) the gram sabha's recommendation goes through two stages of screening committees at the taluka and district levels c) At both the taluka and the district levels, any person who believes a claim is false can appeal to the Committees, and if they prove their case the right is denied. When the claim is recognised under the Act, and the land cannot be sold or transferred.**
- The Centre has highlighted various issues with filing and verification of claims of rights under FRA, 2006: a) illiterate and poor tribes and forest dwellers do not know the appropriate procedure for filing claims, b) The gram sabhas are low on awareness about how to deal with these claims, c) unrealistic timelines in deciding claims, d) lack of support from the district administration concerned in providing

Officers IAS Academy, Chennai revenue or forest maps, e) rejection of claims despite incomplete or insufficient evidence, and f) rejection orders not communicated to the forest-dwelling STs and communities.

Eviction of tribals

Why it is in News?

- The Supreme Court put on hold its recent order asking states to evict forest-dwellers whose claims on land had been rejected under the Forest Rights Act (FRA), 2006.
- The court's decision to review its earlier verdict which would have displaced more than a million people from their homes in the forests, is a welcome move.
- The SC acknowledged the need to ask whether due processes were followed by gram sabhas and state authorities before the claims for forest rights were rejected.

About the order passes by Supreme Court recently:

- The recent order is based on affidavits filed by the States, which does not make clear whether the due process of law was observed before the claims were rejected.
- The Centre argues that the rejection of claims is particularly high in the States hit by Left-Wing Extremism, where tribal population is high.
- The forest land claims of these tribes and forest-dwellers are mostly rejected by the States.
- Being poor and illiterate, living in remote areas, they do not know the appropriate procedure for filing claims.
- The gram sabhas, which initiate the verification of their claims, are low on awareness of how to deal with them.
- The rejection orders were not even communicated to these communities.

Voluntary use of Aadhaar as identity proof

Why it is in News?

- The Union Cabinet has approved the promulgation of an Ordinance to make amendments to the Aadhaar Act 2016, Prevention of Money Laundering Act 2005 & Indian Telegraph Act 1885. The amendments proposed are the same as those contained in the Aadhaar and Other Laws (Amendment) Bill, 2018. The Ordinance was necessitated as the bill

though passed by Lok Sabha was pending in the Rajya Sabha and would have lapsed with the dissolution of the current Lok Sabha.

About the Ordinance:

- The amendments are a) voluntary use of Aadhaar number in physical or electronic form by authentication or offline verification with the consent of Aadhaar number holder, b) use of twelve-digit Aadhaar number and its alternative virtual identity to conceal the actual Aadhaar number of an individual, c) option to children who are Aadhaar number holders to cancel their Aadhaar number on attaining the age of 18 years, d) use of Aadhaar number for authentication on voluntary basis as acceptable KYC document under the Telegraph Act, 1885 and the Prevention of Money-laundering Act, 2002, e) deletion of section 57 of the Aadhaar Act relating to use of Aadhaar by private entities, f) anyone refusing to/ unable to provide Aadhaar cannot be denied service, g) establishment of Unique Identification Authority of India Fund and h) civil penalties for violations of Aadhaar Act and provisions by entities in the Aadhaar ecosystem.
- The amendments are in pursuance to the Supreme Court judgement in 2018. The Supreme Court had upheld that the Aadhaar is constitutionally valid but struck down section 57 of the Aadhaar Act. The SC ruled that Aadhaar is mandatory for filing of income tax returns (ITR) and allotment of Permanent Account Number (PAN). However, Aadhaar cannot be made mandatory for openings of a bank account and for getting mobile connections.
- The Aadhaar number is a verifiable twelve-digit unique identity number issued by the Unique Identification Authority of India (UIDAI) to the residents of India. It is linked with the resident's demographic and biometric information. The Aadhaar project was conceptualised in the year 2006 and launched in the year 2009 with the creation of Unique Identification Authority of India (UIDAI).
- The Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 provides legislative backing to the project.

Order on surveillance

Why it is in News?

- The Central government has filed an affidavit in the Supreme Court that its notification allowing 10 central agencies to monitor on people is in fact a measure (a) to protect citizens' privacy (b) to ensure that only authorised agencies have access to data and (c) to ensure that surveillance is carried out as per law.

About the filed Affidavit:

- The government had authorised 10 central agencies to intercept, monitor and decrypt any information generated, transmitted, received or stored in any computer in the country.
- These agencies include (a) Intelligence Bureau (b) Narcotics Control Bureau (c) Enforcement Directorate (d) Central Board of Direct Taxes, (e) Directorate of Revenue Intelligence (f) Central Bureau of Investigation (CBI) (g) National Investigation Agency (NIA) (h) Cabinet Secretariat (R&AW) (i) Directorate of Signal Intelligence and (j) Commissioner of Police, Delhi.
- The order was facilitated under sub-section 1 of the section 69 of the IT Act, read with rule 4 of the Information Technology Rules, 2009. The IT Act allows the authorities to decrypt information if it is in the interest of (a) sovereignty or integrity of India (b) The security of the State (c) Friendly relations with foreign States (d) Public order (e) Preventing incitement to the commission of any cognisable offence.
- The IT rules states that a competent authority can authorise a government agency to intercept, monitor or decrypt information generated, transmitted, received or stored in any computer resource.

4th Global Digital Health Partnership Summit

Why it is in News?

- Union Health Ministry has inaugurated the '4th Global Digital Health Partnership Summit' in New Delhi.

4th Global Digital Health Partnership Summit

- The global intergovernmental meeting on digital health is hosted by the Ministry of Health and Family Welfare in collaboration

with WHO and the Global Digital Health Partnership (GDHP).

- The Conclave discussed the implication of digital health interventions to health services accessibility, quality and affordability and explores ways of leveraging digital health technologies to strengthen the healthcare delivery systems globally.

Electronic Health Record (EHR) in India

- India has embraced digital health to achieve the targets of UHC.
- A “National Resource Centre for EHR Standards” has also been set up in order to augment facilitation for adoption of the notified EHR Standards.
- Indian government has notified health informatics standards and approved Metadata & Data Standards for enabling seamless exchange of information across care providers.
- It aims to make these systems interoperable and to build electronic health records of citizens.
- India took the world stage at the 71st World Health Assembly in Geneva, Switzerland by successfully introducing and unanimous adoption of Resolution on Digital Health.

About GDHP

- The Global Digital Health Partnership (GDHP) is an international collaboration of governments, government agencies and multinational organisations.
- It is dedicated to improving the health and well-being of their citizens through the best use of evidence-based digital technologies.
- Governments are making significant investments to harness the power of technology and foster innovation and public-private partnerships that support high quality, sustainable health and care for all.
- The GDHP facilitates global collaboration and co-operation in the implementation of digital health services.

Delhi Declaration on Digital Health

Why it is in News?

- Recently, as part of the high-level summit, the ministers and delegation adopted the Delhi Declaration on digital health for sustainable development.

About Delhi Declaration:

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- It was adopted at the concluding session of the ‘4th Global Digital Health Partnership Summit’.
- The declaration calls for World Health Organization’s (WHO’s) leadership in digital health and for it to establish a specific mechanism to centrally coordinate digital health to assist its Member States.
- An example of application of Digital Health for sustainable development is telemedicine, remote care and mobile health delivering care in people's homes, instead of in hospitals and clinics.
- The global intergovernmental meeting on digital health was hosted by the Ministry of Health and Family Welfare in collaboration with World Health Organization (WHO) and the Global Digital Health Partnership (GDHP).

World Health Organisation

- The World Health Organisation (WHO) is a specialized agency of the United Nations that is concerned with international public health.
- It is headquartered in Geneva, Switzerland and the WHO’s constitution came into force on April 7, 1948—a date now celebrated every year as World Health Day.
- The World Health Assembly is the supreme decision-making body in WHO. The assembly meets annually and is attended by delegations from 194 member states.

SHREYAS

Why it is in News?

- The Ministry of Human Resources Development has launched the Scheme for Higher Education Youth in Apprenticeship and Skills (SHREYAS) for providing industry apprenticeship opportunities to the general graduates exiting in April 2019 through the National Apprenticeship Promotional Scheme (NAPS).

SHREYAS SCHEME

- SHREYAS is a programme basket comprising the initiatives of three Central Ministries, namely the Ministry of Human Resource Development, Ministry of Skill Development & Entrepreneurship and the Ministry of Labour & Employment viz the National Apprenticeship Promotion Scheme (NAPS), the National Career Service (NCS) and introduction of BA/BSc/BCom (Professional) courses in the higher educational institutions.

they contribute to country's progress and also obtain gainful employment.

- SHREYAS is a programme conceived for students in degree courses, primarily non-technical, with a view to introduce employable skills into their learning, promote apprenticeship as integral to education and also amalgamate employment facilitating efforts of the Government into the education system so that clear pathways towards employment opportunities are available to students during and after their graduation.

Aim

- To enhance the employability of Indian youth by providing 'on the job work exposure' and earning of stipend.

Target: In all the tracks together, it is proposed to cover 50 lakh students by 2022.

- Following are the objectives of SHREYAS:
- To improve employability of students by introducing employment relevance into the learning process of the higher education system.
- To forge a close functional link between education and industry/service sectors on a sustainable basis.
- To provide skills which are in demand, to the students in a dynamic manner.
- To establish an 'earn while you learn' system into higher education.
- To help business/industry in securing good quality manpower.
- To link student community with employment facilitating efforts of the Government.

Operation of the Scheme

- The primary scheme will be operated in conjunction with National Apprenticeship Promotion Scheme (NAPS) which provides for placing of apprentices upto 10% of the total work force in every business/industry.
- The scheme will be implemented by the Sector Skill Councils (SSCs), initially the Banking Finance Insurance Services (BFSI), Retail, Health care, Telecom, Logistics, Media, Management services, ITeS and Apparel. More sectors would be added over time with emerging apprenticeship demand and curriculum adjustments.

Significance of the scheme

- Education with skills is the need of the hour and the SHREYAS will be a major effort in this direction to make degree students more skilled, capable, employable and aligned to the needs of our economy so that

National Mineral Policy, 2019

Why it is in News?

- National Mineral Policy, 2019 approved by Cabinet.
- Focus on transparency, better regulations & enforcement, balanced growth & sustainability, Grant of Industry status to Mining activity.

Benefits

- The New National Mineral Policy will ensure more effective regulation.
- It will lead to sustainable mining sector development in future while addressing the issues of project affected persons especially those residing in tribal areas

Objective

- aim of National Mineral Policy 2019 is to have a more effective, meaningful and implementable policy that brings in further transparency, better regulation and enforcement, balanced social and economic growth as well as sustainable mining practices.
- The National Mineral Policy 2019 includes provisions which will give boost to mining sector.

Some of the provisions are:

- Introduction of Right of First Refusal for RP/PL holders.
- Encouraging the private sector to take up exploration.
- Encouragement of merger and acquisition of mining entities.
- Creation of dedicated mineral corridors to boost private sector mining areas.
- The 2019 Policy proposes to grant status of industry to mining activity to boost financing of mining for private sector and for acquisitions of mineral assets in other countries by private sector.
- It also mentions that Long term import export policy for mineral will help private sector in better planning and stability in business.
- The Policy also mentions rationalize reserved areas given to PSUs which have not been used and to put these areas to auction, which will give more opportunity to private sector for participation.
- The Policy also mentions to make efforts to harmonize taxes, levies & royalty with world benchmarks to help private sector.

- The Policy also introduces the concept of Inter-Generational Equity that deals with the well-being not only of the present generation but also of the generations to

Officers IAS Academy, Chennai come and also proposes to constitute an inter-ministerial body to institutionalize the mechanism for ensuring sustainable development in mining.

Economy

Pradhan Mantri JI-VAN yojana

Background

- Government of India launched Ethanol Blended Petrol (EBP) program in 2003 for undertaking blending of ethanol in Petrol.
- Ministry of Petroleum & Natural Gas has targeted to achieve 10% blending percentage of Ethanol in petrol by 2022. Despite efforts of the Government such as higher ethanol prices and simplification of ethanol purchase system, the highest ever ethanol procurement stands around 150 crore litres during Ethanol supply year 2017-18 which is sufficient for only 4.22% blending on Pan India basis.
- Therefore, an alternate route viz. Second Generation (2G) Ethanol from biomass and other wastes is being explored to bridge the supply gap for EBP program.

Why in News?

- The Cabinet Committee on Economic Affairs, chaired by Prime Minister Narendra Modi has approved the "Pradhan Mantri JI-VAN (Jai Indhan- Vatavaran Anukool fasal awashesh Nivaran) Yojana".
- The scheme aims at providing financial support to Integrated Bioethanol Projects using lignocellulosic biomass and other renewable feedstock.
- The scheme focuses to incentivise 2G Ethanol sector and support this nascent industry by creating a suitable ecosystem for setting up commercial projects and increasing Research & Development in this area.
- Under this Yojana, 12 Commercial Scale and 10 demonstration scale Second Generation (2G) ethanol Projects will be established.
- Apart from supplementing the targets envisaged by the Government under EBP programme, the scheme will also have the following benefits:
 - Meeting Government of India vision of reducing import dependence by way of substituting fossil fuels with Biofuels.

- Addressing environmental concerns caused due to burning of biomass/ crop residues & improve health of citizens.
- Creating rural & urban employment opportunities in 2G Ethanol projects and Biomass supply chain.
- Contributing to Swachh Bharat Mission by supporting the aggregation of nonfood biofuel feedstocks such as waste biomass and urban waste.

Scheme for FAME India Phase II

What's in the news?

- The Union Cabinet has approved the implementation of second phase of the Faster Adoption and Manufacturing of Electric Vehicles or FAME with an outlay of Rs 10,000 crore for three years, with effect from April 1, 2019.
- The first phase of the scheme was launched in 2015.

Key objectives

- The main objective of the scheme is to encourage faster adoption of electric and hybrid vehicles by way of offering upfront incentives on purchase of such vehicles as well as by establishing necessary charging Infrastructure.
- The scheme will help in addressing the issue of environmental pollution and fuel security.
- While for three wheelers and four-wheelers, incentives will be applicable mainly to vehicles used for public transport or commercial purposes, in the two-wheeler segment the focus will be on the private vehicles.
- Additionally, the benefits of incentives will be extended to only those vehicles which are fitted with advance battery like a lithium Ion battery and other new technology batteries.
- The scheme also proposes for setting up 2,700 charging stations.

Software product policy

What's in the news?

- The Union Cabinet has approved the National Policy on Software Products 2019.
- The policy aims to adopt a shift in strategy so that IT products also contribute equitably and significantly to the industry along with IT services.
- Initially an outlay of Rs 1,500 crore is being planned for various schemes under in policy in the next seven years. Further, the policy proposes to create a Rs 5,000-crore fund with industry participation to promote emerging technology such as Internet of Things, Artificial Intelligence, Blockchain, Big Data and robotics. Of this, government contribution will be Rs 1,000 crore.
- Presently, total revenue of IT-ITeS industry in India is pegged at about \$168 billion (including e-commerce), with revenue of about \$7.1 billion from software product industry, of which \$2.3 billion is from exports.

Missions

- To achieve the vision of NPSP-2019, the Policy has the following five Missions:
 - I. To promote the creation of a sustainable Indian software product industry, driven by intellectual property (IP), leading to a ten-fold increase in India share of the Global Software product market by 2025.
 - II. To nurture 10,000 technology startups in software product industry, including 1000 such technology startups in Tier-II and Tier-III towns & cities and generating direct and in-direct employment for 3.5 million people by 2025.
 - III. To create a talent pool for software product industry through (i) up-skilling of 1,000,000 IT professionals, (ii) motivating 100,000 school and college students and (iii) generating 10,000 specialized professionals that can provide leadership.
 - IV. To build a cluster-based innovation driven ecosystem by developing 20 sectoral and strategically located software product development clusters having integrated ICT

Officers IAS Academy, Chennai infrastructure, marketing, incubation, R&D/testbeds and mentoring support.

- V. In order to evolve and monitor scheme & programmes for the implementation of this policy, National Software Products Mission will be set up with participation from Government, Academia and Industry.

National Mineral Policy 2019

What's in the news?

- The Union Cabinet chaired by Prime Minister has approved National Mineral Policy 2019. It will replace the National Mineral Policy 2008.

Key objectives

- The New National Mineral Policy will ensure more effective regulation and will lead to sustainable mining sector development in future while addressing the issues of project affected persons especially those residing in tribal areas.
- The main objective of the policy is to have a more effective, meaningful and implementable policy that will bring in transparency, better regulation and enforcement, balanced social and economic growth as well as sustainable mining practices.
- The policy also includes provisions which will give boost to mining sector. Some of the provisions are:
 1. Introduction of Right of First Refusal for holders of reconnaissance permit and prospecting license (RP/PL holders).
 2. Encouraging the private sector to take up exploration.
 3. Encouragement of merger and acquisition of mining entities.
 4. Creation of dedicated mineral corridors to boost private sector mining areas.
 5. Granting status of industry to mining activity to boost financing of mining for private sector and for acquisitions of mineral assets in other countries by private sector.
 6. The Policy also introduces the concept of Inter-Generational Equity that deals with the well-

being not only of the present generation but also of the generations to come and also proposes to constitute an inter-ministerial body to institutionalize the mechanism for ensuring sustainable development in mining.

Manufacturing PMI at a 14-month high

What is PMI?

- It is an economic indicator which indicates the business activity, & economic health of the manufacturing and service sectors.
- PMI of India is published by Japanese firm Nikkei but compiled and constructed by Markit Economics.
- Unlike the Index of Industrial Production (IIP) which indicates the changes in production volume or output, the PMI is an investor sentiment tracking index and is more dynamic in nature.

How is it calculated?

- They are derived from monthly surveys of about 400 private sector companies.
- Variables used for calculating the PMI are: Output, New Orders, Employment, Input Costs, Output Prices, Backlogs of Work, Export Orders, Quantity of Purchases, Suppliers' Delivery Times, Stocks of Purchases and Stocks of Finished Goods.

How to read PMI?

- While PMI >50 implies expansion of business and economic activity, PMI <50 implies contraction.

Why in news?

- According to the latest PMI data, manufacturing activity expanded to a 14-month high of 54.3 in February, driven by increases in sales, output, and employment.
- The latest figure was consistent with a robust improvement in business conditions that was stronger than seen on average over the 14-year survey history.
- The report said that supportive government policies and strengthening demand conditions resulted in an expansion in the inflow of new work orders. The increase was the sixteenth in as many months and the most pronounced since October 2016.

Soft loan to sugar mills

Issues plaguing sugar mills

- The consistent increase in FRP of sugarcane results in over-production of cane and sugar, which in turn causes sugar prices to fall below cost levels. The mills incur losses, leading to defaults in payments of farmers.

(Fair and Remunerative Price (FRP) is an arrangement for the price to be paid to sugarcane farmers by the Sugar Mills and is announced each year by the Centre, on the advice of Commission for Agricultural Costs and Prices (CACP) and after consultation with State Governments)

- Surplus sugar production during the last sugar season 2017-18 (October, 2017 to September, 2018) has adversely affected the liquidity position of the sugar mills resulting in building up of cane price arrears of farmers which reached to an alarming level of Rs 23232 crores in May, 2018.
- To mitigate the situation and protect the livelihoods of cane farmers, the Government has taken several steps including fixed minimum selling price of white sugar to Rs.29/kg, allocated mill wise Minimum Indicative Export Quota (MIEQ) of 20 LMT, created buffer stock of 30 LMT, fixed Remunerative Price of ethanol derived from C-heavy and B-heavy molasses as well as from sugarcane juice, etc.

What is Minimum Indicative Export Quotas?

- Govt. use MIEQ to clear surplus stocks of sugar and to improve cash flow to millers for making payment to sugarcane farmers.
- Under MIEQ, mills are allowed to export a fixed quantity of sugar within a specified period.
- It is mandatory to export the fixed quota, failing which the mills shall be deemed to be violating the directives of the government.

Why in News?

- To help the sugar industry to clear its cane dues arrears, the Cabinet Committee on Economic Affairs (CCEA) has approved the proposal to provide soft loans to the extent of about Rs. 7900-10540 crore to the sugar industry.
- Government will bear the interest subvention cost @ 7 - 10% to the extent of Rs. 553 crore to Rs 1054 crore for one year.

- Higher provisioning requirement; and,
- Restrictions on management compensation.

Intellectual Property Competition

Cell for IPR Promotion and Management (CIPAM)

- CIPAM is a professional body under the aegis of the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry.
- Its mandate is to effectively implement National Intellectual Property Rights (IPR) Policy adopted in May 2016 with slogan – “Creative India; Innovative India”.
- It has undertaken several measures to strengthen IP ecosystem in the country.

Why in News?

- CIPAM, in collaboration with ASSOCHAM and ERICSSON India, has launched the second edition of ‘IPrism’, an Intellectual Property (IP) competition for students of schools, polytechnic institutes, colleges and universities.
- Aiming to foster a culture of innovation and creativity in the younger generation, the competition will provide young creators an opportunity to see their creations recognized on a national platform.

3 banks off PCA

What is Prompt Corrective Action (PCA)?

- The PCA framework specifies the trigger points or the level in which the RBI will intervene with corrective action if a commercial bank’s financial condition worsens below a mark. It is to ensure that banks don't go bust.
- The parameters that invite corrective action from the central bank are:
 - Capital to Risk weighted Asset Ratio (CRAR)
 - Net Non-Performing Assets (NPA)
 - Return on Assets (RoA)

What will happen when a bank brought under PCA?

- When these parameters reach the set trigger points for a bank, the RBI will initiate certain structured and discretionary actions for the bank including
 - Restriction on dividend distribution/remittance of profits;
 - Requirement on promoters/owners/parents to bring in more capital;
 - Restrictions on branch expansion;

Why in News?

- The RBI has taken- Allahabad Bank and Corporation Bank, from the public sector, and Dhanlaxmi Bank from the private sector- out of PCA, thereby removing the constraints placed on these banks.
- On January 31, the RBI had taken Bank of India and Bank of Maharashtra out of the PCA framework. The central bank had also removed the restrictions placed on Oriental Bank of Commerce under PCA framework, subject to certain conditions and close monitoring.
- Five PSBs still remain under the PCA framework.

Fiscal deficit in January

What’s in the news?

- According to the latest official data, fiscal deficit widened in January to Rs 7.7 lakh crore, or 121.5% of the Budget Estimates for the full year.
- (*Fiscal deficit- excess of government expenditure over revenues, excluding borrowings*)
- The fiscal deficit stood at Rs 7 lakh crore in the April-December 2018 period, which was 112.4% of the full year target. Last year, the fiscal deficit in the April to January period was at 113.7% of the full year target.
- The fiscal deficit figure works out to 5.5% of GDP for the year as per the first advance estimate released by the government in January. Finance Minister Piyush Goyal had in the Budget 2019-20 said that the fiscal deficit would come to 3.4% of GDP in 2018-19, marginally higher than the targeted 3.3%.
- The government’s total receipts— the summation of its tax, non-tax, non-debt capital and other receipts — were at Rs 12.30 lakh crore in the April to January period, which is 67.5% of the target for the year.
- Within this, the government’s total tax receipts stood at Rs 10.2 lakh crore in the April to January period or 68.7% of the budgeted target for the full year, with just two months left in the financial year.

Organised retail in India may double

What's in the news?

- According to a latest joint report by Deloitte and the Retailers Association of India (RAI), as Internet penetration increases in the country and more international retailers start operating in India, the share of organised retail market would increase from about 12% in 2017 to about 22-25% by 2021.
- Strong macroeconomic factors coupled with robust demographics and Internet penetration will fuel the growth of the retail market in India, which is third largest in Asia and fourth-largest globally after U.S., China and Japan.
- The retail market would partly be driven by the growth of e-commerce market from \$24 billion in 2017 to \$84 billion in 2021. The report pegs the growth in e-commerce market to factors like growing Internet penetration and increased usage of smartphones among others.
- The number of online shoppers would increase from the current 15% of the online population to 50% by 2026. Smartphone users are expected to increase from 260 million in 2016 to around 450 million by 2021 that is also likely to drive the m-commerce sales from \$10.5 billion in 2016 to \$38 billion in 2020.

Consumption led growth

- A joint report by RAI and the Boston Consulting Group (BCG) highlighted the fact that India's consumption has been growing at a steady pace of 13% over the last decade to Rs 110 trillion in 2018, accounting for 59.3% share of GDP of India, higher than the emerging market average.

GDP growth slows

What's in the news?

- According to the latest official data, GDP growth slowed for the third consecutive quarter in the October-December 2018 period. The GDP growth slowed for the third consecutive quarter in the quarter ended December 2018 to 6.6% — a six-quarter low — from 7% in the second quarter and 8% in the first quarter of this financial year.
- The slowdown was led by agriculture, which is estimated to grow at 2.7%, against the earlier estimate of 3.8%. The

manufacturing sector, too, is estimated to grow at a marginally lower 8.1% compared with the previously predicted 8.3%.

- The government revised downwards its estimate for GDP growth in the 2018-19 financial year to 7% from the 7.2% estimated in the first estimate for the year released in January.

Nominal GDP

- Economists point out that the size of the economy in terms of **nominal GDP** (GDP *without the inflation adjustment*) is now estimated to be Rs 190.54 lakh crore, up from the Rs 188.41 lakh crore estimated earlier. This will help the government to meet its fiscal deficit target of 3.4% of GDP for the year.

Indian exporters to tap African countries

About EXIM Bank

- Export-Import Bank of India (EXIM Bank) was established in 1982 under an Act of Parliament as the apex financial institution for financing, facilitating and promoting India's international trade.
- The Bank primarily lends for exports from India including supporting overseas buyers and Indian suppliers for export of developmental and infrastructure projects, equipment, goods and services from India. It is regulated by RBI.

Why in News?

- David Rasquinha, MD, EXIM Bank has said that Indian exporters need to increasingly tap African countries that have an almost "unlimited market".
- India's exports to Africa had increased from 7.5% in 2009-10 to 8% in 2017-18. Of the 54 African countries, there was significant trade with 47. Many of these countries ranked high in terms of ease of business.
- Pointing out that expanding geographical range and product diversification were critical for Indian exporters, he said in 2018-19, exports were expected to surpass the \$304-billion figure of 2017-18.

42 non-scheduled cancer drugs under price control

Price regulation for pharma products in India

- Currently, the health ministry prepares the list of drugs eligible for price regulation.

- Then, the department of pharmaceuticals, which comes under the Ministry of chemicals and fertilizers, incorporates them into Schedule 1 of Drug Price Control Orders(DPCO).
- Following this, the National Pharmaceutical Pricing Authority(NPPA) fixes the prices of drugs in this schedule. So far, around 1000 drugs have been brought under price control.
- Price controls are applicable irrespective of whether it is generic or branded.
- NPPA revises the prices for Schedule 1 drugs annually based on the wholesale price index (WPI). For all other medicines, companies are allowed to raise prices by no more than 10% in a year.

Why in News?

- The government has brought 42 non-scheduled anti-cancer drugs under price control, capping trade margin at 30 per cent. It would reduce their retail prices by up to 85 per cent.
- The NPPA has invoked extraordinary powers in public interest, under **Para 19** of the Drugs (Prices Control) Order, 2013 to bring 42 non-scheduled anti-cancer drugs under price control.

Para 19 of DPCO

- As per Para 19 of the DPCO-2013, the Government may, in case of extraordinary circumstances and in public interest, fix the ceiling price or retail price of any drug, whether scheduled or non-scheduled or a new drug for such period, as it may deem fit.
- It also has powers to revise (either increase or decrease) the ceiling price or retail price of the drug which is already fixed and notified, irrespective of annual wholesale price index for that year.

Repo rate as benchmark

What's in the news?

- Most commercial banks in India are likely to select RBI's repo rate as the external benchmark to decide their lending rates, from April 1.
- *(The repo rate is the key policy rate of the RBI. It is the rate of interest which is applied by RBI to commercial banks when the latter borrows from RBI)*
- RBI had asked the banks to move to an external benchmark for loan pricing from

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April 1, a move expected to improve monetary transmission as lenders had, in the past, been found reluctant to reduce lending rate.

- Banks had four options from which to choose the external benchmark: the repo rate, the 91-day treasury bill, the 182-day T-bill or any other benchmark interest rate produced by the Financial Benchmarks India Private Ltd (FBIL).
- Banks are of the opinion that the repo rate is the most stable one as compared to the other options. At present, the repo rate is 6.25%.

How it is calculated now?

- The marginal cost of fund based lending rate (MCLR) is currently the benchmark for all loan rates. Banks add a spread to the MCLR while pricing loans.
- For the new benchmark, the central bank has mandated that the spread over the benchmark rate — to be decided by banks at the inception of the loan — should remain unchanged through the life of the loan, unless the borrower's credit assessment undergoes a substantial change and as agreed upon in the loan contract.
- If the lending rates are linked to the repo rate, any change in the repo rate will immediately impact the home and auto loan rates, since RBI has mandated the spread to remain fixed over the life of the loan.

India delays retaliatory tariffs

Background

- In June 2017, India decided to impose retaliatory tariffs after the U.S. imposed high customs duties on certain steel and aluminum products. As part of the imposition of higher import duties, India has notified higher tariffs on several products.

Why in News?

- The government has extended the deadline to impose retaliatory customs duties on 29 U.S. products, including almonds, walnut and pulses, till April 1.
- As discussions are underway between India and the U.S. for a proposed trade package, the Commerce Ministry has decided to postpone the implementation of increased customs duty on specified imports originating in USA from March 2, 2019 to April 1, 2019.

- While import duty on walnut has been hiked to 120% from 30% currently, duty on chickpeas, Bengal gram (chana) and masoor dal will be raised to 70% from 30% currently.

GST cut may boost realty demand

GST rate cut

- In a big relief to home buyers, the GST Council has slashed tax rates on under-construction housing properties to 5% without input tax credit, from the existing 12%,
- The Council also cut GST rates on affordable housing to 1% from the current 8% and expanded the scope of affordable housing to those costing up to Rs 45 lakh and measuring 60 sq. metre in metros and 90 sq. metre in non-metro cities.
- However, builders will not be able to claim input tax credit (ITC) under the new GST rates.
- *(ITC means when a manufacturer pays the tax on his output, he can deduct the tax he previously paid on the input he purchased. If the tax paid on inputs is higher than the tax on the output, the excess can be claimed as a refund)*
- Currently, GST is levied at 12 per cent on payments made for under-construction property or ready-to-move-in flats where completion certificate has not been issued

Officers IAS Academy, Chennai at the time of sale. GST, however, is not levied on buyers of real estate properties for which completion certificate has been issued at the time of sale.

Impact of the move

- This move will offer a push to the demand in the under-construction segment, which has been suffering from low sales levels for several quarters. The elimination of input credit tax benefit may hit profitability for the supply side; however, the potential demand generation as a result of this move will far outweigh any negative aspects leading to greater sales numbers and revenues.

GST collection drops to Rs 97,247 crore in February

- Gross GST revenue collection in February stood at Rs 97,247 crore, down from the Rs 1.02 lakh crore collected in January. The February 2019 figure is, however, 13% higher than what it was in February 2018.
- Out of Rs 97,247 crore, CGST is Rs 17,626 crore, SGST is Rs 24,192 crore, IGST is Rs 46,953 crore and cess is Rs 8,476 crore.
- The downfall has raised questions on government plans to achieve next year's revenue target, which is 20% higher than the target for the current year, especially since the GST Council doesn't have the room to increase tax rates.

International Relations

Geneva Conventions

Why in news?

- India has cited Geneva Convention while demanding the release of Wing Commander Abhinandan who is in Pakistan Army custody.

What is Geneva Convention?

- The Geneva Convention of 1949 are a set of international treaties that ensure that war parties conduct themselves in a humane way with non-combatants such as civilians and medical personnel as well as combatants not actively engaged in fighting such as prisoners of War and wounded or sick soldiers.
- All countries are signatory to Geneva Convention.
- It is applicable during peace, declared war and conflict not recognised as war.
- There is a total of four conventions with three protocol.

Provision of Prisoners of War (POW)

- Prisoners of war are mentioned under third convention.
- Under the provisions they are
 - not to be harmed.
 - not be subjected to physical or mental torture
 - protected against violence and public insult

Rights Applicable to Prisoners of War

- Cannot be forced to provide information of any kind.
- Use of POW as hostage or human shields is prohibited.
- Correspondence between POW and his family.
- Under the convention, conflicting parties are bound to send back POW.
- Conflicting parties are expected to reach an agreement to return POW.
- International Committee of Red Cross monitors implementation of Geneva conventions.

Chagos archipelago Dispute

Overview

- Mauritius's prior to independence had agreed in the 1965 agreement with UK for separation of the Chagos archipelago, whereby it feared that if it did not do so, independence would not be granted.

- Thereafter, UK had leased Diego Garcia to the United States and the US had formed its Indian Ocean military base.
- Mauritius had moved a resolution in UN General Assembly in 2017 and was adopted by the UNGA.
- The resolution had asked the International Court of Justice to give its advisory opinion on whether or not the UK was violating international law by carving Chagos out from Mauritius at the time of independence and evacuating its residents.

ICJ Opinion

- ICJ in an advisory opinion has said that Britain has an obligation to end its administration of the Chagos archipelago home to the U.S. military base of Diego Garcia and complete the process of decolonisation of Mauritius.
- ICJ has said that the British occupation of Chagos archipelago is not based on the "freely expressed and genuine will" of the people.
- The original agreement between UK and Mauritius had not allowed for third-party involvement in the territory, thereby raising concerns with US base in Diego Garcia.
- However, this is an advisory opinion of ICJ and is not a judgment. Therefore, it is not binding on the UK to act upon it.



Indian Role

- India voted in favour of the resolution in UNGA, but did not agree to Mauritius's request to co-sponsor the resolution.
- India is in the process of attempting to convince Mauritius to publicly offer a long-term lease to the US for Diego Garcia, if Mauritian sovereignty was restored.

- India intends for continued presence of US in the Indian Ocean region to balance the growing presence of China in the region.

Why in news?

- ICJ in an advisory opinion said that Britain should hand over Chagos islands to Mauritius.

FATF

Why in news?

- FATF decided not to remove Pakistan from the 'grey list' and also did not accept Indian demand to move Pakistan to the 'black list'.

About

- The Financial Action Task Force (FATF) is an intergovernmental body established in 1989 by the Group of Seven (G-7) countries in Paris, France.
- It was formed with the intention to examine and develop measures to combat money laundering.
- The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating Money laundering, Terrorist financing and threats to the integrity of the international financial system.
- FATF has placed Pakistan in its Grey List.

40+9 standards

- FATF has formed 40 recommendations against money laundering and 9 special recommendations against terrorist financing, which forms the commonly known '40+9' FATF Standards.
- FATF issues a list of 'Non-Cooperative Countries or Territories' (NCCTs), commonly called the FATF Blacklist.
- These countries or territories are considered to be uncooperative in international efforts against money laundering and terrorism financing.
- The FATF Grey List is a list of countries or territories with deficiencies in anti- money laundering and/or countering the financing of terrorism, for which they have developed an action plan with the FATF.

Grey List - Pakistan

- Pakistan was put on the grey list in 2012 after the completion of an earlier Mutual Evaluation by FATF, and therefore had to follow the action plan suggested by FATF.
- In 2015, it was taken off the grey list, after the FATF was satisfied with Pakistan's

measures undertaken to counter terror financing.

- The US, along with the UK, France and Germany, started a process at the FATF to co-sponsor a motion to nominate Pakistan as a country having strategic deficiencies in countering financing of terrorism.
- This motion was passed in March, 2018.
- FATF in June, 2018 placed Pakistan on the 'grey list' for failing to curb anti-terror financing despite after submitting a 26-point action plan to FATF.
- The other countries on the list are Ethiopia, Serbia, Sri Lanka, Syria, Trinidad and Tobago, Tunisia and Yemen.

Organisation of Islamic Cooperation

About OIC

- It was established in a summit which took place in Rabat, Morocco in 1969 and in 1970 it was decided to establish a permanent secretariat in Jeddah, Saudi Arabia.
- Members: The Organisation of Islamic Cooperation (OIC) is the second largest inter-governmental organization after the United Nations with a membership of 57 states spread over four continents.
- It has reserved its membership for Muslim-majority countries and other countries with significant Muslim population are given observer status such as Russia.
- Purpose: It aims to safeguard and protect the interests of the Muslim world in the spirit of promoting international peace and harmony among various people of the world.

India & OIC

- Bangladesh and several other countries had suggested that India, where more than 10% of the world's Muslims live, should be given Observer status, but Pakistan had opposed the proposal.
- Pakistan has threatened to leave OIC if India is given membership.
- OIC has been supportive of Pakistan's stand on Kashmir, and has issued several statements in the past criticizing India's role in Jammu Kashmir.
- OIC also has a special designated Kashmir contact group led by Pakistan which coordinates OICs position on Kashmir in UN.
- Even in December 2018, OIC condemned the killing of individuals in Pulwama region

in Kashmir by Indian forces and described the direct shooting at demonstrators by Indian forces as a “terrorist act”.

- Due to OIC tilt towards Pakistan, interference in India’s internal affairs and denial of membership to India, India during Vajpayee’s era had unofficially dropped India’s attempt for membership to OIC.

Why in news?

- India was been invited to OIC meet as ‘guest of honour’ and was attended by External Affairs Minister Sushma Swaraj.

Limi Valley

About

- Limi valley is a trans-Himalayan valley located in north-western Nepal.
- It consists of 3 villages which are situated along the Karnali River.
- It is situated close to the tri-junction of India, Nepal and China. Due to its geo-strategic location, this valley was at centre of thriving trade between India and Tibet in the past.
- The centuries old trade has resulted into unique tradition and culture of the people in this region.
- Even though, it is located in Nepal, its cultural traditions are similar to Tibetan communities.
- Similarly, the women wear jewellery made of Indian coins of the British era minted as far back as 1887.
- The People living in this valley follow Tibetan Buddhism and the main attraction here is Halji Rinchenling Monastery.

Strategic Importance for India

- The valley is located in a remote location and is not well connected to the Nepal Side. However, it is well connected by road with China.
- Due to this, the entire economy of the Limi Valley is dependent on the China.
- A large number of youths of this valley get educated in free Tibetan schools in India.
- Hindi is one of the commonly spoken language in this region.

UNSC

United Nations Security Council

- UNSC is one of the six principal organs of the United Nations and is charged with the maintenance of international peace and security.

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- Its powers include the establishment of peacekeeping operations, the establishment of international sanctions, and the authorization of military action through Security Council resolutions.
- The Security Council consists of fifteen members. Russia, the United Kingdom, France, China, and the United States—serve as the body’s five permanent members.
- These permanent members can veto any substantive Security Council resolution, including those on the admission of new member states or candidates for Secretary-General.
- The Security Council also has 10 non-permanent members, elected on a regional basis to serve two-year terms.

Request

- Three permanent members of the United Nations Security Council (UNSC), the U.S., U.K and France, have made a ‘listing request’ to the UNSC asking for a travel ban, arms embargo and asset freeze on Pakistan-based Jaish-e Mohammad (JeM) leader Masood Azhar.
- The JeM had claimed responsibility for the February 14 suicide attack on an Indian security convoy in Pulwama in Kashmir that killed more than 40 Indian troops.
- China had used its veto power as a permanent member of the UNSC to block previous attempts at sanctioning Azhar.
- The JeM had already been listed by the UNSC as being associated with al Qaeda in October 2001.

Jaish-e-Mohammed (JeM)

- JeM is a Deobandi jihadist terrorist group active in Kashmir. The group’s primary motive is to separate Kashmir from India and merge it into Pakistan.
- It has carried out several attacks primarily in the Indian state of Jammu and Kashmir. It also maintained close relations with Taliban and Al-Qaeda in Afghanistan and continues to be allied to them.
- In 2016, Jaish was suspected of being responsible for an attack on the Pathankot airbase in India.
- The Indian government accused Pakistan of assisting Jaish in conducting the attack. Pakistan denied assisting Jaish, and arrested several members of Jaish in connection with the attack, who were then released by the security establishment.

Why in news?

- Fresh proposal moved in UNSC to list JeM terrorist Masood Azhar.

Sampriti - 2019

Details

- Exercise Sampriti-2019 is an important bilateral defence cooperation between India and Bangladesh and this will be the eighth edition of the exercise which is hosted alternately by both countries.
- The exercise will involve tactical level operations in a counter insurgency and

Officers IAS Academy, Chennai counter terrorism environment under the UN mandate.

- In addition to understanding each other in tactical level operations, emphasis will also be laid for greater cultural understanding to strengthen military trust and cooperation between the two nations.

Why in news?

- As part of the on-going India Bangladesh defence cooperation, a joint military exercise Sampriti-2019 will be conducted at Tangail, Bangladesh.

Science & Technology

Air Force commissions aerial surveillance

Why in news?

- The Indian Air Force (IAF) has commissioned the development of an aerial surveillance system for monitoring suspicious movements under dense foliage cover along the international border and some parts within the country.

Features:

- To locate and identify suspicious movements a hyper spectral imagery programme, a first for the country is expected to be operational in the next two years.
- India will have multi-sensor data fusion that will help identify an adversary for the first time.
- The programme is meant for data gathering from aerial sources which will be processed within minutes and researchers would be able to tell security forces on the ground of “unwanted” human presence in the area, their numbers and locations, among other inputs.
- This unique patent application will help identify the presence of a human below trees, dense foliage, shrubs or inside a structure, whether it is day or night.
- Data/images will be captured through optical and infra-red sensors to be most likely mounted on an unmanned aerial vehicle and processed through deep learning algorithms.

Spy in the sky
The aerial surveillance system will track suspicious activities in areas with dense tree cover along the border

Name of programme: Hyper spectral imagery

Cost ₹13 crore

Time frame: Within two years

USP
▪ It will track “unwanted” human presence, their numbers and locations with optical and infra red sensors
▪ The data will be analysed with deep learning algorithms and immediately relayed to security forces

Who is building it?
▪ IAF has roped in former NASA scientist Kumar Krishen as the chief technologist

Other purposes
▪ The technology can be deployed in agriculture for monitoring drought, disease and nutrient stress or identifying soil moisture

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IMAGE FOR REPRESENTATION PURPOSE

SpaceX astronaut capsule launched

Why in news?

- SpaceX celebrated the successful launch of a new astronaut capsule on a week-long round trip to the International Space Station — a key step towards resuming manned space flights from U.S. soil after an eight-year break.
- This time around, the only occupant on board SpaceX’s Crew Dragon capsule was a dummy named Ripley — but NASA plans to put two astronauts aboard in July, although that date could be delayed.

Details of the Mission:

- The SpaceX company has launched a capsule designed to carry people from the Kennedy Space Center in Florida.
- The mission is uncrewed for this flight, but if it goes well, the American space agency is likely to approve the system for regular astronaut use from later this year.
- SpaceX founder Elon Musk said this could be the first step towards opening space travel to commercial customers.
- The Dragon crew capsule is a variant on the ISS cargo freighter flown by SpaceX. Upgrades include life-support systems, obviously; and more powerful thrusters to push the vessel to safety if something goes wrong with a rocket during an ascent to orbit.
- Not since the retirement of the shuttles in 2011 has the US been able to put humans in orbit. It has been paying to use Russian Soyuz vehicles instead.

Yoga benchmark

What is the news?

- Ministry of AYUSH and WHO are jointly organizing a three days Working Group Meeting for reviewing the WHO document “Benchmarks for Training in Yoga” in New Delhi.

More on the news:

- WHO is developing Benchmarks Document for Training in Yoga as part of its global strategy to strengthen the quality, safety and effectiveness of Traditional and Complementary Medicine.
- Development of this benchmarks document is included in the Project

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between WHO and Ministry of AYUSH
(2016-2020).

Objectives of the meeting:

- Collaboration Agreement signed between World Health Organization (WHO) and Ministry of AYUSH on Cooperation in the field of Traditional and Complementary Medicine under WHO strategy covering the period 2014-2023.
 - Under this WHO Traditional Medicine Strategy 2014-2023, a Project Collaboration Agreement (PCA) was signed between WHO and Ministry of AYUSH on 13 May, 2016 for cooperation on promoting the quality, safety and effectiveness of service provision in traditional and complementary medicine
- To discuss the challenges in training of Yoga,
 - To review & discuss the scope and structure of the working draft document,
 - To review and discuss the contents of the working draft document,
 - To identify the type, scope and criteria of information/data that are further required, and
 - To discuss the working procedure and time frame for further development of the document.

Environment

DNA forensics

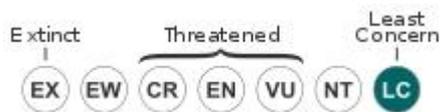
Why in news?

- In a major breakthrough it was found that a forensic DNA analysis by the Zoological Survey of India (ZSI), Kolkata can identify species and number of individuals killed and thus crack down on wildlife crimes.

More on news:

- A DNA forensic analysis helped to catch a person accused of killing an Asian Palm Civet (*Paradoxurus hermaphroditus*), a Schedule II species protected under the Wildlife (Protection) Act, 1972.
- DNA forensics are providing a major headway, with investigating agencies facing increased challenges of collecting evidence to ensure convictions in wildlife crimes.

About Asian Palm Civet:



- Asian palm civets (*Paradoxurus hermaphroditus*) also known as common palm civets are native to regions within and around Asia, ranging as far east as the Philippines and as far west as Kashmir.
- They are widespread but are mostly found in southern China, northern Himalayas, southern India, and islands in the Indian Ocean, South China Sea, and the Philippine Sea.
- The Asian palm civet inhabits the tropical jungles and rainforests throughout much of Asia.
- The main populations of the Asian palm civet however are found in southern India, Sri Lanka, South-east Asia and southern China.

- The Asian palm civet is solitary animal that only comes out under the cover of night to hunt and catch food.
- These nocturnal animals are primarily ground-dwelling and highly terrestrial. The Asian palm civet is a carnivorous animal, and like other species of civet, it survives on a meat-based diet, supplemented by the odd plant or fruit.

'Hothouse' conditions

Why in news?

- Marine clouds that protect us from hothouse Earth conditions by reflecting sunlight back into space could break up and vanish if CO₂ in the atmosphere triples – A study by California Institute of Technology
- Computer modeling shows that marine stratus clouds could disappear if atmospheric CO₂ levels climb high enough, raising global temperatures.

Details of the Study:

- Stratocumulus clouds cover about 20% of subtropical oceans, mostly near western seaboard such as the coasts of California, Mexico and Peru.
- When they disappear, Earth warms dramatically, by about eight degrees Celsius — in addition to the global warming that comes from enhanced greenhouse concentrations alone. A temperature increase of that magnitude would melt polar ice and lift sea levels tens of metres.
- The last time the planet was that hot, some 50 million years ago during the Eocene Epoch, crocodiles roamed the Arctic. Even half that much warming would overwhelm humanity's capacity to adapt.
- A barely one-degree increase since the mid-19th century — mostly in the last 50 years — has been enough to worsen heatwaves, droughts, and flooding, along with cyclones engorged by rising seas.
- The 2015 Paris climate treaty enjoins nations to cap the rise in temperatures at "well below" 2°C.

Stratocumulus Clouds:

- Cloud is a mass of minuscule water drops or minute crystals of ice formed by the condensation of water vapour in free air at significant altitudes.

- According to their altitude, stretch, density, and transparency or opaqueness clouds are classified under four types – Cirrus, Cumulus, Stratus, Nimbus. A combination of these four types can give rise to many other types of clouds
- A stratocumulus cloud belongs to a genus-type of clouds characterized by large dark, rounded masses, usually in groups, lines, or waves, the individual elements being larger than those in altocumulus, and the whole being at a lower height, usually below 2,000 metres (6,600 ft).
- Weak convective currents create shallow cloud layers because of drier, stable air above preventing continued vertical development

Rhinos without borders

Why in news?

- International boundaries will not come in the way of conservation of rhinos, said representatives of Asian countries where the one-horned herbivore thrives.

Details of the initiative:

- The New Delhi Declaration adopted at the second meeting of the Asian rhino range countries underscored trans-boundary collaboration among India, Nepal, and Bhutan for the conservation and protection of the greater one-horned rhino.
- There are no rhinos in Bhutan, but some from the Manas National Park in adjoining Assam or Buxa Tiger Reserve in West Bengal are known to cross over occasionally.
- Emphasis was also laid on expanding rhino domains within a country or between rhino range countries. Indonesia and Malaysia are the other Asian countries where the last of the rhinos live.
- The current global population of the Indian one-horned rhinoceros is 3,584. Assam's Kaziranga National Park has the bulk of 2,938 rhinos in India while Nepal 646.
- Once ranging from China to Bangladesh, the Javan and Sumatran rhinos are nearing extinction.
- The Sumatran rhino, the smallest of all rhino species and the only Asian rhino with two horns, became extinct in the wild in Malaysia.
- Among the other decisions taken at the New Delhi meeting of the Asian rhino range countries was "making the best use of all

Officers IAS Academy, Chennai available individuals and technologies" to accelerate natural and conservation breeding of the critically endangered Sumatran rhino.

- Part of the plan has been to replicate or develop upon the Kaziranga rhino conservation success story for Sumatran as well as the Javan rhino. Kaziranga had less than 10 rhinos when it was declared a protected area for the animal in 1905.
- On February 26, the National Rhino Conservation Strategy for India called for active engagement between India and Nepal to protect the species.

About Asian Rhinos:

- There are three Asian rhino species, all of which have been pushed to the brink of extinction. The greater one-horned is slowly recovering thanks to years of successful conservation efforts but the Sumatran and Javan rhinos remain at great risk.
- Poaching for their horns and habitat loss are the two greatest threats to the survival of Asia's remaining rhinos.
- Rhinos have been around for millions of years and have a major impact on the structure of their habitat and the health of their ecosystem.
- For example, the greater one-horned rhino helps to maintain close-cropped grasslands near rivers, which are preferable feeding spots for small herbivores. Asian rhinos also disperse the seeds of plants and fruit they've eaten, through their faeces.
- Many other animals – and people – depend on healthy rhino habitats, so protecting the rhino and its habitat helps other wildlife and people.
- All the folds in their skin give Asian rhinos a more armoured look than their counterparts in Africa. The greater one-horned rhino and Javan rhino have one horn, while the Sumatran rhino has two.
- Despite their hefty appearance, Asian rhinos are excellent swimmers and can easily swim across rivers. They're vegetarians, grazing on tall grasses, shrubs, leaves and some fruits.

Drought-less

Why in news?

- There's unlikely to be a drought in 2019 as the El Nino which is a climate phenomenon linked to poor monsoon

in India is likely to peter out by the beginning of the season, according to a forecast by private weather forecaster Skymet.

- The India Meteorological Department (IMD) too has concurred that a strong El Nino is unlikely but it's too early to rule out a drought, for which complete data would be required by 30th March, 2019.

What is El- Nino?

- El Niño is the warm phase of the El Niño–Southern Oscillation and is associated with a band of warm ocean water that develops in the central and east-central equatorial Pacific, including the area off the Pacific coast of South America.

Culture

Gandhian Peace Prize

About

- International Gandhi Peace Prize was constituted by the government of India in 1995.
- It is created as a tribute to the ideals of Mahatma Gandhiji, father of the Nation.
- The winners are selected by a panel headed by Prime Minister, the Leader of the Opposition in the Lok Sabha, the Chief Justice of India and two other eminent persons.
- The winners would receive a cash prize of Rs 1 crore, a citation in a scroll, a plaque and a traditional handicraft/handloom item.

Winners

- The government has announced the names of Vivekananda Kendra in Kanyakumari (2015), Akshaya Patra Foundation and Sulabh International (2016), Ekal Abhiyan Trust (2017) and Yohei Sasakawa (2018) for the International Gandhi Peace Prize.
- The Vivekananda Kendra in Kanyakumari was awarded for its contribution to rural development, education, and development of natural resources.
- The Akshaya Patra Foundation was awarded for its work towards providing midday meals to children across India.
- The Sulabh International was awarded for its contribution towards the improvement of sanitation facilities in India and the emancipation of manual scavengers.
- The Ekal Abhiyan Trust was awarded for its work in the field of education for rural and tribal children, rural empowerment and gender and social equality.
- Yohei Sasakawa, chairperson of Nippon Foundation and World Health Organization goodwill ambassador was awarded for his contribution towards eradicating leprosy.

Why in news?

- The President of India, Shri Ram Nath Kovind presented the prestigious Gandhi Peace Prize for the years 2015, 2016, 2017 and 2018 at a function in Rashtrapati Bhawan.

New War Memorial

About

- The National War Memorial, near India Gate in New Delhi, is a fitting tribute to our soldiers who laid down their lives defending the nation, post-independence.
- The National War Memorial also commemorates the soldiers who participated and made the supreme sacrifice in Peace Keeping Missions, and Counter Insurgency Operations.
- The National War Memorial will not replace the Amar Jawan Jyoti which was built in 1972 underneath the India Gate arch to commemorate soldiers killed in the Indo-Pak War of 1971.

Why in news?

- PM Modi opens the War memorial in Delhi.

Dongria Kondh tribes

About

- The Dongria Kondh's habitations are found in the Niyamgiri hills in Kalahandi and Rayagada districts in Odisha.
- The Dongria Kondh have their annual festival called 'Niyamraja festival.'
- The Niyamgiri hill range in state of Odisha state is home to the Dongria Kondh tribe which is also Particularly Vulnerable Tribal Group (PVTG).
- They believe that their right to cultivate Niyamgiri's slopes has been conferred on them by their mountain God - Niyam Raja, and that they are his royal descendants.

Supreme Court's judgment

- With respect to claims of forest dwelling people of India, Supreme Court in the latest judgment in Wildlife First Ors v. Ministry of Forest and Environment has ordered the eviction of lakhs of people whose claims as forest dwellers have been rejected under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.
- This decision will put these the Scheduled Tribes and other vulnerable communities of the society on the verge as they already are neglected by the government.
- Later the Supreme court has stayed the judgement due to intervention of central government.
- The court has now given the States four months' time to file affidavits responding to allegations that there was a high rate of

rejection of claims, non-communication of rejection orders etc.

The Mining Issue

- Vedanta Aluminium Ltd. approached the Supreme Court asking that the company be allowed to mine bauxite in the Niyamgiri hills to feed their aluminium plant located at the foothills.
- However, this move of Vedanta was opposed by the Dongria Kondh tribe.
- Gram Sabha rejected the proposal of extraction of bauxite from the region and said that mining of the region threatens their religious and traditional rights protected under Article 25 of the Indian Constitution.
- Religious freedom guaranteed to Scheduled Tribes and Other Traditional Forest Dweller (OTFDs) under Articles 25 and Article 26 of the Constitution is intended to be a guide to a community of life and social demands.
- Article 25 and 26 accords them the right to practice and propagate not only matters of faith or belief, but all those rituals and observations which are regarded as integral part of their religion.
- Thus, they can protect their right to worship the deity Niyam-Raja has therefore, to be protected and preserved.

Why in news?

- Supreme court stays order for eviction of tribals, forest dwellers.

Yoga

Why in news?

- Ministry of AYUSH and WHO are jointly organizing a Working Group Meeting for reviewing the WHO document "Benchmarks for Training in Yoga".

Details of the meeting

Officers IAS Academy, Chennai

- The meeting is coordinated by Morarji Desai National Institute of Yoga (MDNIY).
- WHO is developing Benchmarks Document for Training in Yoga as part of its global strategy to strengthen the quality, safety and effectiveness of Traditional and Complementary Medicine.

Objectives

- The specific objectives of the meeting are to discuss the challenges in training of Yoga, to review & discuss the scope and structure of the working draft document.
- This benchmarks document will be used in evaluating Yoga therapy, identifying trends in utilization, developing payment structures for service models, establishing regulatory framework for Yoga practice.

Traditional Medicine Strategy 2014-2023

- World Health Organization (WHO) has been launched Traditional Medicine Strategy 2014-2023 to help health care leaders to develop solution that contribute to a broader vision of improved health and patient autonomy.
- The strategy has two key goals: to support Member States in harnessing the potential contribution of Traditional and Complementary Medicine (T&CM) to health, wellness and people-centred health care and to promote the safe and effective use of T&CM through the regulation of products, practice and practitioners.
- These goals will be reached by implementing three strategic objectives are
 - 1) Building the knowledge base and formulating nation's policies;
 - 2) Strengthening safety, quality and effectiveness through regulation; and
 - 3) Promoting universal health systems.

Miscellaneous

4th Global Digital Health Partnership Summit

Overview

- The Global Digital Health Partnership (GDHP) is an international collaboration of governments, government agencies and multinational organisations dedicated to improving the health and well-being of their citizens through the best use of evidence-based digital technologies.
- The global intergovernmental meeting on digital health is being hosted by the Ministry of Health and Family Welfare in collaboration with World Health Organization (WHO) and the Global Digital Health Partnership (GDHP)
- It discussed the implication of digital health interventions to health services accessibility, quality and affordability and explores ways of using digital health technologies to strengthen the healthcare delivery systems globally.

Health information platform

- Platform which Health Ministry is in the process of establishing for interoperability amongst various health IT systems and All India exchange of Electronic Health Records of citizens ensuring privacy, security, and confidentiality of data.
- The same is to be supplemented by a pan-Indian network of disease surveillance, tele-medicine and tele-radiology and tele-education.

'Delhi Declaration' on digital health

- This Delhi Declaration on digital health was adopted at the concluding session of the '4th Global Digital Health Partnership Summit.
- Delhi Declaration on digital health for sustainable development, which called for WHO's leadership in digital health and for it to establish a specific mechanism to centrally coordinate digital health to assist its Member States.

Why in news?

- Union Minister of Health and Family Welfare inaugurated the '4th Global Digital Health Partnership Summit'.

National Youth Parliament Festival

Why in news?

- Prime Minister Narendra Modi distributed the National Youth Parliament Festival 2019 Awards to the Winners.

About

- National Youth Parliament Festival 2019 was celebrated on 12th January, 2019, on the occasion of National Youth Day.
- National Youth Parliament Festival 2019 Theme: "Be the Voice of New India" and "Find solutions and contribute to policy".
- Youth in the age bracket of 18-25 years are invited to participate in the District Youth Parliaments.
- The National Youth Parliament Festival will encourage the youth to engage with public issues, understand the common man's point of view, form their opinion and express them.
- National Youth Parliament Festival 2019 has been jointly organised by National Service Scheme (NSS) and Nehru Yuva Kendra Sangathan (NYKS) under the aegis of Ministry of Youth Affairs & Sports.

National Youth Day

- The National Youth Day (also called as Yuva Diwas) is observed on January 12 every year to commemorate the birthday of Swami Vivekananda.
- The main objective is to propagate the philosophy and the ideals of Swami Vivekananda.
- It became a mainstream celebration in India from 1985 onwards and observed on January 12 ever since.

Aviation Conclave 2019

Overview

- The Ministry of Civil Aviation, in association with Airports Authority of India (AAI), Airport Authority of India - Cargo Logistics & Allied Services Company Limited (AAICLAS) and Confederation of Indian Industry organized the Aviation Conclave 2019.
- The theme of the conclave is "Flying for All".
- Aviation Conclave brings into focus new aviation business to India, in particular, drone systems, manufacturing of aircraft in India, financing and leasing of aircraft from India by Indian and foreign airlines, transforming Indian airports into next-gen aviation hubs, and unleashing the air cargo

potential by integrating every village of India in global value chains.

Key Areas

- Drone-Ecosystem Policy Roadmap
- Roadmap for Manufacturing Aircraft and associated equipment, including Regional Transport Aircraft, in India
- The Project Rupee Raftaar- which aims at Aircraft Financing and Leasing from India
- National Air Cargo Policy: it seeks to make India among the top five air freight markets by 2025, besides creating air transport shipment hubs at all major airports over the next six years.
- The policy will encourage code sharing/interline agreements between foreign and Indian carriers.
- Mission to transform Indian Airports into Next-Gen Aviation Hubs.

Government Policy

- Regional connectivity scheme of UDAN (Ude Desh ka Aam Nagrik) initiated by the government in 2016 aims to make flying affordable by connecting unserved airports across the country.
- NABH Nirman, announced in the 2018-19 budget, aims to expand airport capacity by more than five times to handle a billion trips in a year.
- National Civil Aviation Policy (NCAP) was framed to boost regional air connectivity, establish an integrated ecosystem to promote tourism and generate employment.

Why in news?

Officers IAS Academy, Chennai

- Union Minister of Commerce, Industry and Civil Aviation Suresh Prabhu inaugurates 'Aviation Conclave 2019'.

Aerial surveillance

About

- To locate and identify suspicious movements a hyper spectral imagery programme, a first time in India is expected to be operational in the next two years.
- India will have multi-sensor data fusion that will help identify unwanted movement.
- The programme is meant for data gathering from aerial sources which will be processed within minutes and researchers would be able to tell security forces on the ground of "unwanted" human presence in the area, their numbers and locations, among other inputs.
- This unique patent application will help identify the presence of a human below trees, dense foliage, shrubs or inside a structure, whether it is day or night.
- Data/images will be captured through optical and infra-red sensors to be most likely mounted on an unmanned aerial vehicle and processed through deep learning algorithms.

Why in news?

- The Indian Air Force (IAF) has commissioned the development of an aerial surveillance system for monitoring suspicious movements.

News in-depth

General Studies-1

De-odourising Sewage

Present status of Water Pollution

- We all know water is crucial for life, we trash it anyway. Some 80 percent of the world's wastewater is dumped largely untreated back into the environment, polluting rivers, lakes, and oceans.
- This widespread problem of water pollution is jeopardizing our health.
- Unsafe water kills more people each year than war and all other forms of violence combined.
- Meanwhile, our drinkable water sources are finite: Less than 1 percent of the earth's freshwater is actually accessible to us.
- Without action, the challenges will only increase by 2050, when global demand for freshwater is expected to be one-third greater than it is now.
- **The World Bank estimates that more than a fifth of all communicable diseases in India (21%) are caused by contaminated water.**
- It attributes one in ten deaths in India to diseases or infections directly or indirectly transmitted through water.
- Over 500 children die every day in India due to diarrhoeal diseases. Water pollution occurs when harmful substances often chemicals or microorganisms contaminate a stream, river, lake, ocean, aquifer, or other body of water, degrading water quality and rendering it toxic to humans or the environment.

Accessing water in Future implies Careful Usage of water in Present:

- According to NITI Aayog's composite water management index report released last year, 75% of households do not have access to drinking water on premises, 70% households lack piped water (potable or otherwise) and as many as 20 cities will effectively use up all available water resources by 2020.
- Sewage and waste need to come centre stage in our policy debates.

Water Pollution: Reactive Nitrogen, a growing pollutant

- According to a study by the Indian Nitrogen Group, a task force of scientists tracking the issue, the amount of reactive nitrogen in a bulk of the water bodies in India is already twice the limit prescribed by WHO.
- Nitrogen pollution from untreated sewage, the study found, now outstrips nitrogen pollution from the Indian farmer's urea addiction. Now, add nitrogen pollution to the list.
- The centre and state Government efforts has managed to make toilets top of the mind in our country, with its Swachh Bharat Abhiyan.
- Toilets are being built in mission mode and there is enough anecdotal evidence to suggest that there has been a measurable reduction in the number of people defecating in the open, which stood at over 500 million or half the population a few years ago.

How is India's nitrogen pollution different from that of the world?

- Nitrogen pollution differs from country to country, depending on the sources of contribution, which can be anything from agriculture, domestic and municipal sewage to fossil fuel burning, vehicles, industries and residue burning.
- **The biggest human-made source of nitrogen pollution is unused fertiliser in the farms, whether chemical or biological in origin.**
- In India, due to the unaffordability of precision agriculture or labour costs for frequent application of fertilisers in small doses, farmers apply fertilisers in fewer but larger doses.
- **But since crops cannot use the fertilisers fully, they contribute to the reactive nitrogen pollution in India.**
- Most of it comes from cereal cultivation, whereas in other countries, it may come mainly from horticultural crops or cash crops as in China, or even from forage crops and livestock or animal farming as in Europe.

- Africa has a negative balance of nitrogen, which means due to lack of sufficient fertiliser/manure, farmers in the continent are mining away whatever little nitrogen is left in the soil, causing soil degradation.

Clean India Missions- but scarcity of Waste and Sewage Treatment Missions

- India's latest, largest and most significantly scaled attempt at cleanliness the Swachh Bharat Abhiyan is likely to add to this problem.
- Under the mission, over nine crore toilets have been constructed. Of these, only 60 lakh are in urban areas, where one assumes they are connected to some sort of sewage system (even this assumption is a stretch).
- **A study done by the Centre for Science and Environment in 30 cities in Uttar Pradesh found that only 28% of toilets in these cities were connected to a sewage system. The rest will be generating fecal sludge, sewage and septage which has no place to go.**
- Which means that that too will simply get dumped, polluting land, surface and ground water and killing our rivers and ponds.
- **According to the Central Pollution Control Board (CPCB), 63% of urban sewage flowing into rivers is untreated.**
- All this, one would have presumed, prodded policymakers and governments into action.
- Just like the nation is building toilets in mission mode, one would have thought civic administrations would be building drains and sewers and treatment plants with the same zeal.
- Of the 99 cities in the 'Smart Cities' mission, which are collectively spending 2 lakh crore over five years (from 2015), only 2.4% of the money is going to be spent on waste management.
- Other schemes like the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) also fund such schemes. AMRUT covers a much larger spread 500 so-called 'mission cities' across the country. Of these, only 217 pitched for a sewage treatment plant as an AMRUT project.

Way Forward

- Can we maintain a balance **between the use of fertilisers to achieve food security and limiting nitrogen pollution?**

- Yes. Firstly, India's food grain production is not growing at par with the increase in fertiliser consumption. In fact, the role of nitrogen in cereal production has fallen sharply in the last two decades.
- Continuous increase in fertiliser usage without addressing the limiting factors will only result in diminishing returns in terms of yield, besides imposing environmental costs.
- We need to rationalise the unbalanced usage of nitrogen fertilisers in irrigated areas that grow multiple crops in a year and ensure need-based usage of nitrogen fertilisers in all areas, even if it means a slight increase in its usage in rain-fed areas.
- But most importantly, we need to put the clamps on non-agricultural sources of nitrogen, which are spewing the pollution at a much faster rate.

Conclusion

- We have all the scientific capacity needed to assess our reactive nitrogen loads, sources, sinks, flows and future scenarios, as well as identify possible interventions.
- **Reducing the use of nitrogen fertilisers and increasing that of recycled manures offers the prospect for Indian farmers to produce food more securely and profitably, while saving the government a huge amount of money.**

Without land or Recourse : Supreme Court order on eviction of people rejected under Forest Rights Act

Context

- The Supreme Court's order to evict, over the next five months, occupants of forest lands who failed to make a successful claim for tenure under the Forest Rights Act, 2006.
- It has once again highlighted the dilemma of reconciling inalienable tribal rights with biodiversity conservation.
- When the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act was passed, it was with the wholly welfarist goal of making these communities partners in conservation.
- They would be stewards of forests that have shrunk and become fragmented over the decades.

impose additional pressures on forests and wildlife.

Significance of the SC verdict

- It was another landmark, therefore, when the Forest Rights Act protected possession and conferred heritability of land to over 23 lakh out of 44 lakh claimants who are either specified Scheduled Tribes, or people who have lived in forests traditionally, relying on forest produce for at least 75 years prior to the cut-off year of 2005.
- But over 20 lakh other applicants who could not establish their claim through gram sabhas and appellate authorities have now been ordered to be evicted by July 12.
- The 17 State governments which have been asked to carry out the evictions must respond by quickly determining whether there were procedural lapses that deprived applicants of due process, notably in making appeals.
- This process may take time, more so in an election year, and the sheer scale of action required would necessitate an extension of the eviction date.

Highlights of the verdict

- As the Forest Rights Act envisages, forested areas and their biodiversity will be protected by communities, with individuals taking forest produce only for sustenance and livelihood.
- Such an approach is at odds with the colonial paradigm of forests being treated as a resource run by an opaque bureaucracy that replaced precious old-growth trees with monocultures such as teak.
- Today, forests have shrunk to about 5% of the land in terms of protected areas, while human pressures are growing: landscapes are alienated for resource exploitation, road and dam building, and a lot of wildlife is lost to poaching.
- Man-animal conflict is growing.
- Claims for tenure under the Forest Rights Act must therefore satisfy the primary test of whether they are legally unimpeachable, and even if they are, whether they would

Implications of the Judgement

- The immediate result will be the forced eviction of over one million people belonging to the Scheduled Tribes and other forest communities.
- Importantly, the area marked for eviction falls under areas designated under Schedule V and Schedule VI of the Constitution **and there is no reference to the implications for governance in the Scheduled Areas.**
- In a democratic country with citizens and a written Constitution which is affirmed by the people who are sovereign, how can we countenance the dismantling of an entire constitutional apparatus that prescribes the non-derogable boundaries to Adivasi homelands and institutional mechanisms that promote autonomy and restrain interference in self-governance?
- Lacking the skills to survive in a competitive labour market, savvy to negotiate their way or the strength of numbers to exercise influence on political processes, the people of the PVTG will become exceedingly vulnerable.

Way forward

- The answer in many areas may lie in resettlement. In some well-documented cases, such as in the Western Ghats, alternative land and cash compensation convinced tribals to move out of core areas.
- One example is that of the Nagarhole National Park, where the outcome has been good for both people and wildlife, as evidenced by the recovery of tiger density over three decades.
- State governments need to pursue such programmes in a humane and vigorous fashion.
- They must also come forward to declare critical wildlife habitats under the Act. This will aid in formulating resettlement schemes for tribal residents.

General Studies-2

Indian Strike

Background

- On 14 February 2019, a suicide terror attack was conducted by a Pak based terrorist organization Jaish-e-Mohammad, leading to the martyrdom of 40 brave jawans of the CRPF.
- JeM has been active in Pakistan for the last two decades, and is led by MASOOD AZHAR with its headquarters in Bahawalpur.
- This organization, which is proscribed by the UN, has been responsible for a series of terrorist attacks including on the Indian Parliament in December 2001 and the Pathankot airbase in January 2016.
- Information regarding the location of training camps in Pakistan and PoK has been provided to Pakistan from time to time. Pakistan, however, denies their existence. The existence of such massive training facilities capable of training hundreds of jihadis could not have functioned without the knowledge of Pakistan authorities.
- India has been repeatedly urging Pakistan to take action against the JeM to prevent jihadis from being trained and armed inside Pakistan. Pakistan has taken no concrete actions to dismantle the infrastructure of terrorism on its soil.

Pre-emptive strike

- Credible intelligence was received that JeM was attempting another suicide terror attack in various parts of the country, and the fidayeen jihadis were being trained for this purpose.
- Indian Air Force's strike on a Jaish-e-Mohammad terror training camp in Pakistan's Balakot delivers a strong message.
- While the strikes were mostly due to Pulwama attack.
- "Non-military pre-emptive strike" indicates the action was based on an assessment of an imminent threat, and had ensured that Pakistan's military personnel and infrastructure were not targeted, and civilian casualties were avoided.
- This operation was an intelligence-driven counter-terror strike rather than escalatory military aggression.

- The government said all other options had been exhausted in making Islamabad keep its commitments since 2004 on curbing the activities of groups like the JeM.

Effects of Strike

- It is still to be determined how far the JeM has been set back, but the strikes mark a new chapter with New Delhi's willingness to push the war against terror.
- The government has judged, perhaps correctly, that global opinion has shifted and there is little tolerance today for terror groups that continue to find shelter on Pakistan soil.
- Significantly, with the exception of the Organisation of Islamic Cooperation, there has been no global criticism of India's statement on the strikes, and most have just counselled restraint to both countries.

Reaction in Pakistan

- In Pakistan, Prime Minister Imran Khan has called for a joint session of Parliament and for its diplomats to raise the matter at international fora.
- He has convened a meeting of the National Command Authority that oversees Pakistan's nuclear policy.
- However, Pakistan's options are limited.
- It could continue to deny that the Indian strike caused any damage on the ground, and obviate the need for retaliatory strikes; or it could escalate the situation with a military response.
- It could also make a break from its past, and begin to shut down the terror camps on its soil, which would win friends internationally and ensure peace in the region.

Diplomatic Solution

- India should build a more inclusive coalition against terrorism rising from Pakistan.
- Other countries such as Iran, Afghanistan and others which suffer from Pakistan based terrorism and other powers that are against terrorism such as US, UK, France and others can be utilised to join such a coalition.
- For ex P5+1 coalition that was formed to isolate Iran and force it to sign the JCPOA.
- Work with a global coalition in global institutions to counter Pakistan.

- FATF to ensure that Pakistan ceases to fund terrorism and cut global financial links of Pakistan based terrorist organisations
- UNSC to ensure action is taken against major terrorists like Hafiz Saeed, Massod Azhar
- Attempt to bring Saudi Arabia and China whom are main supporters of Pakistan to apply pressure on Pakistan to cease terrorism.

Conclusion

- With a response to Pulwama duly executed, it must reach out to residents of J&K who have hurt in various parts of the country by the mob.
- In the long term, building strong counter-terror defences, partnering with its own citizens to gather intelligence will be key to maintain the security of the country.

India-West Asia

Background

- India is vigorously engaging with West Asia.
- In just ten months, PM of India has visited the UAE, Saudi Arabia, Iran and Qatar, and has hosted the Abu Dhabi crown prince in Delhi.
- It is unprecedented Indian engagement with the countries of the Gulf.

Economic Ties

- These visits attached central importance to boosting energy and economic ties and both sides committed to upgrade the existing buyer-seller relations to long-term partnerships based on investments and joint ventures.
- The two sides also agreed to pursue cooperation in new frontier areas, such as space, telecommunications, renewable energy, food security, sustainable development, desert ecology, and advanced healthcare.

Security

- Every Gulf country expressed anxiety about the threat from terrorism and pledged to work closely with India to combat it.
- They also said that terrorism cannot be brought down only through strong armed action but also by countering radicalisation through promotion of a moderate religious discourse espousing peace, tolerance, and inclusiveness.
- The joint statement with the UAE speaks of “shared threats to peace, stability and

Officers IAS Academy, Chennai security”, and agrees to a “shared endeavour” to address these concerns, which is founded on “common ideals and convergent interests”.

- The joint statement with Saudi Arabia talks of the two countries’ responsibility to promote peace, security and stability in the region.
- The Iran statement speaks of the strategic importance of regional connectivity linked with the development of Chabahar port.

Defence

- Enhancement of defence ties has been given central importance by all the countries.
- This includes frequent dialogue between senior officers, training, joint exercises by the three arms of the military of both countries, joint marine operations, and supply and joint development of arms and ammunition.
- Defence cooperation is complemented by the countries agreeing to intelligence-sharing, counter-terrorism operations, capacity-building and adoption of best practices and technologies by the security agencies on both sides.
- Cooperation in defence and intelligence affirms that India is seen as a worthy partner in these sensitive areas by countries that face serious domestic and external threats from extremists.

Indian role to promote security in the Gulf

- The UAE statement speaks of the need for the two countries to establish a “close strategic partnership” for “these uncertain times”, and calls upon them to work together to promote peace, reconciliation, stability in the wider South Asia, Gulf and West Asia region.
- The joint statement with Iran speaks at length about the threat from terrorism for the peace, security, stability and development of the region. It specifically refers to the peace and stability of the region being served by “a strong, united, and prosperous and independent Afghanistan” and their agreement to strengthen trilateral consultations and coordination.
- This is because India and Iran both have shared interest in Afghanistan. Taliban are against Iran because it is a shia Nation where as Taliban follows wahabism which is strictly anti Shia.

- On the other hand, Pakistan uses Taliban in Kashmir and causes instability. Thus, a strong, united, and prosperous and independent Afghanistan will be beneficial to both.

Problems in West Asia

- There are two wars going on west Asia such as Syria and Yemen.
- There is the emergence of jihad, represented by the al-Qaeda and the Islamic State.
- The two Islamic giants, Saudi Arabia (Sunni) and Iran (Shia), are locked in a competition in which each country sees the other as threatening its nationhood, regime, political order, and doctrinal standing in Islam.
- Saudi Arabia believes that Iran supports terror, interferes in the domestic politics of the neighbouring Arab states, and is a destabilising force that has regional hegemonic aspirations.
- Iran denies these allegations, arguing that the Saudi monarchy faces serious domestic economic and political challenges and being unable to handle these challenges, Saudi Arabia is trying to divert attention of its people by making false allegation Iran.
- India's energy security and its economic interests are linked with regional security, as is the welfare of its eight million-strong community living in West Asia.

Way forward

- India should contribute actively to regional stability by promoting engagement between Saudi Arabia and Iran, and by working with regional and extra-regional partners with a similar interest in regional security, to structure platforms for dialogue and confidence-building measures.
- This process could help India both in front of economic stability and in terms of creating regional stability and emerging as a global power.

The correct prescription

Contex

- Amid a slew of conflicting judicial decisions from different High Courts, the legality of e-pharmacies continues to be questioned by various trade associations such as the All India Organisation of Chemists and Druggists (AIOCD).

- It represents 8.4 lakh pharmacists who run the brick and mortar pharmacies in neighbourhoods across India.

About E-pharmacies

- E-pharmacies, which operate through websites or smartphone apps on the Internet.
- It offer medicines for sale at a discount of at least 20% when compared to traditional pharmacists, with the added convenience of home delivery of medicines to one's doorstep.
- For scheduled drugs, patients can submit photographs of prescriptions while placing orders.
- Despite operating in India for at least four years now, the legal status of these e-pharmacies is not clear because the government is yet to notify into law draft rules that it published in 2018.

Problems with E-pharmacies

- The brick and mortar pharmacy shops argue that their livelihoods are threatened by venture capital backed e-pharmacies and that jobs of thousands are on the line.
- Apart from these obvious arguments, these trade associations also spin imaginary tales of how e-pharmacies will open the door to drug abuse and also the sale of sub-standard or counterfeit drugs, thereby threatening public health.
- There is enough evidence on record to demonstrate how existing pharmacies contribute generously to drug abuse and sale of sub-standard medicine.
- There is no reason to suspect that e-pharmacies are going to worsen the situation in anyway.

A case of cartelisation

- The more prudent way of looking at the entry of e-pharmacies is competition and the resultant effect it will have on lowering the price of medicine for Indian patients.
- There is virtually no doubt that e-pharmacies should be allowed to operate because the history of India's trade associations of pharmacists is one of rampant, unabashed cartelisation that has resulted in an artificial inflation of medicine prices.
- This competition could happen in the form of discounts or improving operational efficiency. For example, if two retailers buy a medicine from a wholesaler at ₹50 and the maximum retail price of the drug is ₹75,

they are free to sell it at ₹70 or ₹65 or even ₹51.

- The seller with the lower price gets more customers and can make more profits.
- However, if both sellers enter into an agreement with each other to sell the drug at ₹75 and they also clearly define the geographical area within which they are operating, they both make higher profits but at the cost of the patient who now has to pay higher prices.
- This practice of two competitors colluding to fix the sale price and area of operation is called cartelisation, and is illegal under India's Competition Act.
- The premise of this law is that a free market is efficient only if all sellers are competing with each other to offer the lowest price to the customer.
- Over the last decade, the Competition Commission of India (CCI) has had to deal with several complaints alleging that trade associations of pharmacists are providing platforms for cartelisation where pharmacists are basically rigging the market.
- In simple terms, this means that pharmacists, who should otherwise be competing with each other to offer lower prices for their customers, prefer to enter into agreements with each other to fix the price at which they will sell medicines to patients.
- Once all parties are on the same page, there is no reason to compete with each other and reduce prices.

Another barrier

- More insidious strategy is the practice of requiring pharmaceutical companies to apply for a no-objection-certificate (NOC) from the regional trade association before they appoint new stockists in a region to sell a particular drug.
- This has the effect of artificially restricting competition in certain markets because more stockists mean more competition.
- By creating such artificial, extra-legal barriers to the free trade of medicines within India, these trade associations create huge distortions in the Indian market.
- It is suspected that these practices continue despite multiple restraining orders by the CCI.

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- In its recent policy note on "Making markets work for affordable healthcare", published in October 2018.
- The CCI noted, "One major factor that contributes to high drug prices in India is the unreasonably high trade margins."
- One of the culprits for this phenomenon identified by the CCI was "self-regulation by trade associations [which] also contributes towards high margins as these trade associations control the entire drug distribution system in a manner that mutes competition".

Way forward

- One of the solutions proposed by the CCI was encouraging more e-pharmacies.
- As stated by the CCI in its policy note, "Electronic trading of medicines via online platforms, with appropriate regulatory safeguards, can bring in transparency and spur price competition among platforms and among retailers, as has been witnessed in other product segments."
- Where the state has failed, it is possible that venture capitalist backed e-pharmacists will succeed in bringing back competition to the retail drug markets in India.
- There is no reason for India to continue indulging trade associations that have no taste for competition or fair business practices.

Ensure a minimum income for all

Context

- An UBI requires the government to pay every citizen a fixed amount of money on a regular basis and without any conditionalities.
- Demand for an UBI is that millions of people remain unemployed and are extremely poor, despite rapid economic growth in the last three decades.
- The National Democratic Alliance government has already unfolded a limited version of the UBI in the form of the Pradhanmantri Kisan Samman Nidhi Yojana (PM-KISAN) which promises ₹6,000 per annum to farmers who own less than 2 hectares of land.
- Going by media reports, the election manifesto of the Congress Party may announce an even more ambitious version of the scheme.

Where it will work

thereby promoting their business and employment in the process.

- The UBI is neither an antidote to the vagaries of market forces nor a substitute for basic public services, especially health and education.
- Besides, there is no need to transfer money to middle- and high-income earners as well as large landowners.
- However, there is a strong case for direct income transfers to some groups: landless labourers, agricultural workers and marginal farmers who suffer from multi-dimensional poverty.
- These groups have not benefited from economic growth. They were and still are the poorest Indians. Various welfare schemes have also failed to bring them out of penury.
- According to National Sample Survey Office (NSSO) data from the 70th round, institutional credits account for less than 15% of the total borrowing by landless agricultural workers; the figure for marginal and small farmers is only 30%.
- These groups have to borrow from moneylenders and adhatiyas at exorbitant interest rates ranging from 24 to 60%.
- An income support of, say, ₹15,000 per annum can be a good supplement to their livelihoods an amount worth more than a third of the average consumption of the poorest 25% households, and more than a fourth of the annual income of marginal farmers.
- Better productivity
- Income transfers to the poor will lead to improved health and educational outcomes, which in turn would lead to a more productive workforce.
- Women tend to spend more of their income on health and the education of children.
- The effect of an income transfer scheme on unemployment is a moot point. In principle, cash transfers can result in withdrawal of beneficiaries from the labour force.
- However, the income support suggested above is not too large to discourage beneficiaries from seeking work. In fact, it can promote employment and economic activities.
- Income receipts can come in handy as interest-free working capital for several categories of beneficiaries (fruit and vegetable vendors and small artisans),

Three immediate benefits

- It will help bring a large number of households out of the poverty trap or prevent them from falling into it in the event of exigencies such as illness.
- It will reduce income inequalities. Three,
- Since the poor spend most of their income, a boost in their income will increase demand and promote economic activities in rural areas.
- Other benefits
- An income transfer scheme cannot be a substitute for universal basic services.
- The direct income support to the poor will deliver the benefits mentioned only if it comes on top of public services such as primary health and education.
- This means that direct transfers should not be at the expense of public services for primary health and education. If anything, budgetary allocation for these services should be raised significantly.
- Programmes such as the Mahatma Gandhi Rural Employment Guarantee Scheme should also stay.
- With direct income support, the demand for the programmes will come down naturally.
- However, in the interim, it will serve to screen the poorest in the country and give them a crucial safety net.

Using datasets

- The Socio-Economic and Caste Census (SECC) 2011 can be used to identify the neediest.
- Groups suffering from multidimensional poverty such as the destitute, the shelterless, manual scavengers, tribal groups, and former bonded labourers are automatically included.
- The dataset includes more than six crore landless labourers. It also includes many small farmers who face deprivation criteria such as families without any bread-earning adult member, and those without a pucca house.
- The other needy group, small farmers, missing from the SECC can be identified using the dataset from the Agriculture Census of 2015-16.
- These two datasets can help identify the poorest Indians, especially in rural India.

However, many households such as marginal farmers belong to both datasets.

- The Aadhaar identity can be used to rule out duplications and update the list of eligible households.

Way forward

- As an approximation, the number of eligible households is 10 crore. That is, even in its basic form, the scheme will require approximately ₹1.5 lakh crore per annum.
- The PM-KISAN Yojana can be aligned to meet a part of the cost. Moreover, the tax

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kitty can be expanded by reintroducing wealth tax.

- Nonetheless, the required amount is beyond the Centre's fiscal capacity at the moment.
- Therefore, the cost will have to be shared by States. States such as Telangana and Odisha are already providing direct income support to their farmers.
- These States can extend their schemes to include the 'non-farmer poor'. The other States too should join in.

General Studies 3

Smart farming in a warm world

Introduction

- In this article that author is putting forward a case that Investment and policy reform are required to help farmers cope with climate change.

Impact of climate change on agriculture

1. Depopulation/ abandonment of lands and villages:

- Due to climate change areas like Bundelkhand which once had ample rainfall are now dealing with dry conditions. Due to patchy rainfall, crop failure is becoming more common. The farmers are also unable to maintain their cattle. All this leading to farmers increasingly abandoning their lands and heading to nearby towns to find work as labourers

2. India is very vulnerable to the rising temperatures

- Though India has been blessed with the phenomenon of monsoon but still it is ranked 14th on the Global Climate Risk Index 2019.
- India has vast land suffering from some form of degradation, leading to decline in household's income for the farmers and rise in household poverty due to droughts.
- Further since 67% of area is under rain fed agriculture, any variation in climate can cause heavy losses.
- A predicted 70% decline in summer rains by 2050 would devastate Indian agriculture. Within 80 years, there can be 22% decline in wheat yield, while rice yield could decline by 15%.

3. The impact of climate change will affect India's food security, while reducing fodder supplies for our livestock.

Some solutions to cope with the climate change

- Promotion of conservation farming and dryland agriculture, with each village provided with timely rainfall forecasts, along with weather-based forewarnings regarding crop pests and epidemics in various seasons.
- India's agricultural research programmes need to refocus on dryland research, with adoption of

drought-tolerant breeds that could reduce production risks by up to 50%.

- planting dates, particularly for wheat, should be changed, which could reduce climate change induced damage by 60-75%, by one estimate.
- Insurance coverage should be expanded to cover all crops.
- Interest rates should be subsidized with help of government support and an expanded Rural Insurance Development Fund.
- The recently announced basic income policy by the government is a welcome step as well.
- On-ground implementation of compensatory afforestation is required which will help tackle air pollution.
- Restructure the Indian Forest Service, in order to make it equivalent to the police and the army, albeit in the environmental domain.
- State-of-the-art training to its personnel must be provided, and specialisation should be encouraged in wildlife and tourism.
- Wildlife heritage towns should be given more attention — cities like Sawai Madhopur, Bharatpur, Chikmagalur and Jabalpur, which are adjacent to national parks and sanctuaries, need to be converted into green smart cities with upgraded waste recycling processes.
- Wildlife tourism must also be encouraged, particularly through public-private partnerships, to help increase conserved areas while making a difference to backward districts.
- India can partner its emerging cities with green cities of the West and exchange ideas and learn best practices from them through joint research and development partnerships

Conclusion

- Prudent investments and policy reform can help make India resilient to climate change.

Safety nets

Introduction

- In a bid to clamp down on Ponzi and fake deposit schemes, the government has

approved the Banning of Unregulated Deposit Schemes Ordinance, which bars all deposit schemes in the country that are not officially registered with the government from either seeking or accepting deposits from customers.

What is a Ponzi scheme?

- A Ponzi scheme is a fraudulent investing scam promising high rates of return with little risk to investors.
- It involves the operator collecting a large amount of money from investors and paying them returns from their own money or the money collected from subsequent investors, rather than from profit earned by the person or the entity operating such a scheme. Eventually there isn't enough money to go around, and the schemes unravel.

About the ordinance

- The proposed ordinance will tackle the menace of illicit deposit-taking activities launched by rapacious operators, who at present are exploiting regulatory gaps and lack of strict administrative measures to dupe poor and gullible people of their hard earned savings.
- It provides for complete prohibition on promoting, operating, issuing advertisements or accepting deposits in any Unregulated Deposit Scheme. It also provide stiff penalties, including 10 years in jail for accepting and soliciting, deposits by unregulated entities.
- The ordinance will help in the creation of a central repository of all deposit schemes under operation, thus making it easier for the Centre to regulate their activities and prevent fraud from being committed against ordinary people.

Absence of regulation

- Popular deposit schemes such as chit funds and gold schemes, which as part of the huge shadow banking system usually do not come under the purview of government regulators, have served as important instruments of saving for people in the unorganised sector.
- But these unregulated schemes have also been misused by some miscreants to swindle the money of depositors with the promise of unbelievably high returns in a short period of time. The Saradha chit fund scam in West Bengal is just one example of

such a heinous financial crime against depositors.

- The Centre's latest attempt to curb unregulated deposit schemes through an ordinance reflects a timely recognition of the need for greater legal protection to be offered for those depositors with inadequate financial literacy.

Implementation is the key

- While the intent of the ordinance, which is to protect small depositors, is indeed commendable, the benefits that depositors will eventually derive from the new legislation will depend largely on its proper implementation. Policymakers will have to make sure that the bureaucrats responsible for the on-ground implementation of the ordinance are keen on protecting the savings of low-income households.
- There must also be checks against persons in power misusing the new rules to derecognise genuine deposit schemes that offer useful financial services to customers in the unorganised sector.
- Another potential risk involved when the government, as in this case, takes it upon itself to guarantee the legitimacy of various deposit schemes is that it dissuades depositors from conducting the necessary due diligence before choosing to deposit their money.

Conclusion

- The passing of tough laws may thus be the easiest of battles in the larger war against illicit deposit schemes.

Ensure a minimum income for all

Introduction

- The idea of a universal basic income (UBI) is gaining ground globally. A UBI requires the government to pay every citizen a fixed amount of money on a regular basis and without any conditionalities.
- The present government has already unfolded a limited version of the UBI in the form of the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-KISAN) which promises Rs 6,000 per annum to farmers who own less than 2 hectares of land.

Where it will work?

- The UBI is neither an antidote to the vagaries of market forces nor a substitute for basic public services, especially health and education. Besides, there is no need to

transfer money to middle- and high-income earners as well as large landowners.

- However, there is a strong case for direct income transfers to some groups: landless labourers, agricultural workers and marginal farmers who suffer from multidimensional poverty. These groups have not benefited from economic growth. They were and still are the poorest Indians. Various welfare schemes have also failed to bring them out of penury.
- An income support of, say, Rs 15,000 per annum can be a good supplement to their livelihoods — an amount worth more than a third of the average consumption of the poorest 25% households, and more than a fourth of the annual income of marginal farmers.
- This additional income can reduce the incidence of indebtedness among marginal farmers, thereby helping them escape moneylenders and adhatiyas. Besides, it can go a long way in helping the poor to make ends meet. Several studies have shown that at high levels of impoverishment, even a small income supplement can improve nutrient intake, and increase enrolment and school attendance for students coming from poor households.

Better productivity

- In other words, income transfers to the poor will lead to improved health and educational outcomes, which in turn would lead to a more productive workforce. It seems to be a good idea to transfer the money into the bank accounts of women of the beneficiary households. Women tend to spend more of their income on health and the education of children.
- Moreover, such a scheme will have three immediate benefits. One, it will help bring a large number of households out of the poverty trap or prevent them from falling into it in the event of exigencies such as illness. Two, it will reduce income inequalities. Three, since the poor spend most of their income, a boost in their income will increase demand and promote economic activities in rural areas.

Not a substitute

- Nonetheless, an income transfer scheme cannot be a substitute for universal basic services. The direct income support to the poor will deliver the benefits mentioned

only if it comes on top of public services such as primary health and education. This means that direct transfers should not be at the expense of public services for primary health and education.

- Programmes such as the Mahatma Gandhi Rural Employment Guarantee Scheme should also stay. With direct income support, the demand for the programmes will come down naturally. However, in the interim, it will serve to screen the poorest in the country and give them a crucial safety net.

Using datasets

- If basic public services are maintained, there is limited fiscal space for direct income support. It will have to be restricted to the poorest of poor households. The Socio-Economic and Caste Census (SECC) 2011 and the Agriculture Census of 2015-16 can be used to identify the neediest. Together, these two datasets can help identify the poorest Indians, especially in rural India.
- As an approximation, the number of eligible households is 10 crore. That is, even in its basic form, the scheme will require approximately Rs 1.5 lakh crore per annum. The PM-KISAN Yojana can be aligned to meet a part of the cost. Moreover, the tax kitty can be expanded by reintroducing wealth tax.

Way Forward

- Nonetheless, the required amount is beyond the Centre's fiscal capacity at the moment. Therefore, the cost will have to be shared by States. States such as Telangana and Odisha are already providing direct income support to their farmers. These States can extend their schemes to include the 'non-farmer poor'. The other States too should join in.
- The income transfer scheme is costly. However, the cost of persistent poverty is much higher.

A patchwork approach to GST problems

Introduction

- It has the best intentions, but the GST Council is nevertheless systematically eroding the strongest features of the new tax regime — simplicity and transparency.

From three to eight rates

instead of spending on giant statues and advertising campaigns is an option.

Increasing opacity

- Transparency is the other casualty of the GST Council's need to provide temporary fixes to problems. The latest decision to remove the input tax credit provision from the real estate sector will likely go a long way in increasing opacity in an already murky sector.
- The input tax credit system was designed to create a seamless chain in the entire supply process. Normally, a company can claim credits for the tax it has paid on its inputs. Under a fully functioning GST system, the government can verify the amount of credits to be paid to the company by matching its invoices with those provided by the vendor. Such a system encourages honesty and transparency.
- This is the third time the Council has removed this vital provision, and its reason for doing so is weak. Finance Minister Arun Jaitley said that the Council had noticed that real estate developers were not dropping their prices in line with what they should be doing, considering they were getting the benefit of input tax credits. This happened before in the case of restaurants. In both situations, the government took the easy way out and simply removed the input tax credit provision altogether.
- So, rather than relying on the body it had created to handle such issues, the National Anti-Profitteering Authority, the Council instead chose to weaken the entire tax system. This wouldn't have been too much of a problem if the real estate sector was as small as the restaurant industry or the sanitary pads industry (the third industry where there is no input tax credits). But the real estate industry is estimated to be at least Rs 40,000 crore in size. Not to forget the fact that cement, a huge input in real estate, is taxed at the highest rate of 28%, and will now not be offset by credits.

Conclusion

- In both cases — disaster relief and anti-profitteering — the GST Council has chosen to ignore established institutions designed for those very purposes in favour of a patchwork approach that is likely to cause more problems than it solves.

- Before the GST was introduced, the government set up a panel under the then Chief Economic Adviser, Arvind Subramanian, to come up with a suitable rate at which most items should be taxed under the GST. Mr. Subramanian came up with a standard rate of 15% for most items, a "low rate" for essentials, and a "high rate" for demerit goods.
- However, the government chose to introduce GST with five different tax slabs: 0%, 5%, 12%, 18% and 28%. Still not satisfied, the GST Council then introduced two more highly specific rates: a nominal 0.25% for rough diamonds and 3% for gold.
- The latest GST Council meeting took this a step further and introduced yet another rate of 1% for the sale of under-construction affordable houses. So, from what should have at most been three rates, we now have eight.

'One Nation One Tax'?

- The number of tax slabs does not affect the concept of 'One Nation One Tax', as a single product is still taxed at the same rate across the country. But specifying eight different GST rates is a blow to tax simplicity, which the GST was to provide.
- The GST Council has not spared the concept of 'One Nation One Tax' either. However necessary the government felt it was to provide Kerala additional funds for rehabilitation after the devastating floods of 2018, it had several options available apart from the one it chose, which was to allow the State to impose a 1% disaster relief cess. As a result, for two years, the Indian market will be divided into two: Kerala, where goods and services are 1% more expensive, and the rest of India.
- While it can be argued that the cess in Kerala is a one-off, the fact remains that this is a bad precedent to set. It's not too hard to imagine a situation where States start clamouring for a cyclone relief cess, drought relief cess, flood relief cess, etc.
- Recovery from natural disasters is an expensive process, and additional funds must be made available. But mechanisms for this have already been put in place. There is a National Disaster Response Fund at the Central level and each State has a State Disaster Response Fund. Increasing budgetary allocations in these areas