

Useful News Articles

11-7-2016

A. GS1 Related

B. GS2 Related

1. 'Peaceful pockets' in J&K rise up in protest

(<http://www.thehindu.com/news/national/peaceful-pockets-in-jk-rise-up-in-protest/article8831777.ece?homepage=true>)

Topic: Federal Relations

Category: Polity

Key points:

- The Jammu and Kashmir government says it is grappling with a new pattern of violence in the State in the aftermath of the killing of the Hizbul Mujahideen commander Burhan Wani
- “The security challenge has come from fringe areas and peripheries this time. We will be assessing its causes,” said Additional Director General of Police, CID. Another worrying pattern is the attacks on minority colonies in Pulwama, where, the police said, two abandoned houses of Pandits were set afire by mobs
- “Security agencies admitted that Wani and his team had not crossed the Line of Control to get arms training. Whatever is happening in the State is spontaneous. The government of India should declare every Kashmiri a terrorist or must understand that the problem is beyond the scope of law and order and needs a solution” Independent MLA Engineer Rashid said

C. GS3 Related

1. Govt. to announce recapitalisation of public sector banks

(<http://www.thehindu.com/news/national/govt-to-announce-recapitalisation-of-public-sector-banks/article8831816.ece?homepage=true>)

Topic: Banking

Category: Economy

Key points:

- As early as Monday, the Centre is likely to announce the first tranche of the Rs 25,000 crore capital infusion for public sector banks (PSBs), planned for this financial year (2016-17). The first tranches could add up to about Rs.10,000 crore, said a source at the Finance Ministry
- The recapitalisation is aimed at shoring up the PSBs lending capacities that are restricted by poor asset quality and weak capitalisation
- Gross bad loans, as a proportion of the total advances by these banks, rose to 7.6 per cent, a 12-year high in March 2016, according to the Reserve Bank of India's latest financial stability report released on June 28
- The government has said its ultimate aim is to lower the number of large PSBs to 8-10 from the current 27 and that it is not averse to reducing its stake in each to up to 52 per cent

2. Probe into IS ties extends to Sri Lanka

(<http://www.thehindu.com/news/national/probe-into-is-ties-extends-to-sri-lanka/article8831827.ece?homepage=true>)

Topic: Terrorism

Category: Security

Key points:

- Most mainstream Muslim organisations in Kerala have denounced the Islamic State (IS) even as the investigation into the suspected defection of at least 12 Keralites to the proscribed organisation unfolded across the State and beyond the country's borders
- Officials privy to the Central and State inquiries said the focus has also shifted to Sri Lanka, which "reports indicated" was the "common transit camp" for several of the "missing families" suspected to have joined the IS
- They said the Sri Lankan government was conducting its own investigation after reports emerged that at least two of its citizens had joined the IS last year

3. India to seek help for services pact at UN

(<http://www.thehindu.com/business/Industry/india-to-seek-help-for-services-pact-at-un/article8831752.ece?w=alauto>)

Topic: Services

Category: Economy

Key points:

- India will press for endorsement by more nations for its proposal on a global pact to expedite the services trade flow, during the forthcoming Nairobi meet of the United Nations (UN) body for development issues including on trade-UNCTAD(The July 17-22 Nairobi (Kenya) meet will be the UN Conference on Trade and Development's (UNCTAD) 14th quadrennial 'Ministerial Conference'. The 'Ministerial Conference' is the Geneva-headquartered UNCTAD's highest decision-making body, and is held every four years ever since UNCTAD was set up in 1964)
- The proposed pact, among other things, is aimed at making it easier for services professionals and skilled workers to move across borders for 'short-term' projects
- It will officially be known as the 'Trade Facilitation Agreement (TFA) for Services' at the World Trade Organisation (WTO)-level. Its objectives include streamlining procedures for global services trade, besides ensuring recognition at the WTO-level for services as a tradable item by establishing a framework -- for clarity on definitions and for settlement of disputes D.GS4 Related

E. Important Editorials:

The Hindu

1. All you need to know about the GM food controversy

<http://www.thehindu.com/sci-tech/all-you-need-to-know-about-the-gm-food-controversy/article8824771.ece?w=alauto>

Topic: GM Crops

Category: S&T

Key points:

- Last week, over a hundred Nobel laureates shot off a letter to NGO Greenpeace calling its campaign against genetically modified (GM) crops "misleading" and "unscientific." The letter has re-ignited the debate over how safe it is to consume GM food
- Environmentalist Vandana Shiva, founder of Navdanya, an organisation promoting organic farming, is clear that GM crops contaminate the environment and the letter by the Nobel winners is merely an opinion, and not an authoritative study to go by

What is the science behind GM crops?

- Ever since the discovery of the DNA double-helix model by Watson and Crick, scientists realised it was possible to manipulate the DNA features of an organism to create new traits in them by borrowing genes from other organisms and mixing it with theirs. In the case of GM food, scientists insert into a plant's genome one or several gene from another species of plant or even from a bacterium, virus or animal. This is to inject desired traits such as pest-resistance or Vitamin A (as in the case of golden rice)

Is GM food unsafe?

- Most studies on the safety of GM food are heavily debated; with the result that it is hard to conclude they are unsafe. The International Agency for Research on Cancer (IARC) classified glyphosate, a herbicide that goes with Monsanto's Roundup Ready product, as "probably carcinogenic" in 2015. However, this has been challenged by food scientists. This ensures that only the weed dies and not the crop itself, as the GM food is modified to resist glyphosate. In a review paper of GMO safety assessment studies, environmental scientist Marek Cuhra has shown that glyphosate-tolerant GM food plants accumulate glyphosate residues at unexpected high levels

- Till date the most controversial study around safety of GM food has been on GM corn by French molecular biologist Gilles-Éric Séralini. In a 2012 journal paper, he had shown that rats fed GM corn and the herbicide Roundup developed tumours. But his journal paper was withdrawn after its data was shown to be flawed

- A study released by the Japanese Department of Environmental Health and Toxicology, based on a 52-week feeding of GM soybeans to rats, found "no apparent adverse effect in rats" in 2007

- In 2012, scientists from the University of Nottingham's School of Biosciences released a review of 12 long-term studies and 12 multi-generational studies of GM foods, concluding there is no evidence of health hazards from GM food. The European Commission too funded 130 research projects on the safety of GM crops and could not find anything that could prove the risks from GM crops

Is there more to the GM controversy?

- It isn't just about safety. There are arguments against GM food that are economic and social in nature. Advocates of organic farming like Vandana Shiva have voiced serious concern about multinational agribusiness companies such as Monsanto and Bayer taking over farming from the hands of small farmers, which includes several poor women in developing countries like

India. This would mean loss of autonomy over the manner in which agriculture itself is practiced, with increased dependence on GM seed companies and herbicides manufactured by them, putting financial strain on farmer households

- There are also concerns regarding loss of food biodiversity if corporate food varieties begin to flood the markets. In a note published on the Navdanya site, Ms. Shiva wrote that Golden Rice is less efficient in providing Vitamin A than the biodiversity alternatives that those grown by indigenous farmers. She also wrote that GMO 'iron-rich' bananas have less iron than turmeric and amchur (mango powder). "Apart from being nutritionally empty, GMOs are part of an industrial system of agriculture that are destroying biodiversity, and we are losing access to the food systems that have sustained us throughout time," she wrote
- However, scientists in the U.S. and elsewhere are firm that GM food can resolve the hunger challenge in the developing world, as the Nobel Laureates' letter states. They also speak of the benefits of insect-resistant food crops that can increase farm productivity for farmers

The GM scene in India

- While a Directorate General of Foreign Trade notification in 2013 addressed the issue of labelling by requiring those importing GM food to explicitly mention it in their labels, in the case of home-manufactured products like edible oil, there are chances of GM cottonseed oil being mixed with other edible oil without any labelling, she said
- Though no State government in India has permitted commercial cultivation of GM food till now, field trials for 21 GM food crops, including GM vegetables and cereals, have been approved by the government

2. Besides GST Bill, many other important draft laws are pending

<http://www.thehindu.com/specials/move-on-from-gst-more-bills-are-pending-in-parliament/article8810107.ece?w=alauto>

Topic: Legislation

Category: Polity

Key points:

- The monsoon session of Parliament is set to begin on July 18 and end on August 12. Though the government is keen on ensuring the passage of the GST Bill and the much-needed constitutional amendment to be passed in the Upper House, a host of other important bills are pending in Parliament

- Firstly, the government must ensure the passage of three Bills in the Rajya Sabha in order to replace three ordinances. These include The Indian Medical Council (Amendment) Ordinance, 2016 and The Dentists (Amendment) Ordinance, 2016. These ordinances were needed to establish a National Eligibility Entrance Test (NEET) for undergraduate and postgraduate medical courses as per a Supreme Court order, as well as for giving exemption to the States that opt out of the uniform exam for 2016-17
- The third ordinance pertains to 'Enemy Properties', a term used to refer to property owned by Pakistan nationals in India. The Enemy Property (Amendment and Validation) Bill, 2016 vests the rights of enemy property on the custodian and declares transfer of such property by Pakistan nationals as void. If the Bill turns into an Act, then civil courts cannot hear disputes pertaining to enemy property. It is because of this clause that the Bill could not be passed and the government took ordinance route three times

Pending Bills in the Lok Sabha

- A total of 11 Bills are pending in the Lok Sabha, including four for which Standing Committees have sent their reports. Since the ruling party enjoys majority in the Lower House, the passage of the Bills should not be a problem
- The Factories (Amendment) Bill, 2014 seeks to amend the 1948 Factories Act to keep pace with International Labour Organisation (ILO) conventions. The Bill includes provision for workers' safety, amendments to overtime hours, higher minimum wages, health and welfare of workers, especially women and disabled, and penalties for various offences
- The Electricity (Amendment) Bill, 2014, is needed for the government's much publicised UDAY scheme. If made an Act, supply licences will be granted by a State Electricity Regulatory Commission and customers can choose their electricity provider
- The Lok Pal and Lokayuktas and Other Related Laws (Amendment) Bill, 2014
- In 2014, the government decided to amend the Act to make Lokpal the single point to investigate corruption related cases. The amendment will pave way for the leader of the largest opposition party to be a member of the panel that selects the chairperson and members of the body. It also makes mandatory for government employees to declare their wealth
- The Merchant Shipping (Amendment) Bill, 2015 was tabled to amend the 1958 Act to ensure compliance with the Nairobi International Convention and the International Convention on Civil Liability for Bunker Oil Pollution Damage
- The Micro, Small and Medium Enterprises Development (Amendment) Bill, 2015 would increase the allowance for investment in MSME manufacturing and services sector. The

Consumer Protection Bill, 2015 proposes to create a Central Consumer Protection Authority with powers to take suo moto actions against unfair trade practices, defective products, and overcharging, among others. The Bill will also create Consumer Disputes Redressal Commissions and Consumer Mediation Cell at districts, States, and national levels

Table 1: Comparison of investment limits for enterprises in manufacture/production (in Rs.)

Type of Enterprise	MSME Act, 2006	MSME Bill, 2015
Micro	25 lakh	50 lakh
Small	25 lakh to 5 crore	50 lakh to 10 crore
Medium	5 crore to 10 crore	10 crore to 30 crore

Table 2: Comparison of investment limits for enterprises providing services (in Rs.)

Type of Enterprise	MSME Act, 2006	MSME Bill, 2015
Micro	10 lakh	20 lakh
Small	10 lakh to 2 crore	20 lakh to 5 crore
Medium	2 crore to 5 crore	5 crore to 15 crore

Source: PRSIndia.org

- The Benami Transactions (Prohibition) Amendment Bill, 2015 seeks to amend the definition of benami and benami transaction to include transactions made in fictitious name and grants exemptions if the benamidar is spouse or children or a member of Hindu Undivided Family
- A Parliamentary Standing Committee has agreed to include the amendments made by Rajya Sabha in the Indian Trust (Amendment) Bill, 2015. This Bill will be tabled again in Lok Sabha.
- In addition to these the Companies (Amendment) Bill, 2016, referred to Standing Committee, the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016 that was referred to Joint Committee and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Bill, 2015, better known as the land Bill may also be taken up
- Prominent Bills pending in the Rajya Sabha
- There are 25 Bills pending in the Rajya Sabha. The main reason for the backlog is that the ruling party has only 46 members in the House. Even if all the six nominated members and alliance MPs pledge their support to the ruling party, it still falls short of majority

- Three Bills already passed by the Lok Sabha need clearance from the Upper House. They are the Whistle Blowers Protection (Amendment) Bill,2015; the Compensatory Afforestation Fund Bill,2016, the Regional Centre for Biotechnology Bill, 2016
- The Prevention of Corruption (Amendment) Bill, 2013 was referred to the Select Committee
- In addition to these, 34 Bills on which reports were presented by Standing Committees are likely to be taken up in this session. The prominent ones are Child Labour (Prohibition and Regulation) Amendment Bill,2012, Right of Persons with Disabilities Bill,2014; and the Pesticides Management Bill, 2008

3. Ending impunity under AFSPA

<http://www.thehindu.com/opinion/editorial/editorial-on-supreme-court-order-on-afspa-ending-impunity-under-afspa/article8831739.ece?homepage=true>

Topic: Federal Relations

Category: Polity

Key points:

- “Accountability is a facet of the rule of law.” This established legal principle has acquired fresh significance after the Supreme Court ruled that the armed forces cannot escape investigation for excesses in the course of the discharge of their duty even in “disturbed areas”
- In such notified areas, security personnel enjoy statutory protection for their use of “special powers”. While hearing petitions demanding an inquiry into 1,528 deaths in counter-insurgency operations and related incidents in Manipur, the court has said the provisions of the Armed Forces (Special Powers) Act and the purported immunity it offers to the use of force “even to the extent of causing death” are not invincible. Such legal protection, especially in a State that has been under AFSPA for nearly 60 years, has to yield to larger principles of human rights, and no allegation of the use of excessive or retaliatory force can be ignored without a thorough inquiry
- This is a requirement both of democracy and for the preservation of the rule of law. The court has sought tabulated details on 62 specific cases in which there is some evidence that the deaths involved were not genuine operational casualties but extrajudicial killings or fake encounters. Even though the 85-page ruling draws its broad principles from an earlier Constitution Bench verdict in Naga People’s Movement of Human Rights (1997), it has special meaning in the present context, with a growing body of opinion that AFSPA should be repealed or amended

- The court is not unaware of the circumstances prevailing in Manipur and its neighbouring States. What has caused consternation is the near-total absence of any inquiry. In most cases, not even a first information report has been registered, and in some, the cases are against the victims. The court has acknowledged that additional powers have been given to the armed forces to deal with terrorism effectively. However, it also made clear that this cannot be an excuse for extrajudicial killings — whenever such allegations surface, they have to be investigated, regardless of whether the person concerned is a dreaded criminal, terrorist or insurgent
- The court has reminded the authorities of the circumstances in which the use of force, even to the point of causing death, is immune from prosecution and the Army's own list of dos and don'ts while operating in a disturbed area. It has rejected the notion that every person bearing arms in a disturbed area is ipso facto an "enemy". The occasion calls for an investigation into allegations of enforced disappearances and extrajudicial killings, especially those already documented or partially probed. It must give momentum to the demand for the repeal of AFSPA as a necessary step to end impunity

4. It's time for an urban upgrade

<http://www.thehindu.com/opinion/lead/lead-article-by-rk-raghavan-and-d-sivanandhan-on-swathi-murder-case-its-time-for-an-urban-upgrade/article8831741.ece?homepage=true>

Topic: Executive

Category: Polity

Key points:

- The Indian police have been the target of criticism from several quarters, some justified and others not. The police in our country have changed only marginally since Independence, so much so the average member of the public views it as an unhelpful and insensitive body that has to be scrupulously avoided if possible. Several police reform bodies have examined this intractable situation with only marginal success. What has been critical is the undoubted absence of political will to make the system professional and to insulate it from the caprice of the street-level politician
- With the growing size of our cities and towns, India no longer lives in the villages. All the action and focus are in the cities, and the police are evaluated mainly on what they do there or fail to do. The recent Swathi murder case in Chennai is an instance in point. The initial public outrage was one that blamed the police for not giving enough security to working women. This lasted only for a few days, until the nearly blind case was successfully cracked. Criticism slowly yielded to admiration for the police

- Another key area is traffic enforcement amidst gross indiscipline on the part of the road user. Increased technology and flawless identification of offenders and harsh penalties on violators of traffic rules alone can save the situation. This is a challenge to which the urban police have responded with only marginal success. The citizen expects drastic results, forgetting the fact that it is he who will make the difference through dissemination of the message that submitting oneself to traffic rules alone will reduce chaos on the streets
- From a purely preventive role contemplated for the constable on the beat, we have come a long way to assign to him a set of functions that seem enormous, complex and too forensic to discharge to the satisfaction of society. The net result is an all-round harsh assessment of the police
- A rational and full-fledged debate, some kind of national consultation, over limits to policing in an urban setting is long overdue. Any system that does not constantly review the manner in which it does business is doomed to perdition. Innovation is the key to upgrading quality. In the case of policing, this could be in the areas of patrolling the streets, receipt and registration of public grievances and identification of law-breakers. Technology can help, but it is the sensitivity and dedication of policemen at the cutting edge that would eventually make the difference between an admired and an alienated police force
- Going by the rising graph of bodily crime and traffic accidents, our cities and towns appear to be fast going beyond redemption
- Policing would collapse not long from now because of two factors
- The first is the growing geographic sprawl of our cities. This expansion has not been accompanied by a commensurate increase in police strength. The second is the disappointing lack of consensus on what the police can do, and what it cannot or should not attempt to do
- We believe that there are implications here for a concept such as the Smart City that Central government in New Delhi has conceived. Any Smart City would thrive and flourish only if it is turned into a “safe city” first
- Ultimately, all discussion of urban policing would lead us to the important issue: how much money can a government invest in policing? India has approximately a little more than two million policemen (both armed and unarmed). There are about 12,000 police stations. In the absence of scientifically determined yardsticks, the question whether this is adequate for a country as large as India is debatable
- The growing tentacles of terrorism have resulted in certain disarray in police thinking, something for which the police were untrained or insufficiently trained. An almost whole-time

attention on countering monstrous outfits such as al-Qaida, Islamic State, Taliban, Lashkar-e-Taiba and a host of others, including our very own Indian Mujahideen, has robbed the common man of police services to which he is entitled as a tax-paying citizen

- Any evaluation of the police will be grievously wrong if it did not factor in this development. Also, an attempt to divest the police station of its responsibility in this area by raising an exclusive counter-terror outfit is ill-advised, because thwarting the terrorist depends on intelligence collection at the grass-root, and this can be done only with the help of a police station on the ground. The latest arrest in far away West Bengal of a suspected IS organiser and propagandist, who had made Tirupur in Tamil Nadu his home, would indicate how growing towns in the country could provide shelter to anti-social elements and need more intensive policing than before
- This is the complexity of urban policing today. Mechanical law enforcement, not backed by an alert intelligence apparatus, can result in disasters of the kind that happened recently in Dhaka, Amsterdam, Brussels and Paris
- In the ultimate analysis, it is the consumer of the police service, the average citizen, who has the critical role of giving a continual feedback to the police on how well the latter are performing. Without this, no community will get the police it demands, and possibly deserves

5. Storm in the South China Sea

<http://www.thehindu.com/opinion/op-ed/comment-article-by-nehginpao-kipgen-on-storm-in-the-south-china-sea/article8831751.ece?homepage=true>

Topic: South China Sea Disputes

Category: International Affairs

Key points:

- The International Court of Arbitration is set to give its ruling on the South China Sea disputes on July 12 amid strong opposition from China. The Chinese Foreign Ministry spokesman has said: "I again stress that the arbitration court has no jurisdiction in the case and on the relevant matter, and should not hold hearings or make a ruling"
- The case filed by the Philippines at the International Tribunal for the Law of the Sea at The Hague in 2013 seeks to counter the Chinese claims in the South China Sea. Beijing insists that Manila's case is an issue of territorial sovereignty over which the tribunal has no jurisdiction.
- China claims almost all of the South China Sea along the nine-dash line on the map. The Philippines argues that the claim made by China is against international law

- The current round of tension between the two countries began in 2008-2009 after a tense but bloodless stand-off over the Scarborough Shoal, which led to China gaining de facto control of it in 2012
- In recent years, attention has shifted to China's construction and installation of military-capable infrastructure in the Spratly Islands. The pace and scale of China's island-building works have dwarfed the presence of other countries that engage in similar activities, and is beginning to take on a more overtly strategic character, which includes the construction of runways and port facilities
- There are no easy answers to the South China Sea disputes. At the same time, it is well understood by the parties concerned as well as the international community that the disputes need to be resolved
- Because of the capital spent on island-building works by individual countries on the one hand and the sea's rich natural resources and annual revenues generated from the sea routes on the other, none of the disputing parties is likely to sacrifice or surrender its claims easily
- The underlining problem is the claim of overlapping areas by different countries, that involve Brunei, China, Vietnam, the Philippines, Taiwan and Malaysia
- One of the fundamental principles of the Association of Southeast Asian Nations (ASEAN) has been to resolve disputes by peaceful means and to reach agreement by a consensus. But over the years, the position of ASEAN on the South China Sea disputes has been weak. At times, the organisation has been unable to formulate a consensus policy. This is partly due to the fact that not all 10 ASEAN members are claimants to the South China Sea. Another reason is that members of ASEAN have overlapping claims among themselves. Moreover, bilateral relations between China and some smaller ASEAN members, such as Laos and Cambodia, are also a factor. Because of its economic and military power, China has been able to win over some ASEAN members
- China is well aware that a united voice of all ASEAN members would have greater force. ASEAN's inability to build a united front on the South China Sea disputes is a major challenge for the regional bloc. There is no single country in ASEAN party to the South China Sea disputes that is capable of challenging China individually. This is an important reason why ASEAN has welcomed the role of the United States as a power balancer on the issue
- While China insists on talks among the parties concerned, the claimants in ASEAN want to pursue it through multilateralism or the Court of Arbitration. The existence of two diametrically opposing approaches is a major challenge for bringing a mutually acceptable solution to the South China Sea disputes

- Since China has openly refused to acknowledge or accept the ruling of the arbitration court, despite support from several countries, as well as its lack of enforcement power, this channel is likely to be inconclusive
- However, the reactions of the international community in the aftermath of the court's ruling are bound to put pressure on the disputing parties. The ruling may also provide a justification for coalition action
- To resolve the disputes peacefully, the claimants should be willing to abandon their confrontational attitude and agree to find some common grounds even if this requires sacrificing certain portions of their claims
- For example, one possible peaceful solution would be for all claimants to limit their claim to the areas of 200 nautical miles of the Exclusive Economic Zone in accordance with the United Nations Convention on the Law of the Sea (UNCLOS). By agreeing to such proposal, the parties to the dispute can also reach an agreement to leave international waters for free navigation
- Another way out is for the parties concerned to establish a common ownership of the disputed areas whereby all the revenues from the South China Sea are equitably shared among the littoral countries
- Yet other possibility is for the disputing countries to specifically lay out their claims and allow a neutral party to adjudicate on the basis of the UNCLOS or any other relevant international laws
- But for now, all eyes are on the July 12 ruling

The Indian Express

1. There is an issue of the tyranny of the 10 per cent in our policy focus: Yaga Venugopal Reddy(former RBI governor)-Excerpts from Interview

[\(http://indianexpress.com/article/explained/montek-singh-ahluwalia-indian-economy-25-years-of-indian-economy-2905676/\)](http://indianexpress.com/article/explained/montek-singh-ahluwalia-indian-economy-25-years-of-indian-economy-2905676/)

Topic: Reforms

Category: Economy

Key points:

What are the lessons from that economic crisis of 1990-91?

- The first lesson is that we should avoid the mistakes we committed during the '70s and '80s. While discussing reforms, we should realise that part of the reform was about correcting our mistakes and part of it was to improve our systems and policies. The second lesson from crisis management is that the central bank has to play a critical role in a crisis, especially when there is political uncertainty

What was the biggest challenge you faced then or later in your various roles?

- The biggest challenge for me professionally was to manage a situation of plenty as governor of the Reserve Bank, especially during the 2006-08 period. We in India have never had to deal with a problem of plenty in the past. Global liquidity was high during this period. The belief, including among the political leadership, was in favour of global finance. The belief was also in favour of finance leading to development and being of great benefit to all. The risks of global finance were being underestimated then. Therefore, we had to convince everyone about the challenges involved in development of the financial sector and integration with the global economy. RBI as a professional body commanded respect globally and was able to gain the trust of the government. The combination of intellectual opinion, especially from the IMF, interests of global financial conglomerates and the inclination of the political leadership in favour of the prevailing beliefs had to be countered with all professional resources in RBI and the personal trust reposed in me. However, the government and the RBI still worked together to bring about significant legislative changes and a structural transformation while undertaking counter cyclical operations. The outcomes in terms of GDP growth, inflation and the soundness of the financial sector and the strength of the external sector reflect the co-ordinated policies during this period. They show that the challenge has been met successfully by all of us

What is still to be opened up after 25 years?

- There is an impression that economic reform means opening up. In fact, in my view, there is an issue of the tyranny of the 10% in our policy focus. What I mean is that 10% of our investment is funded by foreign savings and the attention paid to that in our policy debate is 90%. When the discussion is on the work force, it is focused on the organised work force, which is less than 10%. Similarly, the large private corporate sector dominates policy discussions disproportionate to its criticality to our economy. Opening up is one element of the financial sector reform. Financial sector reform is one element of economic reform, the real issue for us is one of efficient financial intermediation in our economy. We have to improve financial intermediation in banking, which dominates the financial sector. As long as there is no genuine reform in public sector banking, financial intermediation will continue to be inefficient

- Now, when it comes to capital markets, they are essentially being driven by foreign investors reflecting more of inherent volatile global conditions than relatively more stable domestic growth. My position on Participatory Notes being an unhealthy element in the Indian financial sector is well known. In India, households still depend on banks. The capital markets are yet to command the trust and confidence of households. In my view, the mutual fund business is being driven by bank money and institutional sources. Mutual funds should ideally not have the participation of anything other than household money. And they should not be a pass-through vehicle for corporates and institutions who have the capacity to take independent financial decisions unlike households

- In brief, the real immediate priority for reform of our financial sector is to improve the efficiency of the domestic banking system and to enhance the integrity and relevance of the capital markets to Indian households

What should be on the agenda for the next 25 years?

- One of the first things we should do is to fix the judicial process. The bad loans mess is in some ways a reflection of the fact that banks could not enforce their rights in a timely manner. The judicial process involves huge delays affecting the enforcement of rights of lenders in India. Unless we fix the legal framework and the judicial process, we can never become a middle income country. The second thing is to focus on law and order and enforcement of criminal justice. Filing an FIR is a major challenge for a common person. The delays in dispensation of justice in criminal matters make the process a captive of the rich and the powerful. Economic reforms cannot afford to underestimate the criticality of reforms in institutions performing basic functions of the government such as the judiciary and the law and order machinery

- Having been RBI governor and having seen conflicts between the institution and the government, how can the relationship between the two evolve? Do you think there is a need for a longer, fixed tenure for an RBI governor, considering that you had a straight five-year term?

- We should distinguish between the length of the tenure and the security of tenure of an RBI governor. The relevant provision of the RBI Act says that the governor can be removed, just as the deputy governors and members of the central board can be removed. My understanding is that there is no prescribed procedure for removal of the RBI governor. In most other countries, there is a prescribed process for the removal of the governor and that assures security of tenure

2. Being unneighbourly

[\(http://indianexpress.com/article/opinion/columns/pakistan-afghanistan-torkham-border-issue-isis-islamic-state-being-unneighbourly-2905614/\)](http://indianexpress.com/article/opinion/columns/pakistan-afghanistan-torkham-border-issue-isis-islamic-state-being-unneighbourly-2905614/)

Topic: Pakistan and Afghanistan

Category: India's Neighbourhood

Key points:

- Last month, the Pakistan-Afghanistan relations took a violent turn when both the countries deployed tanks and armoured personnel along their border at Torkham (Khyber pass), one of the busiest Durand Line crossings. The escalation resulted as Islamabad attempted to build a new fence and a gate for checking passports and inspecting cargo vehicles. Last month's tensions, which culminated in the firing of mortars and several casualties, hark back to the structural bones of contention: Afghanistan has never recognised the Durand Line and is not prepared to accept it as the proper border. But this has never generated so much acrimony in the past
- Hostilities between the two countries have precipitated due to several factors over the last 12 months. Till then, the relations between Islamabad and Kabul were improving, largely because of the attitude of the new Afghan president, Ashraf Ghani. In contrast to his predecessor Hamid Karzai, who was seen to be close to India, Ghani had made overtures to Pakistan after assuming office. Ghani had ordered action against some Tehrik-e-Taliban Pakistan (TTP) militants suspected to have orchestrated the Peshawar tragedy of December 2014. He had also sent Afghan National Army cadets to study in Pakistan and turned down the Indian offer to supply Kabul with weapons — something made possible by the India-Afghanistan Strategic Partnership. Ghani had hoped that Islamabad would reciprocate by fighting against the irreconcilable Taliban, which had found refuge in Pakistan, and by bringing the others to the negotiating table. Pakistan government somewhat delivered by bringing the TTP to the Murree meeting in July 2015 for peace talks in a new format called the Quadrilateral Coordination Group. The QCG, comprising Afghanistan, Pakistan, China and the US, recognised Pakistan's key role
- However, this initiative was short-lived. In late July, peace talks broke down after the Afghan government revealed that Mullah Omar had died two years ago in Karachi. After this episode, the new Taliban chief, Mullah Mansour could not be persuaded to come to the negotiation table. The Pakistanis consider that by making the death of Mullah Omar public, some Afghan elements, including Karzai and members of the security apparatus that had remained anti-Pashtun because of its Tajik majority, sabotaged the peace process

- The Afghan authorities had a different explanation. For them, the peace talks in the QCG did not go anywhere because Islamabad tried to use them for re-establishing some of its lost influence over Afghanistan. By making the demise of Mullah Omar public, the Afghans tried to weaken the Taliban and deprive Pakistan of one of the bargaining chips it had over the Taliban
- The second factor of hostility has much to do with India and Iran. Besides the recognition of the Durand Line, the other priority of Pakistan is to contain the Indian presence on its western border. In December 2015, Narendra Modi not only visited Kabul to inaugurate the parliament built by India but also handed over three Mi-25 attack helicopters to Ghani. And in May, Modi, Iranian President Hassan Rouhani and Ghani met in Tehran to sign a three-way transit agreement on Iran's Chabahar port. This agreement may affect the bargaining power of Islamabad vis-à-vis Kabul by further shifting some of its trade through Iran instead of Pakistan
- Thirdly, trans-border terrorism has become a major source of tension between Afghanistan and Pakistan. Traditionally, Kabul has accused Islamabad (and Rawalpindi) of welcoming Taliban. Groups paying allegiance to Mullah Omar (including the Haqqani network) and close to Pakistan's Inter-Services Intelligence (ISI) since the anti-Soviet jihad days, used the safe havens in Pakistan to attack the Afghan National Army and the NATO forces. This has continued even after the demise of Mullah Omar and the withdrawal of most of the foreign troops
- In April, Kabul cancelled its participation in the QCG meeting — to which Islamabad had invited the Qatar-based Taliban — and protested against a massive terrorist attack in Kabul, attributed to the Haqqani network
- But trans-border terrorism has become a two-way traffic after operations in the North Waziristan region pushed TTP operatives to the Afghan side. Fazlullah, the TTP chief, had found refuge in Afghanistan after a Swat operation in 2009. Kabul had also welcomed Hafiz Saeed Khan
- Drug trafficking was the other reason why Pakistan wanted to manage its border more effectively, in Torkham and elsewhere
- While Islamabad and Kabul have many reasons to fight each other, there is one reason for collaboration: The Islamic State, which is making inroads on both sides of the border, but particularly in Afghan districts bordering Pakistan like Nangarhar. The IS has attracted some Taliban and some TTP commanders not only because of the crisis in the leadership of these groups but also because some Taliban leaders were seen to be too close to Pakistan. Few Afghans like their big neighbour because of its international agenda. The IS has affinities with the TTP and its vision is in stark contrast to the limited, territorial objectives of the Taliban

- Interestingly, two of the IS Afghan leaders — Mullah Abdul Rauf Khadim and Abdul Rahim Muslim Dost — have transformed into trans-national terrorists after their years in Guantanamo (where they learnt Arabic among other things). While both countries have a common enemy in the IS, it may not be a big enough threat as of now to persuade Kabul and Islamabad to resume talks

- Such negotiations will happen anyway because Afghanistan cannot ignore Pakistan — they share a 2,250 km long border. But mutual suspicion may further undermine the peace process already complicated by external actors. While the US cannot be part of the solution anymore — there are only 10,000 American soldiers left in Afghanistan — they have become a part of the problem according to Islamabad. Pakistan saw a contradiction in the drone attack that killed Mansour and told Washington DC that if the US wanted an interlocutor for peace talks, it should be spared

Others:

1. PIB

1. National Coordinated Action takes off for clean-up of 10 iconic places as Models of Swachhta under SBM

“Need to go back to our roots and learn ‘Swachhta’ from Rural India”: Narendra Singh Tomar in first address as Minister DWS

The Ministry of Drinking Water and Sanitation, on July 8 and 9, 2016, organized a 2-day workshop in New Delhi for special clean-up of 100 iconic places across the country, starting with 10 in the first phase. Representatives from the following 10 places participated in the workshop, along with representatives from concerned state governments and municipal bodies.

1. Vaishno Devi: Jammu & Kashmir
2. Taj Mahal: Uttar Pradesh
3. Tirupati Temple: Andhra Pradesh
4. Golden Temple: Punjab
5. Ajmer Sharif: Rajasthan
6. Meenakshi Temple: Tamil Nadu
7. Kamakhya Temple: Assam
8. Jagannath Puri: Odisha
9. Manikarnika Ghat: Uttar Pradesh
10. Chhatrapati Shivaji Terminus: Maharashtra

2. Rural women solar engineers (Solar Mamas) present a skill demonstration to PM in Dar-es-Salaam

A group of about 30 “solar mamas” from Tanzania and a few other African countries demonstrated their skills in fabrication, repair and maintenance of solar lanterns and household lighting systems to the Prime Minister today. They also presented their honey-extraction and stitching practices and sung a song “we shall overcome”.

Barefoot College, Tilonia (Rajasthan) has been promoting and training rural women solar engineers (solar mamas) from Africa in fabrication, installation, use, repair and maintenance of solar lanterns and household solar lighting under Government of India supported programmes. They have set up a Barefoot women vocational training college in Zanzibar Islands of Tanzania and other countries in Africa for imparting solar electrification skills (training) and distributing solar kits to trainees. These colleges also support various entrepreneurial skills such as bee-keeping, tailoring, etc. The solar mamas have fabricated and installed solar kits, and now maintain these solar electrification systems in their communities.

3. Shri Gadkari’s Visit to give New Momentum to India's Ties with the US in Infrastructure Sector

Indo-US cooperation in the vital infrastructure sector will get a new impetus when the Road Transport, Highways & Shipping Minister holds official talks with his counter-part US Secretary of Transportation in Washington tomorrow, on a wide range of projects of mutual interest.

He will be particularly looking for widening and deepening the scope of Indo-US cooperation in innovative technologies for improving highway development, road engineering, road safety and development of green fuels in automobile sector and electric vehicles. He has envisaged 50-60 Billion USD foreign investment for infrastructure and another 100 Billion USD towards industrial development for port-led economic growth in the maritime sector and inland waterways, water transport, coastal and cruise shipping and solar and wind energy generation to further boost the country’s growth momentum.

4. Captain Radhika Menon, First Woman Captain of Indian Merchant Navy to receive IMO Award for Exceptional Bravery at Sea

Captain Radhika Menon, Master of the oil products tanker Sampurna Swarajya, is to receive the 2016 International Maritime Organization Award for Exceptional Bravery at Sea for her role in the dramatic rescue of seven fishermen from a sinking fishing boat in tumultuous seas in the Bay of Bengal in June last year. The International Maritime Organization – is the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention

of marine pollution by ships. Captain Menon was nominated by the Government of India, for the rescue of all seven fishermen from the fishing boat Durgamma.

2. The Financial Express:

1. How Indian Railways are critical for GDP, carbon footprint

[\(http://www.financialexpress.com/article/fe-columnist/editorial-how-indian-railways-are-critical-for-gdp-carbon-footprint/312497/\)](http://www.financialexpress.com/article/fe-columnist/editorial-how-indian-railways-are-critical-for-gdp-carbon-footprint/312497/)

Topic: Railways

Category: Governance

Key points:

- The railways are critical for both India's GDP as well as its carbon future. Just how critical, was reinforced by former RBI deputy governor Rakesh Mohan—Mohan chaired a committee on India's transport needs till 2032
- Just a few numbers on India's transport needs highlight how critical it is to get the railways piece right. If India was to grow at 7% a year, freight transport demand will quadruple by the mid-2030s—if the rate goes up to 8-9%, demand could rise by a factor of six. For passenger traffic, we're talking of a 15-fold rise
- Mohan's committee's simulations showed energy demand rising by a factor of four over the next 20 years, steel by eight times. Though a lot of traffic has shifted to road over the past few decades, neither the current network nor what is planned can deal with such volumes. Till 15 years ago, both road and railway networks, Mohan points out, were growing at relatively similar rates, but former prime minister Atal Bihari Vajpayee's Golden Quadrilateral and then the rural roads programme put the roads network on a dramatically different trajectory
- While the railways have made a recovery with the two dedicated freight corridors, what is needed is to complete the other corridors that were mentioned in the last budget speech—while a bullet train may be desirable, its costs have to be seen in comparison with what such corridors can achieve
- Not being able to do this implies a serious infrastructure constraint to further GDP growth since, to take the most obvious example, if coal does not move, there can be no electricity supply to power India's industrial/services growth. In absolute terms, transport investment needs to rise seven-fold from the 11th Plan to the 15th Plan (2027-32), or from 2.6% of GDP right now to 3.7% in another few years and then be sustained at that level

- Apart from the fact that a one percentage point step up is a big one, much of the investment will have to come from the public sector—in the original simulations, the private share was expected to rise to around 25-30% over a decade but the sad state of private infrastructure firm balance sheets shows this was way too optimistic
- More than the money which is a big challenge, it is clear the present Railway Board-led governance structure cannot pull off this transformation
- Apart from the criticality of building the railway network for GDP growth, India's Paris goals depend upon increasing the railways' share in local transport from 36% right now to 45% by 2030—the six freight corridors will lower India's cumulative railway emissions from 1.26 billion tonnes between 2016-2046 to 0.29 billion tonnes, and to 0.09 billion in a low-carbon scenario. India can't afford to slip up on widening its tracks

2. National E-Governance Plan: Justice delayed, is justice denied

[\(http://www.financialexpress.com/article/fe-columnist/editorial-national-e-governance-plan-justice-delayed-is-justice-denied/312495/\)](http://www.financialexpress.com/article/fe-columnist/editorial-national-e-governance-plan-justice-delayed-is-justice-denied/312495/)

Topic: ICT Intervention

Category: Governance

Key points:

- With over 2.2 crore cases in the courts—at least a tenth of which are over a decade-old—e-Courts, a Mission Mode Project under the National e-Governance Plan, was meant to help fix most of this. Though the project mostly envisages computerisation and ICT-enabling of the lower courts, the idea was also to upgrade the system in the higher courts to track delays and decrease pendency and provide uniform justice across the entire judicial system. Electronic filing of cases and caveat-checking would make these processes faster and easier while digitisation would help aggregate cases pertaining to a similar legal question in a particular court and even across courts—and if there was a Supreme Court ruling on a similar case, judges, as a matter of course, could keep this in mind
- If the system worked well, judges would be able to hear undertrials through video-conferencing, even as court libraries got digitised. But as a study by Vidhi Centre for Legal Policy shows, the project has been hobbled by huge delays
- While the first phase of the project, which included providing hardware and software to judicial officers and staff, LAN connectivity and training, was to be completed by 2007—the project was announced in 2005—it is getting completed only now. By 2010, when the second tranche of funds for the first phase was approved, it was found that critical components, such

as digitisation of record of existing cases, WAN connectivity and uninterrupted power supply had not been included in deliverables of the first phase—this was then included

- Moreover, as the project got delayed, implementation was thrown into disarray with new courts coming up in some complexes which had already been computerised—this means there are complexes where some courts function in the manual mode while the rest are ICT-enabled. Needless to say, the budgets went out of whack, from Rs 442 crore estimated in 2005 to Rs 935 crore approved in 2010, but that is hardly the issue since the project taking off is far more important from the point of view of delivering faster justice

- Meanwhile, the second phase which was to originally begin in 2007—before it was pushed to 2014—took off only last year. With the action plan setting no clear deadline for completion, how long that will take is anyone's guess. That the list of deliverables has been substantially expanded right at the start to avoid the vision deficit that plagued the first phase is the only consolation—the fact remains that the legacy delays, the unavailability of software that can be seamlessly adapted to court functions, the resistance from the beneficiaries of the previous system will prove tough challenges

3. Tax certainty: Where does Narendra Modi govt stand?

(<http://www.financialexpress.com/article/fe-columnist/column-tax-certainty-where-does-narendra-modi-govt-stand-find-out-here/312490/>)

Topic: Taxation

Category: Governance

Key points:

- In 2016, India celebrates 25 years of its first major economic reforms, those that came in 1991. While we look back at the contours of the evolution of India's tax regime, it is pertinent to mention that tax policies have not only been a measure for collecting revenues but have simultaneously been a stimulus for increasing investments into capital markets, attracting investments through fiscal incentives and also a measure to improve technological and scientific capabilities of the country

- After the 1991 liberalisation, India had to ensure a competitive environment in order to attract MNCs. The country saw the first set of direct tax reforms in 1991, when the Tax Reforms Committee (TRC) was setup. As the very first step, progressive taxation for non-corporate taxpayers was adopted. Domestic corporates were taxed at 40%; the rate was subsequently brought down to 35% and later to 30%. In Budget 2015, the finance minister proposed that the rate be reduced to 25% in four years

- India has seen several proposals that have turned around the entire construct of direct tax policy. Some that have proved to be game-changers include the introduction of Tax Deduction at Source (TDS) provisions—which helped widening the tax base and ensured a regular stream of income for the government—presumptive taxation, shifting of dividend tax levy from investors to the companies, introduction of transfer-pricing norms and integration of fair market value concept to counter generation of unaccounted money

- Another worthwhile mention would be the reintroduction of the minimum alternate tax (MAT) in 1996-97. MAT provisions have been successful in curbing the so-called ‘zero-tax’ companies; however, it simultaneously gave rise to one of the most vexing tax controversies, i.e., its applicability on foreign companies. Undoubtedly, this hit India’s image as a tax-friendly nation. However, in September 2015, the MAT controversy was laid to rest when the government accepted the recommendations of Justice AP Shah Committee and scrapped its applicability on FIIs

- With MNCs’ participation in the Indian economy increasing, cross-border transactions increased rapidly. To counter and prevent erosion of the tax base, India introduced the international transfer-pricing (TP) norms in FY02—these were supposed to ensure cross-border transactions between associated enterprises were undertaken only at arm’s-length pricing. Government reports show that the cumulative value of TP adjustments was Rs 2,700 billion till FY15. Recognising the increase in TP adjustments and consequent litigation, the government, in 2012, introduced the provision of Advance Pricing Agreement (APA), thereby giving taxpayers an opportunity to mitigate tax controversies. Initially, this was only limited to unilateral relief. Starting 2015, the wall around unilateral APAs was finally broken and conversations began for executing bilateral APAs, with roll-backs

- As we recapitulate the Indian direct tax reforms, the Finance Act of 2012 deserves a mention because it introduced several retrospective amendments on indirect transfer taxation and software taxation

- These were made to counter the Supreme Court (SC) judgment on the tax demand raised by the government on the Hutch-Vodafone transactions and high court rulings upholding the view that the payment for shrink-wrapped software (widely used platforms) does not constitute royalty under the Indian tax laws. The government, however, had other concerns. The tax department estimated it would lose about Rs40,000 crore in revenue from Vodafone-type deals following the SC decision. The government, looking for revenues to meet mounting expenses, introduced tax on indirect transactions. This action was roundly criticised by industry captains around the globe

- While the present govt. has given repeated assurances of a stable and predictable tax reforms, there is still some time before India fully recovers from the legacy uncertainties
- Tax litigation, on the one hand, is yet to see any major reform—this is primarily dependent on structural and functional efficiencies of the executive. Data revealed by the Tax Administrative Reforms Committee (TARC) report shows staggering statistics with respect to outstanding disputes, with approximately 2.6 lakh cases pending at several levels in FY13. To be sure, the government has adapted several alternate dispute resolution mechanisms such as the Dispute Resolution Panel (DRP) and Settlement Commissions for speedy resolution of disputes— however, they have not turned out to be effective so far
- On the other hand, the generation and circulation of unaccounted money has remained a concern, even prior to liberalisation. There have been several initiatives and policies to counter the parallel economy, but very few have been effective. Though it is too early to tell, the black money law introduced in 2015 hopefully should bring some discipline
- Is the Indian tax law (as it exists today) well-equipped to deal with the complexities of the modern-day business environment? Certain efforts were made on this account, notably the 2013 introduction of the Direct Taxes Code which was, however, withdrawn subsequently by the government. The country is also looking at the OECD’s framework (BEPS) to prevent tax-base erosion. With the introduction of the General Anti-Avoidance Rules (GAAR)—scheduled for implementation in FY18—alongwith the recent amendments in the 33-year-old tax treaty between India and Mauritius, India has sent a strong message of its commitment towards a source-based taxation policy
- Undoubtedly, going forward, as Indian transforms into a developed economy, tax policy are likely to be significantly influenced by the international community in comparison to what existed prior to liberalisation. Indian tax evolution, in the coming years, should usher in a progressive regime, and for this, tax administration reforms are essential

3. The BusinessLine:

1. Boosting labour reforms

<http://www.thehindubusinessline.com/opinion/editorial/boosting-labour-reforms/article8831718.ece>

Topic: Labour Issues

Category: Governance

Key points:

- The model Shops and Establishments (Regulation of Employment and Conditions of Service) Bill seeks to promote employment in retail and IT by allowing 24x7 operations — including night shifts for women, provided the necessary workplace requirements are met. It tries to ease doing business by addressing some broad problems: rigidity in the opening and closing of establishments, difficulties in registration and renewal, problems in maintenance of statutory records, and arbitrariness in inspections
- The proposed law also covers banks, stocks, brokerages, journalistic or printing work, theatre, cinema, warehouses, bars, restaurants, among others. The draft, which significantly leaves out shops employing less than 10 workers, visualises cities that work round the clock all through the year, supported by essential services such as transportation, crèches and other public amenities
- Working 24x7 will enable IT, financial and information services to cater to customers across time zones. It is also an option that India, with its abundance of skilled workers, can exercise without much ado. These workers could serve as customers for 24x7 retail outlets, restaurants and cinemas, lifting not just the economic output but the vibrancy of urban life
- While the law rightly questions “protective discrimination” faced by women by debarring them from doing nightshifts, it is the labour department’s job to ensure that the establishment concerned provides the requisite transportation, rest room and crèche facilities, as well as the mechanisms to prevent sexual harassment. This should be accorded the highest priority
- While nothing has been spelt out with respect to minimum wages, which are likely to be met or exceeded to draw workers, the draft law lays out a nine-hour working day and a 48-hour week, while exempting IT and biotechnology from the norm
- The challenge in implementing this act as well as other labour-related laws, is to ensure that entitlements of workers are met while keeping the rules simple and labour law inspections to a minimum
- Yet, there are concerns. The law is focused on raising output by using more labour, rather than developing skills, productivity and innovation, which are important in IT and finance in particular. This will help India retain its competitiveness only in the short run
- Inconsistencies between the draft law and labour laws pertaining to manufacturing could give rise to confusion, particularly in an integrated workplace performing various roles under a single roof, and employing workers under different terms and conditions. By leaving out small establishments, it has heightened the possibility of sweat shop conditions being perpetuated there through use of ‘family labour’, now permissible under the amended child labour laws

- The energy requirements of urban India working at night could suddenly spike
- That said, the draft law signals a reformist approach to regulation in a labour-surplus economy, which States should take up in their own interest. That said, the Centre need to work with stakeholders on widening the social safety net through pension and insurance schemes, so that such reforms do not run into socio-political resistance

2. Trouble's brewing for us in the Maldives

<http://www.thehindubusinessline.com/opinion/troubles-brewing-for-us-in-the-maldives/article8831619.ece>

Topic: Maldives

Category: India's Neighbourhood

Key points:

- As the strategically important Indian Ocean archipelago of the Maldives continues its descent into political anarchy with democratic institutions facing an unabated onslaught under the authoritarian regime of President Abdulla Yameen, India can no longer afford to be a mere spectator
- India has, for some time, chosen to maintain a studied silence on what's happening in this troubled tourists' paradise. But with both China and Pakistan stepping up their strategic inroads into the Maldives, coupled with Saudi Arabia pumping in money for religious radicalisation, India seems to be fast ceding its traditional space for effective diplomatic influence in the archipelago
- The Yameen government stands accused of stifling democracy, riding roughshod over the country's 2008 constitution, reducing its majlis (parliament) where his party has a majority to a mere rubber stamp, and weakening the judiciary. Unfair persecution and imprisonment of political rivals, rampant corruption and severe curbs on press freedom are other charges
- Growing Islamic radicalisation in the tiny island-nation of about four lakh people once known for its tolerant practices has many foreign governments, including India, deeply concerned. While the Maldivian government says only 49 of its citizens have joined ISIS, unofficial figures pitch the number at about 250-300
- In the coming months, New Delhi will need to step up pressure on the government in Male if it is to safeguard its own strategic and security interests in the archipelago that straddles important sea lanes in the Indian Ocean Region. Quiet persuasion is what India has been

engaging in so far, but it may need to rally international opinion against the repressive regime, possibly through the Commonwealth Ministerial Action Group (CMAG)

- In February this year, New Delhi along with Islamabad had chosen to back the Maldives in CMAG after which a grateful Yameen had thanked India for “protecting” his country during his visit to New Delhi in April this year. He even called upon India to continue supporting his country against any “unfair, punitive action” by CMAG. The CMAG sought “clear, measurable progress” in the Maldives in six priority areas
- Among them were an “inclusive, purposeful, time-bound and forward-looking political dialogue” as also the release of political leaders detained or are in custody, and the return of those from outside the country. It also wanted steps taken to prevent the ongoing use of anti-terrorism or other legislation to stifle national political debate
- However, little has changed since February. India, therefore, should seriously reconsider its support for Male in CMAG when it meets in September to “assess progress, take stock, and take decisions accordingly”
- India’s cautious dealings with the Yameen regime followed a period of strained bilateral ties after Mohamed Nasheed — he was the first democratically elected president of the archipelago in 2008 — was ousted in 2012. Unwilling to be seen as aligning with any political faction, India has engaged in outreach to the entire political spectrum in the archipelago. New Delhi is also unlikely to accede to the request of the Maldives United Opposition (MUO) — a broad coalition of political parties seeking restoration of democracy — to directly intervene or impose sanctions to arm-twist the Yameen regime
- The MUO that has Nasheed as an advisor, was launched in early-June at London with a 25-member shadow cabinet. Some of its members were in New Delhi recently to seek India’s support to “bring back democracy to the Maldives” and ensure the elections which are still two years away are “free and fair” by having a “transitional arrangement” in place after Yameen’s removal
- However, as India walks the middle path, what remains worrying is the Yameen’s regime’s “deep involvement” with China. The contract for the \$500-million Male international airport modernisation project bagged by GMR was unilaterally terminated once Nasheed was ousted. India’s loss was China’s gain with the latter bagging the contract for the airport and the China-Maldives Friendship Bridge project that will link Male to the airport
- Concurrently, Saudi Arabia’s Binladin Group too has been awarded a contract worth \$800 million to build a new passenger terminal at the airport. The continuing money flow from Saudi Arabia for the construction of mosques and madarsas which now dot the archipelago is also

worrying as they emerge as hubs for religious radicalisation and indoctrination. The Saudis along with Pakistan and Egypt are seen as fuelling extremist religious views through the scholarships they are offering to Maldivian youth who are returning radicalised after having travelled to these countries

- Amid all this, the window for Indian diplomatic intervention seems to be closing. In seeking to balance its geo-strategic interests along with the need to remain engaged with the Yameen government, India cannot afford to trust Yameen's enunciation of an 'India First' approach. Especially when at stake is India's influence in the Indian Ocean region

To Read: Genesis of NPAs

(<http://www.thehindubusinessline.com/opinion/genesis-of-npas/article8831616.ece>)

6. The Economic Times:

1. Wind up SUUTI: Firmly, transparently

(<http://blogs.economictimes.indiatimes.com/et-editorials/wind-up-suuti-firmly-transparently/>)

Topic: Disinvestment

Category: Economy

Key points:

- The government's plan to invite merchant bankers to help it sell shares of 51 Indian companies that it holds through the Specified Undertaking of UTI is a sensible way to raise revenues, and long overdue
- SUUTI was created in 2003 specifically to bail out investors in UTI's flagship US 64 scheme. The Sensex has been up by about 20% since March this year and there is little sense in the government holding on to these shares forever in the hope that markets would do better. The winding up of SUUTI should be done in a transparent way
- It holds large stakes in professionally managed companies such as L&T (8.15%), ITC (11.14%) and Axis Bank (11.53%) valued at about Rs 60,000 crore. That's not small change for the government, which wants to raise Rs 56,500 crore from divestment this fiscal. FDI in tobacco manufacturing is banned. So, fears about corporate control if the shares of ITC were to be acquired by British American Tobacco are misplaced. SUUTI also has small stakes in 40 other listed companies, besides stakes in eight unlisted companies. The request for proposal suggests flexibility in the method to sell the shares as no one size fits all

- The traded price is a good indicator in listed companies where SUUTI holds only small chunks of equity. It sets the floor. However, sale of large chunks of equity would entail a premium. Ideally, the government could ask potential investors to submit bids above a floor price and allocate to each bidder as many shares as he has bid for, starting with the highest price bid and going down the hierarchy of prices till all available shares are exhausted. Sure, this would result in multiple prices for the same stock, but that would only reflect the differing valuation assigned by different investors to the same company. There is no reason to deny them pricing freedom

7. Quick Bits and News from States

1. Kudankulam plant reaches milestone

<http://www.thehindu.com/news/national/kudankulam-plant-reaches-milestone/article8831818.ece?homepage=true>

The second reactor of Kudankulam Nuclear Power Project (KKNPP) attained criticality at 8.56 p.m. on Sunday. The nuclear fission started in the second reactor at the scheduled time.

On commencing the First Approach to Criticality (FAC) at 7.52 p.m. on Friday by withdrawing the control rods from the reactor, boron dilution started four hours later to allow neutron concentration to go up, which eventually led to the criticality of the reactor.

Once the reactor starts generating 400 MWe of power, possibly within 45 days from the date of criticality, it is likely to be connected to the grid. Generation of power will be raised to 500 MWe, 750 MWe, 900 MWe and 1,000 MWe in stages. At every stage, various tests will be conducted and the technical parameters verified as mandated by the Atomic Energy Regulatory Board (AERB)

2. SC seeks review of law on advocates

<http://www.thehindu.com/news/national/sc-seeks-review-of-law-on-advocates/article8831882.ece?w=alauto>

Alarmed by the increasing instances of unruliness in the legal profession, the Supreme Court has asked the Law Commission of India to review “all relevant aspects” relating to the law governing advocates, including issues like professional misconduct. The direction assumes importance in the context of the recent instances of alleged violence by lawyers in Delhi and Chennai and strikes by lawyers in different parts of the country, including Telangana.

3. Speculation ahead of South China Sea award

<http://www.thehindu.com/news/international/speculation-ahead-of-south-china-sea-award/article8832108.ece?w=alauto>

Diplomatic speculation is heightening, barely hours before the Permanent Court of Arbitration at The Hague issues a crucial order on the South China Sea dispute between Philippines and China. The order, expected to be announced on Tuesday, is likely to be a catalyst for diplomatic manoeuvres in South and Southeast Asia, experts said. Diplomats believe that China will refer to past precedents to neglect the verdict if it turns out to be adverse. Many also say it will spur ASEAN members to build a special “code of conduct”.

4. Forceful presentation by Wigneswaran’s representative on federalism

<http://www.thehindu.com/news/international/forceful-presentation-by-wigneswarans-representative-on-federalismforceful-presentation-by-wigneswarans-representative-on-federalism/article8831597.ece?w=alauto>

In an attempt by the Northern Province to present a picture of unity on constitutional reforms in Sri Lanka, Chief Minister C.V. Wigneswaran has fielded Leader of Opposition in the Northern Provincial Council (NPC) S. Thavarajah to place his case on the importance of adopting federal system before the Steering Committee of the Constitutional Assembly. Mr. Thavarajah explained to members of the Standing Committee the background in which the federal option was arrived at. While sticking on to the merger of the North and the East, he said concerns of Muslims in the East would be adequately addressed under a merged province. Impressing upon the Steering Committee the need for full implementation of the 13 Amendment, the Eastern Province Chief Minister said this was the position of other Chief Ministers as well.

5. India backs African countries’ demand for curbs on cotton subsidies at WTO

<http://www.thehindubusinessline.com/economy/policy/india-backs-african-countries-demand-for-curbs-on-cotton-subsidies-at-wto/article8831707.ece>

India is backing major cotton growing African countries in their demand for immediate elimination of cotton export subsidies and a timeline for reduction of domestic support by heavily subsidising members such as the US. At a meeting in Geneva earlier this month, New Delhi, which supports its cotton farmers through a minimum support price (MSP), had underscored the importance of focussing on how much support individual farmers get.

6. US proposes tough fuel norms at G20

http://economictimes.indiatimes.com/articleshow/53148051.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

The US is pushing for a strong action plan on emissions by heavy duty vehicles at the G20 in a move that may improve fuel mileages and standards in the world's largest economies.

"Experience demonstrates that the combination of stringent fuel quality and tailpipe emission standards is a highly cost-effective strategy," the US said in its proposal.

The third point of focus is on fuel efficiency. "These standards drive efficiency improvements in engine design, as well as other improvements to the overall design of the vehicle, like using lower-weight materials and increasing vehicle aerodynamics in order to reduce fuel consumption," the proposal added.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. UNCTAD
2. TFA
3. GM Food
4. AFSPA
5. ICA,Hague
6. SCS Disputes
7. Durand Line
8. Quadrilateral Coordination Group
9. IMO
10. National e-governance Plan
11. BEPS
12. APA
13. CMAG

Practice Questions:

Question1: Which of the following statements is/are correct?

1. Durand Line is the line demarcating the boundaries of Pakistan and Afghanistan
2. Macmahon Line is the line demarcating the frontiers of India and China
3. Medicine Line is the border between Canada and the United States

a) 1 and 2 only b) 2 and 3 only c) 1, 2 and 3 d) All the Above

Ans c

Question 2: Which of the following statements is/are correct about United Nations Conference on Trade and Development?

1. The 'Ministerial Conference' is the UNCTAD's highest decision-making body and is held every four years
2. One of the principal achievements of UNCTAD has been to implement the Generalised System of Preferences (GSP) under which manufacturers' exports and some agricultural goods from the developing countries enter duty-free or at reduced rates in the developed countries

a) 1 only b) 2 only c) Both 1 and 2 d) Neither 1 nor 2

Ans c

Question 3: Which of the following is/are correctly matched?

1. Barefoot College –Bunker Roy
2. Vandana Shiva – Navdanya
3. Ela Bhatt-SEWA

a) 1 only b) 3only c) 1 and 2 only d) All the Above

Ans d

Question 4: Which of the following statements is/are correct?

1. The Harare Commonwealth Declaration was a declaration of the Commonwealth of Nations, setting out the Commonwealth's core principles and values, detailing the Commonwealth's membership criteria, and redefining and reinforcing its purpose
2. The Commonwealth Ministerial Action Group is a group of representatives of members of the Commonwealth of Nations that is responsible for upholding the Harare Declaration

a) 1 only b) 2 only c) Both 1 and 2 d) Neither 1 nor 2

Ans c

Question 5: Which of the following countries is/are involved in the ongoing South China Sea Disputes?

1. Taiwan
2. Singapore
3. Malaysia
4. Indonesia

a) 1 only b) 1 and 2 only c) 3 and 4 only d) All the Above

Ans d

Useful News Articles

12-7-2016

A. GS1 Related

B. GS2 Related

1. India, Russia aim to strengthen trade ties

<http://www.thehindu.com/business/Industry/india-russia-aim-to-strengthen-trade-ties/article8835956.ece?w=alauto>)

Topic: India and Russia

Category: International Relations

Key points:

- The Indian Commerce and Industry minister held talks with her Russian counterpart Denis Manturov on measures to boost bilateral trade and investment ties including in sectors such as high-end engineering
- An official statement on Monday quoted the minister — who is leading a business delegation to Russia — as saying, “There is a strong potential for growth in India-Russia bilateral trade. Be it high-end engineering, or manufacturing, India is moving towards being synonymous to quality, reliability and durability.”
- Indian firms including Bharat Forge, Sun Group, NTPC and NHPC are participants at INNOPROM 2016, the largest annual international industrial trade fair of Russia

2. Centre rushes more troops to quell Kashmir unrest

<http://www.thehindu.com/news/national/kashmir-unrest-nsa-ajit-doval-cuts-short-africa-visit/article8835505.ece?w=alauto>)

Topic: Federalism

Category: Polity

Key points:

- With no let-up in violent clashes, arson and the cycle of death, and with separatist leaders asking Prime Minister Narendra Modi to read “the writing on the wall,” the Centre rushed more troops to the Kashmir Valley and held emergency meetings to take stock of the situation

- The (Ministry of Home Affairs) MHA, which is in constant touch with the State government, has decided to dispatch 800 more Central Reserve Police Force personnel. According to sources, security has also been beefed up and the Amarnath Yatra partially resumed
- In the meantime in the Valley, there was no end to the protests even as the death toll climbed to 30
- Just a day after Hurriyat faction leaders, Mirwaiz Umar Farooq and Syed Ali Geelani, asked protesters to “maintain discipline” and “avoid direct confrontation with security forces,” the separatist leaders hardened their stand and extended the call for a shutdown and protests by two more days
- “July 13 (otherwise observed as Martyrs Day) will be observed as Reaffirmation Day,” Mr Geelani, the Mirwaiz and JKLF chief Yasin Malik said in a joint statement

3. India, Kenya to deepen security ties

(<http://www.thehindu.com/news/national/narendra-modis-kenya-visit/article8834806.ece?w=alauto>)

Topic: India and Kenya

Category: International Relations

Key points:

- India and Kenya signed **seven** pacts, including in the field of defence and security and avoidance of double taxation
- India announced extension of a concessional Line of Credit (LoC) of \$44.95 million to the African nation to help it in development of small and medium enterprises and textiles
- India will also build a cancer hospital in Kenya to provide quality and affordable healthcare
- India is to deepen security partnership with Kenya including in fields of cyber security, combating drugs and narcotics and human trafficking as terrorism and radicalisation are common challenges for both the countries, the region and the whole world
- The MoU on Defence Cooperation signed will entail staff exchanges, expertise sharing, training, cooperation in hydrography and equipment supply
(The two countries share common interest in security, including in maritime security, since they were connected by the Indian Ocean)
- Besides MoUs in **defence and security**, **revised pact on avoidance of double taxation** and **two LoCs**, the other agreements were in the fields of **visa and housing**

- “India is Kenya’s largest trading partner, and the second largest investor here. But, there is potential to achieve much more,” said the Indian PM, on the final day of his Kenya visit, that marks the end of his four-nation African tour

4. Sharif attacks India after opposition ire

<http://www.thehindu.com/news/international/sharif-expresses-shock-over-killing-of-hizbul-commander-wani/article8835237.ece?homepage=true>

Topic: Pakistan

Category: India’s Neighbourhood

Key points:

- “It is deplorable that excessive and unlawful force was used against the civilians who were protesting against the killing of Burhan Wani. Oppressive measures cannot deter the valiant people of Jammu and Kashmir from their demand of exercising their right to self-determination in accordance with the UN Security Council resolutions,” Mr. Sharif said in a statement released from his office
- The earlier statement from the Pakistan Foreign Office had called Burhan Wani a “Kashmiri leader”, and termed his death an “extra-judicial killing”
- Meanwhile, India accused Pakistan of having a “hand” in the recent violence (LeT chief Hafiz Saeed and Hizbul Mujahiddeen Chief Syed Salahuddin issued a joint statement calling for the Pakistan government to “openly support” Kashmiri protestors, and announcing plans for funeral prayers for Wani on Friday)

C.GS3 Related

1. 300 Indians stranded in Juba as civil war reignites

<http://www.thehindu.com/news/national/300-indians-stranded-in-juba-as-civil-war-reignites/article8835952.ece?homepage=true>

Topic: Foreign casualty (South Sudan)

Category: Security

Key points:

- At least 300 Indians have been left stranded as one of Africa’s oldest civil wars reignited on July 7 in Juba, the capital of South Sudan
- Fleeing the fight between the heavily armed rival factions divided on ethnic lines, Indians have taken refuge in various locations, including the Embassy of India

- Indian Ambassador to South Sudan pointed out that law and order had broken down; even the U.N. peacekeeping contingent was busy defending its bases. “There are 2,500 Indian soldiers in the U.N. Mission in South Sudan (UNMISS) and nearly 150 of them are stationed in Juba, but they are unable to help,” he said(as of now the airport is closed and roadblocks [controlled by rival factions] are hindering secure movement)

2. Ceasefire declared after fierce fighting in Juba

(<http://www.thehindu.com/news/international/ceasefire-declared-after-fierce-fighting-in-juba/article8835902.ece?w=alauto>)

Topic: South Sudan

Category: Security

Key points:

- South Sudan’s President Salva Kiir ordered a ceasefire on Monday after a new day of heavy fighting in the capital Juba that sent thousands of people fleeing and threatened a return to civil war
- There was no immediate response from rebel leader turned Vice-President Riek Machar whose forces have been battling Kiir’s soldiers on and off since Friday evening
- The United Nations had expressed deep alarm over days of violence between the army and ex-rebels, which has left several hundred people dead and threatens the young nation's shaky peace
- The current fighting between soldiers loyal to Mr. Kiir, a member of the **Dinka** tribe, and former rebels backing Mr. Machar, a **Nuer**, was triggered by a deadly altercation at a checkpoint on Thursday night

3. U.S. investors keen on Indian road, port sectors: Gadkari

(<http://www.thehindu.com/news/international/us-investors-keen-on-indian-road-port-sectors-gadkari/article8835731.ece?w=alauto>)

Topic: Investment

Category: Economy

Key points:

- The mood among U.S. investors is highly positive towards Indian road and port infrastructure sector, and the negative remarks about the country’s investment climate in a recent report of the U.S State Department would have no impact on investment flow, Union Minister for Road Transport and Highways and Shipping said

- Responding to the concern among U.S investors that the government could not push through changes in the land acquisition law, the Minister said it was no longer a roadblock for infrastructure development
- A McKinsey study estimated 12 lakh crore investment potential in India's port and highways sector, which global pension funds and other investors find extremely attractive. The Minister said the only unfavourable component was the fluctuation in rupee exchange rates

D.GS4 Related

E. Important Editorials:

The Hindu

1. Calming the Valley

<http://www.thehindu.com/opinion/editorial/editorial-on-kashmir-unrest-calming-the-valley/article8835857.ece?homepage=true>

Topic: Federal Relations

Category: Polity

Key points:

- Burhan Wani, the 22-year-old "commander" of the Hizb-ul-Mujahideen gunned down last week by the security forces in Anantnag, was credited with mobilising a new generation of the disaffected in Jammu and Kashmir. In the violent aftermath of his death, however, young men and women have taken the fight to the security forces on the street
- Wani was obviously a prize catch. His engaging manner had turned him into a legend before his death, as he coasted on personal charisma and social media smarts to become the 'poster boy' of a new phase of Kashmiri militancy that is homegrown. But having got their man, the security forces failed spectacularly in managing the situation
- After the death of over a hundred Kashmiris in the stone-pelting protests in the summer of 2010, the J&K police and the paramilitary forces were said to have evolved less lethal ways of bringing under control what is essentially political mobilisation. The fact that so many civilians have been killed or injured in the eye this month, with a high percentage having possibly lost vision altogether, suggests that no care has gone into keeping the casualties low

- Faced with an attacking mob, policemen are bound to perceive a sense of siege. But it is imperative that any response should be measured and never grossly disproportionate to the cause of action — forgetting this lesson in Kashmir has time and again led to the fuelling of a further cycle of protests, to attracting more impressionable and aggrieved youngsters to attack symbols of authority
- This is a cycle that cannot be broken by brute force. The Central and State governments have reached out to the Opposition and separatist leaders to dissuade young Kashmiris from street violence. But appeals for calm must be strengthened with a demonstrable capacity for a political conversation
- When tens of thousands of Kashmiris hit the streets in mourning for a fallen militant, there is a spectrum of political opinion that presents itself. They can be dispersed with pellets. But if ‘mainstream’ politics does not speak to them, if their arguments are not heard patiently to be countered or fleshed out, as the case may be, the calm that eventually obtains will be an illusion
- The Valley has been restive for more than a year now. In this period, Wani is not the only militant whose funeral has drawn people in the thousands. But after long, after more than a decade of violence led by foreign militants, he was the rare local boy to be seen in a leadership role. To put his mourners in a with-us-against-us binary would give him a recruiting power from beyond the grave

2. “India’s changed faster since 1991”-Excerpts from interview with *Montek Singh Ahluwalia*, Deputy Chairman of the erstwhile Planning Commission

(<http://www.thehindu.com/opinion/interview/puja-mehras-interview-with-montek-singh-ahluwalia-indias-changed-faster-since-1991/article8836047.ece?homepage=true>)

Topic: Reforms

Category: Economy

Key points:

The rescue team of 1991, of which you were a key member, made a giant leap of faith.

There hasn’t been a crisis of the same order, but would you say you have seen as much boldness and courage in economic policy formulation in the 25 years since then?

- As you say, the crisis of 1991 was exceptionally severe and it did require a quick and bold response. We are fortunate that Dr. Manmohan Singh, backed by Prime Minister [P.V.] Narasimha Rao, acted quickly and boldly. He didn’t just act to control the crisis: he used the crisis as an opportunity to make far-reaching structural changes to transform a system that was designed in the mid fifties and sixties and had become quite unsuitable for the times. The problems with the system had been discussed earlier and there was

general agreement in the technocracy about the need to reform industrial and trade policy, and the need for a greater role for the private sector and market forces. There was less agreement in the political class and especially not in the Left

How do you feel when you look around and see how much India today is different from the pre-1991 era?

- Of course, India has changed, radically, but you would expect that over twenty-five years. The question to ask is has it changed faster than in the twenty-five years before the reforms, and seen more progress than other countries?
- There is no question it has changed much faster than it did in the preceding 25 years. The rate of growth of GDP between 1955 and 1990 was only around 4 per cent. Per capita GDP grew at only 2 per cent per year. In the 25 years since the reforms GDP growth has averaged about 7 per cent and population growth has slowed down, which means per capita GDP growth has been close to 5.5 per cent. That's a huge difference. A lot of the changes you see in the structure of the economy are a consequence of the fact that incomes are rising much faster and of course the economy is more open
- Poverty has declined much faster than in earlier years, though of course there are still too many people below the poverty line. More importantly, expectations have changed. The poor don't just want to be pushed above the poverty line. They want better quality jobs, better access to essential services such as education and health and clean drinking water and sanitation. Our performance in these dimensions needs to be greatly improved
- Comparing India's performance with that of other countries shows that India's growth was lower than that of other developing countries in the pre-reform period but it exceeded that of all developing countries except China taken together. China's performance is clearly outstanding and in a different league

Former Finance Minister P. Chidambaram has said that the fiscal stimulus rolled out by the UPA government in the aftermath of the 2007-08 global financial meltdown ended up contributing to the economic pain. You were one of its architects...

- I was in favour of an initial stimulus to counter the impact of the crisis. That was the right thing to do then, and indeed it is what the G20 were recommending generally. However, having protected GDP growth in 2009-10, the stimulus should have been withdrawn by 2010. I was certainly not in favour of open-ended stimulus. Had we started withdrawing in 2010-11, we would have been in much better shape from a macroeconomic perspective in the next three years

The Planning Commission, Prime Minister Manmohan Singh had said at its final meeting, was in need of reinventing itself. In what ways was the need for the Commission to contemporise itself felt?

- All institutions should periodically rethink their purpose. Dr. Manmohan Singh wanted us to ponder on what an institution like the Planning Commission should do to support government policy in the new economic environment. I had submitted a detailed note to the Prime Minister in the last months of UPA-II but I said action could be left to the next government
- One of the suggestions I made was that the Commission should do more to provide an internal but independent critique of the sector policies and individual programmes implemented by the Ministries. Traditionally the planning process had focussed too much on funding plan and not enough on general sector policy, or even on scientific evaluation of the effectiveness of plan programmes. However, to do a good job the Commission has to be able to draw on professionals with domain knowledge and not just on generalist civil servants drawn from the same pool as the Ministries. In the pre-reform era, about 80 per cent of the knowledge on most things was within the government and only 20 per cent outside. Today, it is the reverse. This is especially so as the private sector now has an active presence in all critical areas. We had no way of tapping outside expertise in a systematic manner. We did set up committees and consultative groups, but that is not the same thing as having experts on the staff. I did move a proposal to allow each member a budget of Rs.2 crore, to hire outside consultants in any of their areas. They welcomed the initiative, but later complained that the administrative procedures for selecting the consultants were so complex that they could not cope!

It's been over a year since the NITI Aayog replaced the Planning Commission. It's early days still for the Aayog but is it, in your view, addressing those gaps and the need of the day?

- We are entering a very critical period, with considerable global uncertainty. Solid analysis and critical advice on policy can make a big difference. And that I understand is the terms of reference of the NITI Aayog
Concerns have been expressed about the Central Statistical Organisation's GDP and Gross Value Added estimates, including by Mr. Chidambaram. There are doubts if an industrial turnaround has indeed taken place. Commentators are saying that India's growth doesn't feel as good on the ground as the data suggest. Where do you stand in this debate? What disconnect could there be between the statistical estimates and the reality on the ground?
- It is not just [Mr.] Chidambaram who has expressed doubts. The Economic Survey itself has expressed puzzlement, so clearly there are unresolved issues. These are mainly on the growth of manufacturing where the new data give a higher growth rate than the earlier indicators would suggest. I thought a committee under Pronab Sen had been appointed to go into these issues. They should release the report as soon as possible.

The CSO should also come out as quickly as possible with a time series going back several years using the new method and comparing the result with the older series. Now that China has slowed down, our growth rate is higher than China. Observers are already saying that even China's reduced growth rate exaggerates the actual growth. If China's growth data are being questioned, there will be similar scrutiny of our data, and we would be well advised to share whatever information we have as quickly as possible.

The Indian economy is said to be an island of relative calm in a gloomy global scenario. Mainly domestic engines propel it and it has remained relatively insulated from global shocks. Can it remain so? Is India a largely domestic story?

- It is true that we are not dependent on an export-led growth process where expanding exports and a growing export surplus provide the demand that will support growth. But that does not mean we are somehow insulated from global shocks. We are much more open than we were and therefore what happens elsewhere matters to us. In fact, right now we are benefiting from a positive global shock in terms of low oil prices, though this shock has now bottomed out
 - I do agree that India's growth will depend upon domestic factors, notably a big push in infrastructure and a revival in private investment. However this will involve an increase in import and we will need better export performance to manage the balance of payments. FDI is also important for modernising technology in Indian industry and possibly also linking Indian production to global supply chains. That in turn has implications for trade negotiations. All this means there are many things we have to do to manage our interactions with the global economy well. We would ignore the global economy only at our peril
- Is the worst yet to come from China?**
- There is a lot of nervousness internationally about China's economic prospects in the near future. They were expected to slow down from the very high rates of growth they recorded in the past thirty years and initially, the slowdown to 6.5 per cent was regarded as commendable. The trouble is, people are now wondering whether China's growth is lower than that, some say even as low as 4.5 per cent. If it is that low it will generate internal tensions in terms of insufficient growth of employment opportunities. China was able to maintain high growth after the crisis because of a credit-led boom feeding investment in real estate which has led to a number of what are now called ghost towns. This is clearly not sustainable and the traditional Chinese growth engine, which used to be exports, is unlikely to recover soon given the poor prospects in the advanced countries. One can never be sure, but it is reasonable to say there is no upside and quite a lot of downside. Poor performance in China will obviously have ripple effects on others

What does Brexit tell us — will the European experiment succeed or fail? What are the economic implications?

- Brexit was a surprise, although the polls were all pointing in that direction. Many of the underlying tensions that caused Brexit, especially a frustration with the soothing noises being made by the elite for several years which did not lead to visible improvements for the common man, are being felt in other European countries also. And immigration touches a raw nerve everywhere. I do not know whether the U.K.'s exit is now inevitable. The new Prime Minister will have to take a call and it is possible that they may push the decision to a general election. It is too early to judge whether the European experiment will be irreversibly damaged but in the short run, there will be more uncertainty. I don't see any positive economic implications and one can imagine seriously negative ones

Nationalism seems to be gaining popularity around the world. Is it linked to the economic hardships people faced after the 2007-08 global economic slowdown? By when will the global economy recover? Which economy will lead the recovery?

- The rise of economic nationalism is almost certainly connected with persistent economic hardship and the perception that the establishments in these countries have been making standard reassuring noises that things will soon get better but they haven't. I don't think the current year will see an economic recovery for the simple reason that China is still mired in problems, Europe is overwhelmed and Brexit has added to uncertainty, and the U.S. is going through a general election. If developments in each of these regions go well, or at least better than people fear, we could at best expect a weak upturn next year. For us this implies that oil prices are unlikely to shoot up, which is good, but export markets will be challenged, which is bad. We should use this period to set our own house in order and make the kind of structural reforms which will make us look like an attractive destination for FDI when the world has regained its breath

3. Consider it seriously

<http://www.thehindu.com/opinion/op-ed/tahir-mahmood-writes-on-uniform-civil-code-consider-it-seriously/article8835864.ece?homepage=true>

Topic: Uniform Civil Code

Category: Polity

Key points:

- Last month, the Ministry of Law and Justice sent a communication to the Law Commission requesting it to examine and report on all issues pertaining to a Uniform Civil Code
- One of the reports of the 18th Law Commission recommended certain amendments to the Special Marriage Act of 1954 to rid it of its discriminatory provisions. The other called for a central law for compulsory registration of all marriages in compliance with the Supreme Court directions in this regard
- Neither of these examined, or reported on, a Uniform Civil Code. On the contrary, the Commission had refused to adopt a third report that urged a revision of the extremely messy Muslim Personal Law (Shariat) Application Act, 1937 which determines the scope of Muslim law. The reason for its rejection was an outcry by some Muslim religious leaders who saw in it an attempt to pave the way for a Uniform Civil Code
- According many the two “hurdles” in the way of the present Commission in examining the feasibility of a Uniform Civil Code are: The Shariat Act of 1937 and a Bombay High Court judgment that gave the Muslims “freedom to opt for the 1937 Act”
- The Bombay High Court ruling — pronounced in a case on the Bombay Prevention of Hindu Bigamous Marriages Act, 1946 — had nothing to do with the Shariat Act.
- Never in the history of the Law Commission has either the issue of Muslim law reform or a Uniform Civil Code been referred to it by any government. In the Sarla Mudgal case of 1995 dealing with the issue of bigamy by non-Muslims after a “conversion” to Islam, a Supreme Court judge had advised the government to request the Law Commission to prepare, in consultation with the National Commission for Minorities, a comprehensive report on these matters. However, the advice remained confined to the pages of law reports
- The step taken by the present government in this direction is surely unprecedented. Whatever may be the alleged motive, there is no legal ground for objecting to it. Indeed, the Law Commission exists for the purpose of conducting studies on controversial legal issues, and fixing its terms of reference is the government’s prerogative. In the present case, the Commission has to “examine and report on” the issue of a Uniform Civil Code and not to draft it — drafting of laws in any case is not the Commission’s job. The Law Minister has rightly clarified that “whatever report the Commission gives is its discretion”
- As per Article 44 of the Constitution, the state shall “endeavour to secure for the citizens a Uniform Civil Code throughout the territory of India”. The direction, notably, is not for Parliament to enact such a code straight away but for all organs of the state to make efforts to “secure” uniformity in civil laws
- The apex court of the country has repeatedly reminded the government of this policy directive but has always respected its non-justiciable nature and refrained from issuing

any direction. Hopefully, the Law Commission too will keep in mind the true nature and implications of Article 44 while answering the present government's request

- The note of caution in the apex court's Sarla Mudgal judgment — "the desirability of uniform civil code can be hardly doubted but it can concretise only when social climate is properly built by the elite of the society and the statesmen, instead of gaining personal mileage, rise above and awaken the masses to accept the change" — merits serious thinking by all stakeholders

4. Go back to the drawing board

<http://www.thehindu.com/opinion/columns/vaishna-roy-on-immoral-traffic-prevention-act-go-back-to-the-drawing-board/article8835865.ece?homepage=true>

Topic: Legislation

Category: Polity

Key points:

- In Kolhapur, a couple of years ago, nine sex workers in their 40s were remanded to a rescue home and told to produce parents or family members to whom they could be 'handed over'. Some of these women did not have living parents, some had left home decades ago, and some had families who did not know they were engaged in sex work. The women were shunted from home to home and finally released after one year
- The episode reveals in a nutshell all the shortcomings in the Immoral Traffic (Prevention) Act (ITPA). One, that it includes the word 'immoral', inserting an element of morality when the discussion should be purely legal. Two, that all sex work is assumed to be a result of trafficking with workers needing rescue. Three, that adult sex workers should be put into homes without their consent. Four, that adult women should need to produce families to be released, thus denying them any agency in their lives. And finally, that what is fondly paraded as an act of 'rescue and rehabilitation' should actually be incarceration and trauma
- Clearly, there is every reason to desire a better law that can correct the anomalies in the existing one. But the recently minted Draft Trafficking of Persons (Prevention, Protection and Rehabilitation) Bill, 2016 does not do this. On the contrary, it opens up brand new grounds for anxiety
- To begin with, it was fashioned in great secrecy without the kind of wide consultative process one might expect before such important legislation. This is troubling. There is no reason for a Ministry to keep major stakeholders out of the discussion if it is confident of the legitimacy of its suggested provisions

- Next, the Draft Bill tackles trafficking solely through the lens of sex work. The tens of thousands of men, women and children who are routinely trafficked for marriage, domestic labour or bonded labour in fields, mines, and textile and beedi factories are ignored. And even in this limited exercise, the Ministry displays how little it understands the real issues at stake, how paternalistic its attitudes are, how much the state continues to infantilise adult women, and how big a role 'morality' plays in the government's approach to problems
- Take, for instance, the provision in the Draft Bill that allows, among others, any social worker or public-spirited citizen to 'rescue' and 'produce' a 'victim' before the District Anti-Trafficking Committees it proposes to set up. This is unprecedented, opening the door to exactly the kind of moral policing that one begins to suspect the Bill of wanting to encourage. It could lead to harassment of not just sex workers but other ordinary people by overzealous, vigilante citizens
- Or take how, by continuing to conflate "prostitution" with "commercial sexual exploitation", the Draft Bill goes completely against the grain of what activists are fighting for, namely protecting the rights of adults who stay in prostitution voluntarily
- In 2013, the Verma Committee had specifically clarified that "the recast Section 370 ought not to be interpreted to permit law enforcement agencies to harass sex workers who undertake activities of their own free will, and their clients". In 2015, a Supreme Court panel had recommended that the law relating to trafficking be read down for consenting adults in sex work and their clients
- The conventional and simplistic approach has been to define 'prostitution as exploitation' whereas most reformers today look at the 'exploitation of prostitution' as the primary evil that must be addressed. It is important, thus, to treat trafficking in children, adult trafficked labour, and forced sex work as separate categories, but the Draft Bill mixes up everything in its one-size-fits-all approach
- Further, the Draft Bill threatens basic constitutional freedoms of the persons it seeks to rescue. For instance, Article 22 gives a detained individual the right to consult a lawyer and be produced before a magistrate within 24 hours, but the Draft Bill allows persons to be directly produced before the member-secretaries of its District Anti-Trafficking Committees. Second, the Committees can independently recommend that a victim be repatriated to her home State (or another State) for increased protection. This contravenes Article 19, which grants citizens the right to move freely across, and reside anywhere in, the country. Thousands of men and women voluntarily leave hometowns and villages to escape poverty. And what about the women who, even when victims of trafficking, are reluctant to return to homes where they might face further harassment? Adult trafficked persons must be consulted and made aware of their rights so that they can take informed and independent decisions on whether they want to be repatriated

- The enormous power and little accountability that is vested in the proposed District Committees are troubling. They raid and rescue, rescued persons are produced before them, and they are also responsible for post-rescue care. In effect, it would appear that they are policeman, judge and rehabilitator rolled in one. At present, despite its lacunae, the ITPA still has some processes in place. For instance, nobody can enter a brothel without a warrant, and only some categories of police officers have the power to raid a brothel. Now, these guidelines stand to be transgressed
- Overall, this appears to be a carelessly drafted and muddled Bill that does more harm than good. It duplicates several existing (and unimaginative) provisions: Anti Human Trafficking Units already work in districts and States, the ITPA's present raid-rescue-rehabilitation approach is a dismal failure, and rescue homes today are often the site of fresh exploitation. Thousands of placement agencies continue to be the chief source of human trafficking despite laws. The Draft Bill repeats the need for their registration without explaining how it will ensure it. These are but a few of the many shortcomings the Draft Bill needs to fix. If the Women and Child Development Ministry is serious about wanting to streamline existing anti-trafficking laws, plug the loopholes, and take the discourse ahead, it has to go back to the drawing board. This time, with experts

The Indian Express

1. Drawing a line in the sea

[\(http://indianexpress.com/article/opinion/columns/raja-mandala-drawing-a-line-in-the-sea/\)](http://indianexpress.com/article/opinion/columns/raja-mandala-drawing-a-line-in-the-sea/)

Topic: SCS Disputes

Category: International Affairs

Key points:

- Tuesday's ruling on the South China Sea disputes by the Permanent Court of Arbitration (PCA) at The Hague is bound to mark a definitive moment in the evolution of international maritime law and Asia's geopolitical order. It will also highlight India's own stakes in promoting peace and stability in the contested waters of the South China Sea
- More than three years ago, the Philippines, which was locked in an escalating territorial dispute with China over the Scarborough Shoal in the South China Sea, decided to go to court. China refused to participate in the proceedings at The Hague and called them a "farce". Beijing has declared it will not accept the ruling from the PCA
- In anticipation of the award this week, China has launched naval exercises in the South China Sea. It has embarked on a massive political campaign to challenge the legitimacy of the arbitration and defend its expansive claims over the South China Sea

- China's so-called nine-dashed line in the South China Sea constitutes a claim for nearly 90 per cent of its waters. Its claims clash with those of its neighbours including Vietnam, the Philippines and Malaysia
- Amidst the widespread expectation that the PCA award is likely to go largely against China on a range of legal issues involved, Beijing has warned other powers against meddling in South China Sea affairs. It has pressed many countries, big and small, to express public support for its position on South China Sea
- Maritime disputes are not new in East Asia; they are indeed a legacy from the ambiguous territorial settlements that followed the Second World War. The growing regional economic integration and the normalisation of China's relations with most Asian countries after the Sino-US rapprochement in the 1970s seemed to create a framework for pragmatic management of disputes. A number of reasons, however, have turned the dormant disputes into dangerous flash points
- For one, the resources of these waters — from fisheries to minerals and hydrocarbons — have acquired greater economic significance. For another, the growing prosperity in Asia has brought forth resurgent nationalism that is willing to aggressively pursue territorial claims rather than find compromises. The shifting balance of military power between China and the US and the expanding naval capabilities across Asia have added to this turbulence
- In the era after the Second World War, most Asian conflicts expressed themselves as land wars — in Korea, in Vietnam, in the subcontinent and on China's borders with India, Russia and Vietnam. The locus of inter-state conflict has now shifted to the sea and is visible in the intensifying maritime tensions between China and its East Asian neighbours, especially Japan, Vietnam and the Philippines
- These maritime disputes threaten regional peace at precisely the moment when the seas have become lifelines for Asian well-being and prosperity. That South China Sea is one of the busiest maritime thoroughfares in the world underlines the depth of Asia's economic globalisation
- China's rejection of the PCA arbitration raises fundamental questions about the future of maritime rule of law in the South China Sea. Some of the core tenets of the law of the sea — for example, the idea that "oceans belong to every one" — emerged in this part of the world amidst the need to regulate the rivalry in the East between the European powers four centuries ago
- That the waters of the South China Sea might be enclosed today by a rising China has sent a chill down the spine of Asia. The hope that regional institutions will help dampen the territorial conflict between China and its neighbours has been dashed. The Association of South East Asian Nations, for example, has become increasingly divided between those who have a direct territorial dispute with China and those who don't

- The contestation has inevitably drawn in the US. For Washington it is a question of the credibility of its alliances with the Asian neighbours of China and its traditional role in defending the maritime commons. The US Navy has begun to conduct freedom of navigation operations in the South China Sea in the teeth of opposition from China
- Washington has urged Beijing to show respect for international law and abide by the PCA ruling. The US has also pointed to the example of India, which accepted two years ago the award from the PCA in the maritime territorial dispute filed by Bangladesh
- Whether Delhi wants it or not, its reaction to The Hague ruling will be closely watched. Some Chinese analysts worry that India might take a hard line on the South China Sea as a tit for tat response to Beijing's opposition that stalled India's quest for membership of the Nuclear Suppliers Group last month. Many in Delhi would want India to speak up; others would say India has no dog in this fight
- The fact, however, is that Delhi in recent years has often affirmed its growing interest in the South China Sea. Delhi's reaction must necessarily focus on the merits of The Hague award and on the pressing political need to de-escalate the territorial conflict in the South China Sea

PIB

1. President confers the 51st Jnanpith Award on Dr. Raghuveer Chaudhari

The President of India conferred the 51st Jnanpith Award on renowned writer, Dr. Raghuveer Chaudhari today (July 11, 2016) at a function held at Parliament Library Building, New Delhi. His writings are in Gujarati and Hindi. His novel *Amrita* (1965) explores the concept of existentialism. His 1975 trilogy titled *Uparvas*, *Sahwas* and *Antarvas* won him the Sahitya Akademi award in 1977. *Rudramahalaya* (1978) and *Somtirth* (1996) are historical novels. His other novels include *Venu Vatsala* (1967), *Purvarang*, *Laagni* (1976), *Samjyaa Vinaa Chhuta Padavun* (2003) and *Ek Dag Aagal Be Dag Paachhal* (2009) and *Avaran*.

Plays

His *Trijo Purush* is based on the life of Chandravadan Mehta, a Gujarati author. *Sikandar Sani* is a historical play while *Dim Light* is a street play.

Poetry

Tamasa (1965) is an anthology which explores the idea of intelligence over feelings. Another poetry collection is *Vaheta Vriksha Pavanma* published in 1985.

2. Micro-planning is the key to bringing down the TFR in the country: Shri J P Nadda
“Special Focus on the Districts where TFR is high”

“The government will re-strategize and focus on the districts where total fertility Rate (TFR) is high in order to bring down the TFR level in the country. There is a need to do micro-planning for these districts and develop need-based programmes to address TFR.” This was stated by the Union Minister of Health and Family Welfare in a function organised by Jansankhya Sthirita Kosh (JSK) to mark the World Population Day(July 11).

3. Ministry of Health launches Nationwide “Intensified Diarrhoea Control Fortnight (IDCF)”

On the directions of the Minister of Health and Family Welfare, Ministry of Health launched nationwide “Intensified Diarrhoea Control Fortnight (IDCF)”, today. The Intensified Diarrhoea Control Fortnight (IDCF) will be observed from 11th to 23rd July across the country. The Ministry also unveiled a package of measures putting the Government’s resolve to end child diarrhoea deaths on the overdrive.

ASHAs shall visit all households with children below five years of age for pre-positioning the ORS. They shall also explain the benefits of these. The importance of this activity is that ORS will be available in the household when needed at the time of diarrhea. It is often observed that during critical stages of diarrhoea, ORS is not available in the households. Secondly, all health facilities shall have ORS corners which shall continuously demonstrate the way to prepare the ORS mixture. These corners will also administer ORS and Zinc to children who are in need of these during diarrhoea. There are about 10 crore children below five years of age across the country.

4. Rural Entrepreneurship Development Scheme will be effective from 2016-17- Shri Radha Mohan Singh

Rural Entrepreneurship Development Scheme was launched in 2015 and it will be effective from 2016-17. It is a new programme to impart opportunities for attaining experience as well as entrepreneurship skills on part of agriculture graduates. Under this scheme, the agriculture graduation students will be granted scholarship at the rate of Rs. 3000 per month.

The Financial Express:

1. Robot led transformation and make in India nice angles

<http://www.financialexpress.com/fe-columnist/make-india2-0-digital-transformation-need-not-threat-india/313565/>

Topic: Industry

Category: Economy

Key points:

- The implementation of digital technologies, collectively called Industry 4.0, are transforming the manufacturing paradigm of last two decades of 20th century, which saw China become the ‘factory to the world’ on the back of foreign investment and low-cost manufacturing driven export-led strategy
- We are already starting to see a shift to the 21st century paradigm—as evidenced by the recent announcement by Adidas for shifting production from China to Germany as advances in robotics made it cost-effective to do so. This trend will only pick up as the price of industrial robots is projected to drop by 20% over the next decade, while their performance will improve by 5% annually. The biggest beneficiary of this foreign investment cum low labour cost manufacturing paradigm, namely China, is rushing to transform its manufacturing sector for the new century and has become the biggest buyer of robots
- In this new manufacturing paradigm, the future of manufacturing growth and creation of new jobs in India has to go beyond the industrial parks with large-scale labour-intensive plants of the 20th century. The new paradigm will be driven by three key shifts, **(i) robotics enabled small-scale, localised manufacturing, (ii) growth of global digital services servicing manufactured products, (iii) and greater share of platform enabled exchange of products transforming supply chains**
- We need a Make-in-India 2.0 policy framework that will not only allow India to leapfrog into the digital 21st century and build relevant capabilities and competitiveness, but ensure that we are creating jobs for the 12 million youths who join the job market every year.
- To achieve this, India needs a multi-pronged approach which should have four pillars. **First, and foremost is to create jobs.** There is no alternative but to make some very specific policy choices. For instance, investing to scale up labour-intensive sectors which are further back on the automation intensity, where global shifts are taking place and/or where India can build a natural competitive advantage. This strategy is obvious, but, the unfortunate fact is that between 2008 and 2013, 80% of production growth and 40% of export growth has been in non-labour intensive sectors like metals, chemicals and plastics
- Take, as an example, textiles and apparel—the second largest employment generator in the country. China is rapidly losing its share of the global textile exports as wages increase. The government, recently, brought out an innovative policy with many firsts (allowing fixed-term employment) and while there is more to be done (tying up market access with FTA with EU), the need of the hour is speedy implementation. Another sector which has similar growth and job creation potential and needs similar focused

policy thrust is agribusiness. We are primed for a second green revolution, but can we become the 'kitchen for the world'? A similar policy thrust to build scale in agricultural production, supply chain efficiency and transforming food, beverage and tobacco processing is needed by de-bottlenecking credit, modernising labour laws, and providing incentives for private investment

- However, what is less obvious is that to sustain competitiveness of these traditional labour intensive sectors in this new manufacturing age, the new investments in these sectors should build 'future-ready' facilities which combine labour-cost advantage with new age digital technologies like robotics, and not be copies of plants which served China well in the 20th century
- **Second, it is absolutely critical to put renewed focus on SMEs as the new manufacturing paradigm will see the growth of smaller plants to meet local demand driven by shifting economies of scale.** The challenge in India is further accentuated by the recent RBI study that shows companies with annualised sales of over R1,000 crore were growing, while SMEs were not. In fact, credit to SMEs, as a share of total lending, is shrinking. We have to re-think our SME strategy, but with a 21st century mindset
- For instance, Singapore announced an industry transformation package of SG\$4.5 billion to help companies, especially SMEs, become future ready by building their technology capabilities, developing scale and making them internationalise
- **The third, less-obvious strategy of Make in India 2.0 should be to grow digital services.** Globally, trade in digital enabled services is growing faster than trade in goods and traditional services. Advances like cheap sensors enabling the IoT and 3D printing allowing for remote manufacture of spare parts are shifting potential life-cycle value from equipment manufacturers to service providers. Large software companies are well-placed to provide these services across a range of industries. However, the digital ecosystem will need to be built and investments in newer technologies like sensors, 3D printing, cloud networks, etc, will need to be made
- Nasscom had recently announced that India is looking to capture 20% of the IoT market, which is projected to be \$300 billion by 2020. This is just a starting point. As the value and ambit of digital services grows, we need to leverage the advantage we have built in ITeS globally
- However, estimates suggest India is facing a critical talent shortfall in areas like cyber security and big data analytics. Further, new job roles will get created, e.g, drone coordinator, 3D printing technician, professional triber—who puts together freelance tech teams, etc,—for which we do not, currently, have capabilities. Re-orienting our skilling initiatives towards building the requisite skill-set to win a share of the global digital services pie will be critical

- Finally, large scale sectors like automotive which are further along the automation curve will need a different strategy. They will continue to have key manual processes. Here, a labour advantage over China's rising wages can be gained by large-scale investments in technology and building capabilities to manage "robot workers". As the skills performed by humans will become increasingly more complex, the capacity of workers to master these new skills and the availability of programming talent will become drivers of competitiveness
- The digital transformation of global manufacturing in the 21st century need not be a threat. By recognising the opportunities (and challenges), Make-in-India will not only position the country's manufacturing sector to compete in this new century, it can also help address the challenges of job-less growth we saw towards the end of the previous one

The BusinessLine:

1. The RCEP effect on India

<http://www.thehindubusinessline.com/opinion/the-rcep-effect-on-india/article8835743.ece>

Topic: Trade

Category: Economy

Key points:

- As the Regional Comprehensive Economic Policy negotiations enter the fourth year, contours of the probable final outcome are gradually emerging. Based on the developments after the 13th round of negotiations that took place in Auckland between June 12 and 18, we get a big picture of what industry can hope to get from RCEP
- Firstly, RCEP will not create a large integrated market. Experts are convinced that replacing the current 'noodle-bowl' of numerous competing free trade agreements (FTAs) with an overarching RCEP would have simplified trade rules and created stronger production bases in the RCEP area
- To become a large integrated market, RCEP must agree to a zero tariff area among members. However, this ambitious solution was never on the agenda. The next best solution could have been RCEP countries agreeing to a single tariff concession list providing uniform tariffs for products across member-countries. However, even this was not agreeable to all
- Following the negotiations, all current FTAs will continue and RCEP will just be adding numerous new concession lists

- Secondly, RCEP will not slash tariffs substantially in most cases. Large-scale slashing is theoretically not possible among the countries already connected through FTAs. For example, Asean countries and their FTA partners have already opened over 80 per cent trade through existing FTAs. They can, at best, make small incremental offers to each other, under RCEP
- Country groups such as India-China, India-Australia and New Zealand or China-Japan do not have any existing FTA relationship with each other and hence there's scope for exchanging deeper tariff slashing. However, many countries in the group are not enthusiastic about this, probably due to a tough economic climate. The level of tariff slashing these countries will finally agree upon is yet to firm up
- Thirdly, consensus on adopting common Rules of Origins (ROO) will make movement of goods easier, predictable across the member-countries. However, this is just a framework and product level details for almost 5,200 product sub-headings are yet to be negotiated. ROO criteria determine nationality of goods. For instance, if squash is made in India from Nagpur oranges, the squash obviously originates in India. But what if the squash is made in India from oranges grown in the US? Which is the country of origin for squash here: India or the US?
- There is no standard answer. However, two broad interest groups are visible: Export-driven trading economies such as many Asean countries argue that even minor processing should qualify a product for FTA benefits whereas manufacturing economies such as the US, China or India argue that processing should be substantial else non-FTA country products will enter the domestic market. RCEP will have a tough time balancing the conflicting needs of the stakeholders, comprising a mix of manufacturing and trading economies
- While a few countries are pushing for large MNC-centric rules, RCEP being home to over 100 million SMEs, may struggle to find a balance
- Fourthly, contours of the final outcome are yet to emerge in the area of IPR, services and investments. RCEP will have to reconcile the interests of many conflicting interest groups to ensure that IPR provisions do not compromise on public health issues as it contains 45 per cent of the world population, of which the majority is poor
- Another contentious issue before it is 'investor-state dispute settlement (ISDS)' that seeks to enable an investor to sue a foreign government. Detailed provisions of these issues are expected to be debated till the last day of negotiations
- These developments at the RCEP negotiations would broadly translate into the following trends for industry sectors and countries
- **RCEP will influence new investment decisions in textiles, leather, processed food, machinery and electronic component sectors. This will happen on account of the common ROO framework and the entry of China as the new FTA partner of Japan,**

India and Australia. However, no change in business strategy is expected in sectors such as basic agriculture and automotive products as these may not see fresh tariff concessions and face restrictive ROOs. New investment in steel may not happen on account of large over-capacities

- Intra-Asean trade will come down. This trade for intermediate products such as integrated circuits accounts for over 60 per cent of Asean import of these. Much of this trade may relocate to one or two Asean countries or even to China on account of the common ROO framework and to achieve economies of scale
- China's exports to India may increase. Today, China exports to India at full duty as it does not have an FTA with India. But for products where duty differential matters, it needs to set up joint ventures in Thailand or Malaysia from where products can be exported to India at zero duty under the Asean-India FTA. With RCEP, many such facilities will not be required as China will export directly to India. While China's exports to India may increase, most of these will be at the expense of Asean's exports to India. However, China and Asean's combined exports to India may not see much change
- India may emerge as an attractive investment destination for China. To offset the increasing labour costs, Chinese firms have been relocating labour-intensive manufacturing to Vietnam, Cambodia, Thailand and Indonesia. By setting up manufacturing joint ventures in India, China can effectively reach India's domestic market and also a large European market once India signs an FTA with the European Union. If this story plays out, India's trade deficit with China will come down as well
- RCEP may still take over a year to conclude. We may use the intervening period to tie up loose ends. The Cabinet's decision on June 22 on introducing labour reforms for the textiles and apparel sector may prove to be a welcome grand step in this direction

The Economic Times:

1. End stalemate in appointing judges; we need a new, fair and transparent system

[\(http://blogs.economictimes.indiatimes.com/et-editorials/end-stalemate-in-appointing-judges-we-need-a-new-fair-and-transparent-system/\)](http://blogs.economictimes.indiatimes.com/et-editorials/end-stalemate-in-appointing-judges-we-need-a-new-fair-and-transparent-system/)

Topic: Judiciary

Category: Polity

Key points:

- India's 24 high courts should have 1091 judges. As many as 470 positions are vacant. The justice system is caught in a tussle between the committee of supreme court justices and the government over who has the final say on appointing judges

- The two decade old system of a collegium, a group of justices in a closed room, deciding who gets to don the robe is an Indian innovation created in the name of judicial independence. In reality it has produced is an opaque legal justice system. It is time to change
- The selection process of judges has to be transparent and fair. The junior-most judges can be chosen from a national judicial service. Vacancies at all levels—district/sessions court, High Court, and Supreme Court—should be made public, with clearly spelt out eligibility criteria, to enable members from the judicial service and the bar to apply
- All applications must be reviewed by a committee comprising judges of the high court/Supreme Court and the highest law officer, the state advocate general for district/sessions courts and the high court and the Attorney General, for the Supreme Court. All discussions of and recommendations by the committee must be recorded
- From a short list produced by the committee, the government should nominate candidates who should be ratified by a multiparty committee of the legislature, state assembly or Parliament, as appropriate, taking into account all recorded materials on the candidates. In a representative democracy, the final say on appointments must rest with the appropriate legislature. If the legislative committee rejects the candidate, then the next name on the shortlist could be considered. This system would strengthen, rather than erode, judicial independence
- The opacity in the appointment of judges has allowed for covert manipulation. It has also meant that often the best legal minds are left out of the judicial system. A transparent, fair, and open system of appointment is central to ensuring that people have faith in the legal system, which is essential for functional democracy, doing business, and ensuring development

Quick Bits and News from States

1. 21 missing from Kerala may be in IS camps: CM

<http://www.thehindu.com/news/national/kerala/21-persons-have-gone-missing-from-kerala-cm-tells-assembly/article8834826.ece?w=alauto>

The Chief Minister of Kerala told the State Assembly on Monday that 21 persons declared missing in the State are suspected to be in the camps of the Islamic State (IS) in Syria or Afghanistan, as per news reports. They include 17 persons from Kasargod and four from Palakkad. Informed sources told that the National Investigation Agency is expected to take over the probe after the State police registers cases under the Unlawful Activities Prevention Act.

2. 'Passenger vehicle growth may top 6-8%'

(<http://www.thehindu.com/business/Industry/passenger-vehicle-growth-may-top-68-pc-says-auto-industry-body-siam/article8835938.ece?w=alauto>)

Sales of passenger vehicles, which include cars, utility vehicles and vans, grew for the 12th straight month in June to over 2.23 lakh units, up 2.68 per cent from year-ago period. For the first quarter of the current fiscal, passenger vehicles grew 6.66 per cent year-on-year. Auto industry body SIAM expects growth of over 6-8 per cent in passenger vehicle sales in the current fiscal, driven by good monsoon and implementation of the 7th Pay Commission recommendations.

SIAM had earlier revised downwards the growth forecast for the segment to 11 per cent in March and then to 6-8 per cent in April this year citing higher taxes and a ban on the sale of some diesel cars in Delhi as the main reasons.

3. Sun Pharma rolls out anti-cancer bag in Europe

(<http://www.thehindu.com/business/Industry/sun-pharma-rolls-out-anticancer-bag-in-europe/article8835955.ece?w=alauto>)

Sun Pharmaceutical Industries Ltd has announced the roll-out of Gemcitabine InfuSMART, the world's first licensed, ready- to-administer bag for oncology treatment in Europe. "Until now, compounding of oncology products was done at compounding centres or (were) compounded in hospital pharmacies, an extra step before the medicine can be administered to patients," the company said in a statement.

4. Beijing slams U.S. ahead of S. China Sea ruling

(<http://www.thehindu.com/news/international/beijing-slams-us-ahead-of-s-china-sea-ruling/article8835901.ece?w=alauto>)

A defiant China has warned the U.S. not to apply the Monroe doctrine in the South China Sea— hours before an international arbitration panel is to deliver its ruling, sought by the Philippines, on Beijing's maritime claims in these waters. It warned that the U.S. should not confuse the South China Sea with the Caribbean, where its dominance has been repeatedly implanted by military force.

5. Philippine troops go after Abu Sayyaf, kill 40 rebels

(<http://www.thehindu.com/news/international/philippine-troops-go-after-abu-sayyaf-kill-40-rebels/article8835596.ece?w=alauto>)

Filipino troops have killed about 40 Abu Sayyaf rebels in offensives on southern islands over the past week, the military said on Monday, as a new government intensifies operations to wipe out one of Asia's most formidable kidnap gangs.

Battles on Basilan and Sulu islands since Wednesday killed one soldier and also wounded some two-dozen members of the al-Qaeda-linked Islamist group, which gained in notoriety over the past few months with its beheading of two Canadian hostages.

6. Turkey blocks rights-abuse probes

<http://www.thehindu.com/news/international/turkey-blocks-rightsabuse-probes/article8835923.ece?w=alauto>

Human Rights Watch says the Turkish government is preventing independent investigations into alleged mass abuses against civilians across south eastern Turkey. Large swaths of the region plunged into violence last summer after a tenuous 2-year cease-fire between the Turkish state and Kurdish militants unravelled. The rights group says the alleged abuses include "unlawful killings of civilians, mass forced displacement, and widespread unlawful destruction of private property." It urged the government to grant the U.N. human rights office access to conflict-stricken areas to probe the allegations.

7. India to bid good bye to its 'old' financial year in 2018?

<http://www.financialexpress.com/economy/india-bid-good-bye-old-financial-year-2018/313582/>

India may make the calendar year, instead of April-March, as its new financial year from as early as 2018 as part of its efforts to align the accounting system with the most prevalent practice in the world, sources said. (Shankar Acharya Panel recommendation)

The move is part of three major budget-related initiatives including merger of railway budget with the general budget (likely in 2017-18), and dropping of Plan and non-Plan distinction (certainly from 2017-18) in allocation of resources, an official said. Most of the major economies in the world, barring the notable exception of the US, have January-December as their financial year. Besides, most of the large global firms use calendar year for data reporting. Similarly, multilateral agencies such as World Bank, International Monetary Fund and Asian Development Bank use calendar year as financial year.

8. Checking dal price: Panel set up to consider MSP hike, bonus for pulse production

<http://www.financialexpress.com/economy/checking-dal-price-panel-set-consider-msp-hike-bonus-pulse-production/313345/>

The Central government today set-up a high-level committee headed by chief economic adviser Arvind Subramanian to consider increase in minimum support price for pulses and bonus for farmers. The govt plans to increase the buffer stocks of the country from 8 lakh tonnes to 20 lakh tonnes. The Subramanian committee has been asked to submit its report in two week.

9. In exclusive deal, India to get 'most advanced' F-16 fighter jets by 2019-20

(<http://www.thehindubusinessline.com/economy/in-exclusive-deal-india-to-get-most-advanced-f16-fighter-jets-by-201920/article8835851.ece>)

US defence major Lockheed Martin has firmed up its plans to produce the latest version of its iconic F-16 fighter jets only in India under the 'Make in India' programme.

The multi-billion dollar deal was "finalised" during the recent visit of Lockheed Martin's Chairman, President and CEO last week. The F-16 project is a government-to-government deal that will be conducted through the Foreign Military Sales (FMS) route.

Lockheed Martin is likely to co-produce the F-16s in collaboration with the Tata Advanced Systems Ltd., which has been its partner for other defence and aerospace programmes such as the C-130 cargo plane.

It is currently scouting for land to set up its manufacturing unit.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. The Immoral Traffic (Prevention) Act (ITPA)
2. CRPF
3. Amarnath Yatra
4. Article 44
5. ICA, Hague
6. SCS Disputes
7. Jnanpith Award
8. ORS
9. Rural Entrepreneurship Development Scheme
10. RCEP
11. Rules of Origin
12. F16 Fighter Jets

Practice Questions:

Question1: Which of the following is/are the terms included in the Immoral Traffic (Prevention) Act, 1956 (ITPA)?

1. While prostitution is not an offence, practicing it in a brothel or within 200 m of any public place is illegal according to the act
2. State Governments may in its discretion establish as many protective homes and corrective institutions under this Act as it thinks fit and such homes and institutions, when established, shall be maintained in such manner as may be prescribed

a) 1 only b) 2 only c) Both 1 and 2 d) Neither 1 nor 2

Ans c

Question 2: Which of the following statements is/are correct about the Central Reserve Police-CRPF?

1. The CRPF's primary role lies in assisting the State/Union Territories in police operations to maintain law and order and counter insurgency
2. It is the largest paramilitary organisation of India

a) 1 only b) 2 only c) Both 1 and 2 d) Neither 1 nor 2

Ans c

Question 3: Which of the following statements is/are correct?

1. Devotees make an annual pilgrimage to the Amarnath temple mountainous terrain to see an ice stalagmite formed inside the cave believed to be a Shiva Linga
2. Pilgrims visit the Amarnath temple during the 45-day season around the festival of Shravani Mela in July–August, coinciding with the Hindu holy month of Shraavana

a) 1 only b) 2 only c) Both 1 and 2 d) Neither 1 nor 2

Ans c

Question 4: Which of the following statements is/are correct about the Chilcot Committee Report?

1. Vyas Samman is awarded to a literary work in the Hindi language that has been published in the past 10 years
2. The **Saraswati Samman** is an annual award for outstanding prose or poetry literary works in any 22 Indian language listed in Schedule VIII of the Constitution of India

3. The **Jnanpith Award** is an Indian literary award presented annually is bestowed only on the Indian writers who have been writing in Indian languages included in the VIII Schedule of the Constitution of India and English

a) 1 only b) 2 and 3 only c) 1and 3 only d) All the Above

Ans d

Question 5: Which of the following statements is/are correct?

1. Dengue virus is primarily transmitted by *Aedes* mosquitoes

2. Symptoms of Dengue may include high fever, headache, vomiting, muscle and joint pains, and a characteristic skin rash

a) 1 only b) 2 only c) Both 1 and 2 d)Neither 1 nor 2

Ans c

Useful News Articles

13-7-2016

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B. GS2 Related

1. Huge disconnect between J&K government, people: Owaisi

(<http://www.thehindu.com/news/national/interview-with-mim-president-asaduddin-owaisi/article8840265.ece?homepage=true>)

Topic: Federal Relations

Category: Polity

Key points:

Possible reasons for the recent unrest in Kashmir

- Lack of governance (inexplicable delay in formation of government after the ex-CM's death)
- Alienation of people(Perceived threat to minority)
- Corruption
- Inflation(economic causes)
- Unemployment
- Ambiguity in Kashmir issue
- Recent flood-lackadaisical relief
- Excesses of army

2. PM asks security forces in J&K to exercise 'restraint'

(<http://www.thehindu.com/news/national/pm-asks-security-forces-in-jk-to-exercise-restraint/article8840522.ece?homepage=true>)

Topic: Federal Relations

Category: Polity

Key points:

- The Prime Minister chaired a high-level meeting on Tuesday on the ongoing unrest in the Kashmir Valley following the killing of Hizbul Mujahideen terrorist Burhan Wani (22) last week
- After the meeting, security forces deployed in the Valley were asked to exercise “absolute restraint” even as the number of people killed in clashes with security forces went up
- The Prime Minister is learnt to have expressed concern over some sections of the media projecting Wani as a “poster boy” and “hero,” which was influencing many Kashmiri youths to come out on the streets in violent protests, the official said
- In a detailed presentation, Mr. Modi was informed by Home Ministry officials that Wani had 12 terror-related cases registered against him, and he was working towards “disintegration of the country”

3. Army ready to increase force levels, says Parrikar

<http://www.thehindu.com/news/national/army-ready-to-increase-force-levels-says-parrikar/article8840505.ece?w=alauto>

Topic: Federal Relations

Category: Polity

Key points:

- At the high-level review meeting on Kashmir here , Prime Minister Narendra Modi was informed that over 100 Central Reserve Police Force (CRPF) personnel were injured in stone-pelting by mobs
- The CRPF personnel have been cautioned not to be provoked easily and practise absolute restraint. Security forces were also asked to ensure the security of Amarnath pilgrims and enhance vigil along the border to check fresh attempts of infiltration from across the border
- 13th July is commemorated as Martyrs Day in Kashmir and Friday is Jumme ki namaaz. The Centre is wary about the situation in these three days (13,14,15 July). Intel inputs suggest that Pakistan-supported groups would try to incite violence in the Valley
- The defence minister said that army was ready to provide any assistance like increasing force levels in any area required
- Meanwhile, in the wake of the ongoing tension in the Valley, the Home Minister postponed his official trip to the U.S. till September this year. He was to leave for a week-long visit on June 17 to attend the Homeland Security meeting there

4. U.S. and U.N. press for peaceful resolution

(<http://www.thehindu.com/news/national/us-and-un-press-for-peaceful-resolution/article8840523.ece?w=alauto>)

Topic: India-US-The UN

Category: International Relations

Key points:

- The U.S. and the U.N. have expressed concern over the violence in Jammu and Kashmir and called upon all parties to show restraint

5. China rejects Hague tribunal ruling as “null and void”

(<http://www.thehindu.com/news/international/china-rejects-hague-tribunal-ruling-as-null-and-void/article8840206.ece?w=alauto>)

Topic: South China Sea Disputes

Category: International Affairs

Key points:

- China on Tuesday rejected an international ruling on the South China Sea, which went in favour of the Philippines, as “null and void” and devoid of any “binding force”
- The Chinese response follows the ruling by the 5-member international tribunal, which rejected the legal validity of the nine-dash line—the demarcation line underlying Beijing’s claim to most of the South China Sea
- The court opined that the 1982 U.N. Convention on the Law of the Sea superseded China's "Nine-dash line" – the locus of China’ 69-year-old claim to nearly 85 percent of the South China Sea(Beijing claims most of the South China Sea, even the waters approaching the neighbouring countries, as its sovereign territory, basing its arguments on Chinese maps dating back to the 1940s marked with a so-called "nine-dash line")
- Besides, the court slammed China for damaging parts of the ecosystem in the Spratly islands — a contested archipelago-- on account of overfishing and development of artificial islands
- "China had violated the Philippines' sovereign rights in the exclusive economic zone by interfering with Philippine fishing and petroleum exploration, by constructing artificial islands and failing to prevent Chinese fishermen from fishing in the zone," the (Permanent Court of Arbitration) PCA said
- Manila — which had lodged the suit against Beijing in 2013 — welcomed the ruling

- Hours after China lost the case on its “historic rights” on the South China Sea in an international court, India joined Japan and the U.S. indicating that the verdict shows strengthening of the “international law”
- “India supports freedom of navigation and over-flight and unimpeded commerce, based on the principles of international law, as reflected notably in the UNCLOS (UN Convention of the Law of the Sea). India believes that states should resolve disputes through peaceful means without threat or use of force and exercise self-restraint in the conduct of activities that could complicate or escalate disputes affecting peace and stability,” said the Ministry of External Affairs in a statement

C.GS3 Related

1. Premature deaths will rise minus air quality norms: IEA

(<http://www.thehindu.com/data/premature-deaths-will-rise-minus-air-quality-norms-ia/article8840532.ece?w=alauto>)

Topic: Pollution Control

Category: Environment

Key points:

- Less than one per cent of India’s population lives in areas that meet World Health Organisation air quality guidelines. But if stringent air pollution regulations are in place, this could increase to almost 10 per cent by 2040, says a study by the International Energy Agency (IEA).
- The “Energy and Air Pollution, World Energy Outlook Special Report”, released in June, assesses the role of energy in air pollution and makes emissions projections for 2040 based on two scenarios
- Transport is the major contributor of nitrates, power sector for sulfates and residential sector for particulates. While power plants have installed control technologies for nitrates and sulfates, they are often suboptimal or operate inefficiently
- Without policy efforts, sulfates and particulates would roughly double by 2040 and nitrates would grow almost 2.5 times.
- But due to new power sector regulation, SO₂ is likely to be restricted to around 10 per cent relative to today’s. NO_x emissions growth could be contained to 10 per cent in 2040 by new passenger car standards. Further, efforts to promote access to clean cooking facilities for poor households have to be continued to moderate PM_{2.5} rise to

around 7 per cent. But even with all existing policies, absolute growth in emissions (especially PM2.5), coupled with strong population growth, means the number of premature deaths linked to outdoor air pollution will still grow significantly, says the report

- The existing policy scenario includes policies adopted or announced by the government, and the clean air scenario highlights what could be achieved through stronger action
- 'Clean Air Scenario' involves three key areas of action
- First, set an ambitious long-term WHO-benchmarked air quality goal. Second, a clean air strategy for the energy sector: Avoid pollutant emissions, Innovate to reduce pollution abatement costs and Reduce emissions. Third, it calls for effective monitoring, enforcement, evaluation and communication using reliable data
- The Clean Air Scenario could cut down PM2.5 emissions by almost 80 per cent relative to the existing policies scenario, NOx emissions by half and SO2 emissions by 70 per cent. This will lower average life expectancy loss by eight months compared to the existing policy scenario and cut premature deaths linked to outdoor and household air pollution

2. Centre ready to evacuate Indians from South Sudan

<http://www.thehindu.com/todays-paper/tp-national/centre-ready-to-evacuate-indians-from-south-sudan/article8841187.ece>

Topic: Foreign Casualty

Category: Security

Key points:

- The Union government has made arrangements for the evacuation of Indians from South Sudan and set up a task force to monitor developments in the war-torn country, the External Affairs Minister said
- The Minister said there were 600 Indians in South Sudan, 450 of them in the capital city of Juba

D.GS4 Related

E. Important Editorials:

The Hindu

1. This time in Africa

<http://www.thehindu.com/opinion/editorial/editorial-on-narendra-modis-africa-visit-this-time-in-africa/article8840397.ece?homepage=true>

Topic: India and Africa

Category: International Relations

Key points:

- Drawing a link between Indian and South African cultures during his four-nation visit to Africa, Prime Minister Narendra Modi referred to the journey from “Gujarat to Durban” as one “through the spirit of Vasudhaiva Kutumbakam (globalism) to Ubuntu”, the last a Zulu word that expresses the core of humanism. The evocative reference imbues the historical links between India and African nations with a unique warmth
- The PM outlined his focus areas: energy, food and maritime security. His stops at Mozambique, South Africa, Tanzania and Kenya were accompanied by discussions on securing lines of coal and natural gas and funding capacity-building in energy production
- In Tanzania and Mozambique, in particular, there were discussions on enhancing the export of pulses to India to meet a demand shortfall
- As he travelled along the southern coast of Africa, Mr. Modi spoke to his hosts in detail about shoring up maritime ties as part of the Indian Ocean Rim Association (IORA), and linking India’s own “Sagar-Mala” outreach for Indian Ocean islands with the South Africa-authored “Operation Phakisa”, that focusses on Africa’s combined strengths in blue economies and ocean governance
- India has been slow to upgrade ties with Africa, and it must chart its own trajectory without competing with, or being inhibited by, China’s formidable presence in the continent. China’s current hold in trade and investment in Africa is three times India’s, and South Africa, for instance, has a key role in promoting the Maritime Silk Route programme as part of the One Belt One Road initiative
- Mr. Modi’s visit to these four countries in southern and east Africa should, therefore, be seen as a work in progress. Africa is a continent of 54 countries, and each has diverse reasons to improve ties with India — from sharing low-cost technologies and pharmaceuticals, building on the Solar Alliance and renewable energies, and growing markets for each other’s goods
- For instance, 84 per cent of India’s imports from the Sub-Saharan region still come from raw materials and natural resources, not consumer or processed goods
- However, if there was one message that Mr. Modi could have emphasised more, it was the concern over racism in India that students and others from Africa often face. As he spoke in Durban to the Indian community on the history of racism that Indians and

Africans had fought together for many decades, a line about India's commitment to fight the remaining vestiges of racism domestically would not have been out of place. The omission is, in fact, also a reminder that the outreach to African countries needs to be sustained back home in Indian cities too, in the true spirit of "Ubuntu"

2. Slowing down fast food

(<http://www.thehindu.com/opinion/editorial/editorial-on-fat-tax-slowing-down-fast-food/article8840398.ece?homepage=true>)

Topic: Health

Category: Governance

Key points:

- The notion of using tax as a tool to alter consumer food preferences cannot be faulted in principle. Mexico provides us with proof that levying additional taxes on non-essential food items that are rich in fat or calories can effectively alter food choices. The country witnessed a 5.1 per cent dip in consumption levels in foodstuff that had more than 275 kcal/100 g energy density following the imposition of an 8 per cent levy in 2014. Sugar-sweetened drinks saw a 12 per cent drop in intake at the end of the very first year the tax was introduced
- In this context, Kerala's decision to slap a 14.5 per cent tax on certain calorie-rich food items such as pizzas, doughnuts and pasta sold in branded restaurants may seem like a step in the right direction. But it bears the stamp of being little more than a political gimmick. For once, such foods sold by branded restaurants, consumed by the higher middle and upper classes, are a very tiny part of the problem of poor food choices for the State's population. If the principal purpose was to tax some multinational food chains, then the decision is understandable. But ignoring a wide variety of high-calorie food items and focussing on a few is no more than tokenism. The revenue that Kerala hopes to mop up from this — Rs.10 crore — is also meagre
- If the State is serious about reining in consumption of unhealthy food, then there are several measures it should quickly adopt. The first is to set a threshold limit for fat and/or calorie and tax all foods items that are above this limit
- Bringing sugar-sweetened drinks and refined products under the taxable product list should be a priority
- There is no reason why packaged food items that have high salt content should not be additionally taxed. Indians are known to consume a few times more than the World Health Organisation's recommended limit of 5 grams a day and most of it comes from packaged food items

- Similarly, what excuse can there be for not charging a very high rate of tax on food items that contain trans fats? There are a number of food items sold in India that contain as high as 35-40 per cent of trans fats. Trans fatty acids, made through the process of hydrogenation of oils, which improves the stability or shelf life of the foodstuff that contains them, pose serious coronary risks
- Taxing 'bad' foods should be accompanied by cross-subsidies of healthy and wholegrain food items. Only a holistic approach such as this will be effective in making a real change in our food consumption behaviour

3. Towards a continental shift

<http://www.thehindu.com/opinion/op-ed/harsh-pant-on-indiaafrica-bilateral-ties-towards-a-continental-shift/article8840415.ece?homepage=true>

Topic: India and Africa

Category: International Relations

Key points:

- India today has growing stakes in Africa. With some of the fastest growing nations in the world, the needs of regional states are divergent and their strengths are varied
- India's focus over the last few decades has largely been on capacity-building on the continent, providing more than \$1 billion in technical assistance and training to personnel under the Indian Technical and Economic Cooperation (ITEC) programme. India has committed \$7.5 billion to African infrastructure, covering 137 projects in more than 40 countries. It has also offered duty-free market access to Africa's least developed countries
- But India's trade with Africa at around \$72 billion remains far below potential
- It is a fallacy to pit India against China in so far as their ties with Africa are concerned. With its annual trade of around \$200 billion with Africa, China is a much bigger player, but India has its own strengths in its dealings with Africa. Its democratic traditions make it a much more comfortable partner for the West compared to China in cooperating on Africa-related issues
- India is viewed as a more productive partner by many in Africa because Indian companies are much better integrated into African society and encourage technology transfers to their African partners. New Delhi will have to leverage its own strengths in making a lasting compact with Africa and regain its lost presence on the continent
- The PM has quite rightly offered billions of dollars in credit, and development financing, to build a "partnership for prosperity" for Africa, underscoring that India's focus remains on human development through trade, rather than the extraction of resources. But,

though India has committed considerable resources to Africa, actual delivery on the ground and implementation of projects have been far from satisfactory. That's the area India will have to work on if it is serious about gaining the trust of its African interlocutors

- There was a strategic dynamic to the PM's tour as well, with all four countries on his itinerary connected to India via the Indian Ocean. With the Indian Ocean acquiring new salience in global politics, India is keen to regain its regional strategic space. The Indian Navy has been tackling piracy to protect the sea lanes of communication in the Eastern African coast and India is ready to explore joint defence manufacturing with key African states. India's role as a regional security provider is an important one that New Delhi is keen to leverage
- It is also pertinent to recall that recent attacks on African nationals have maligned India's image with some in the region questioning India's openness to outsiders. This also underscores that despite government's efforts to build ties with Africa, this relationship has suffered because of a perception of Africa being a far-off land for ordinary Indians
- Unless the larger populace and the Indian private sector decide to take Africa seriously, the government's outreach is unlikely to yield the results it is perhaps hoping for. And Indo-Africa relations will struggle to reach their full potential

4. Regain the peace, swiftly

<http://www.thehindu.com/opinion/op-ed/radha-kumar-on-jammu-and-kashmir-unrest-regain-the-peace-swiftly/article8840419.ece?homepage=true>

Topic: Federal Relations

Category: Polity

Key points:

- For the security forces the situation in Kashmir is very difficult. With few tools at hand, they need to exercise maximum restraint. Protesters are setting fire to police stations and attacking security installations; the police are not in a position to deter them with effective barricades, tear gas or water cannon. The pellet guns that were acquired in 2010-11 as 'non-lethal' weapons are, when fired in proximity, lethal
- The Central and State governments need to take a very serious look at what other means they have to ensure that no more deaths or grievous injuries ensue
- Should the Army work with the police forces to deter attacks through more effective barricades? Unfortunately, with limited retraining or equipment for their new tasks and operating in a political and administrative vacuum, the police were hapless. It is worth

exploring whether the Army can undertake the limited role of advising and aiding the police forces to exercise maximum restraint, provided such a role would be restricted to the present situation alone

- Undoubtedly the most important step that can be taken is to seek public engagement in halting the cycle of protest-death/injury is de-escalating public anger. But it will take more than appeals. In 2010, the visit of an all-party parliamentary delegation and the subsequent appointment of a group of interlocutors, began the thaw, but the absence of follow-up after our mission was completed in late 2011 soon vitiated the fragile peace that had been achieved
- But there is an upcoming opportunity — Parliament will soon be in session and the situation in Jammu and Kashmir should surely be discussed, with Mr. Modi and Ms. Mufti briefing MPs on necessary steps to be taken, especially outreach. An all-party MPs' delegation could be asked to visit the Valley immediately and report to Parliament. Though there will be cynicism about such a visit, given that few of the MPs followed up on their 2010 all-party visit, Kashmiris will be open to reversing this opinion if there is follow-up this time
- In the aftermath of the terrible deaths in 2010, the government did take steps to address challenges that were present then. The Rangarajan Committee's recommendations resulted in a large number of training and employment programmes for Kashmiri youth, but the programmes were implemented with so little knowledge or regard for the Kashmiri cultural and political background that they proved to be a costly failure and, moreover, they actually increased the Kashmiri sense of alienation exponentially
- Looking back, there are three major lessons to be learnt from the past 15 years. First, from Prime Minister Atal Bihari Vajpayee, that empathy and symbolism are key to a breakthrough in Kashmir. Second, from Prime Minister Manmohan Singh, that raising expectations for a peace process and then failing to follow through will further exacerbate the situation. And third, from the past two years, that neglect is never benign in situations like the one in J&K
- Applying these three lessons to the present crisis would require taking the following three steps: first, a statement of empathy from the heart by Mr. Modi; second, follow-through on the coalition's Common Minimum Programme; and third, visible, close and ongoing cooperation between the coalition partners towards a resolution of the Kashmir issue. Though influential groups in Pakistan will continue to impede all such initiatives, their powers to do so will progressively weaken if the Indian government perseveres. Can the political will be summoned this time?

The Indian Express

1. Govts must explain, explain, explain. Potential beneficiaries of reforms are unorganised, they don't know they will ultimately benefit: Arun Shourie, former minister,MP, economist with the World Bank, consultant to the Planning Commission

(Excerpts from interview)

[\(http://indianexpress.com/article/explained/arun-shourie-indian-economy-1991-economic-crisis-indian-currency-rate-2909927/\)](http://indianexpress.com/article/explained/arun-shourie-indian-economy-1991-economic-crisis-indian-currency-rate-2909927/)

Topic: Reforms

Category: Economy

Key points:

- **Over the last 25 years, since the start of the reforms programme, how much ground have we covered?**
- Compared to the 1980s, there has been substantial change, but far, far less than what could have been done, and should be done. In the 80s, China's national income and per capita income was below that of India. But today, it is four-and-a-half or five times more. They started reforms in the late 70s, and we waited for a breakdown. They persevered. We have done it in fits and starts
- **You had charge of the Telecom Ministry and Disinvestment when the Telecom sector was in turmoil. How was the mess sorted out?**
- By the time I took charge of the Telecommunications Ministry, the sector had collapsed. But the government had already taken a decision to move towards a revenue sharing regime — which was then described as a big scam. But if that single decision had not been taken, we would not have had the kind of growth, the revolution, in the telecom sector
- **What are the lessons from that experience of changes brought about 15 years ago?**
- One lesson is that governments must explain, explain, and explain. That is because the potential beneficiaries of such reforms are scattered and unorganised, and they don't know that they will ultimately benefit from such reforms. And those who are hit will be better organised. The second lesson is that the worst obstacles to reform come from incumbents. The telecom sector benefited tremendously from competition, unlike the power sector. The other important lesson for Indians is to go back and read the calumny against reformers during each round of reforms, and assess whether there was any basis to such calumny. Just look at telecom and disinvestment
- **Over the next 25 years, what should be on the agenda of governments?**

- The most important thing is to think of the tectonic changes that would have taken place by then. We must imagine 25 years from now and engineer it to back what we should be doing now. Look at the Make in India hype. It is about brick and mortar. Unfortunately, we are doing more of the brick-and-mortar when all that is becoming obsolete with nano technology, robotics, artificial engineering and 3D printing. China is today the largest buyer of robotics. All these will render the current model obsolete. The underlying philosophy of reforms is to reduce the role of the state and enhance the role of the society. But now they are increasing the role of the state to almost choke society. The direction of reforms is being reversed in a basic way

PIB

1. Ministry of Home Affairs reviews the security of Indo-Bangladesh Border in view of the recent incidents in Bangladesh

A meeting was held in the Ministry of Home Affairs here today with senior officials of 5 bordering States on Indo-Bangladesh Border i.e. Assam, West Bengal, Tripura, Meghalaya and Mizoram. The meeting was chaired by the Secretary (Border Management). An Institutional Mechanism was agreed according to which DGPs of all bordering States will hold monthly meetings with IGs of BSFs in charge of that State regularly for effective coordination at State level to enhance security along the Indo-Bangladesh Border (IBB). This forum will ensure that FIRs are lodged by State police based on the complaints filed by BSF leading to arrest, investigation, charge sheet & conviction in border crimes.

2. China Railway Construction Corporation Limited Keen to Participate in NHAI Projects

A high level delegation from the China Railway Construction Corporation Limited (CRCC), a Government of China Enterprise, led by its Chief Economist Mr Zhao Jinhua met the Chairman, National Highways Authority of India and a team of NHAI officers in New Delhi. CRCC is one of world's largest integrated engineering contractor and construction group with over 100 billion US Dollars of revenue and a market capitalization of around 250 billion US Dollars.

The NHAI Chairman explained that they have projects lined up for upgradation of 2-lane National Highways totaling 50000kms, various special expressway projects of around 15000km and a part of the National Highways Development Programme (NHDP) over the next few years. NHAI is also looking at various other connectivity projects in India for bypasses and ring roads around major cities contributing towards the Smart Cities Projects. CRCC expressed keen interest to participate in the upcoming projects of NHAI under Engineering, Procurement and Construction (EPC) and Hybrid Annuity Model.

Note: Hybrid Annuity Model: The government will contribute to 40% of the project cost in the first five years through annual payments (annuity). The remaining payment will be made on the basis of the assets created and the performance of the developer. Here, hybrid annuity means the first 40% payment is made as fixed amount in five equal installments whereas the remaining 60% is paid as variable annuity amount after the completion of the project depending upon the value of assets created

3. Chief of the Naval Staff commissions INS karna - Marine Commandos get a new Base at Visakhapatnam

Admiral Sunil Lanba, Chief of the Naval Staff commissioned the Marine Commandos Unit as 'INS Karna' in a solemn ceremony held at the Naval Base at Bheemunipatanam today, 12 July 2016

4. Road shows to be held in the USA and Canada to promote Discovered Small Fields Bid Round 2016; Shri Dharmendra Pradhan to launch Houston Road-Show

Road shows in Houston, United States of America and Calgary, Canada will be held as part of process of promoting the Discovered Small Fields Bid Round 2016. Houston road show is scheduled on 14th and 15th July, 2016 while the Calgary road show will be held on 18th and 19th July, 2016.

Discovered Small Fields bidding was launched in New Delhi on 25th May, 2016. Subsequently, Road-Shows for this round were held in Mumbai and Guwahati. Under this round, 67 DSF of ONGC and Oil India Ltd, which could not be monetized during previous years, are being offered for international bidding. Progressive administrative and fiscal procedures have been introduced in this bidding process in sync with best international practices.

The Financial Express:

1. From pump-pricing economy to launching agri fund, Centre eyes mega push

[\(http://www.financialexpress.com/fe-columnist/pump-pricing-economy-launching-agri-fund-centre-eyes-mega-push/314906/\)](http://www.financialexpress.com/fe-columnist/pump-pricing-economy-launching-agri-fund-centre-eyes-mega-push/314906/)

Topic: Miscellaneous

Category: Economy

Key points:

- In the wake of sluggish spending by private sector, the government has stepped up its spending. The Plan expenditure in the first couple of months of FY17 stood at Rs 90,000 crore. The expenditure for the full year is estimated at Rs 5.5 lakh crore, a 15.3% increase over the budgeted target of Rs 4.65 lakh crore last fiscal

- The government is all set to launch a mega irrigation fund through the special purpose vehicle (SPV) route—Water Resources Development Authority. Of the initial Rs 20,000 crore corpus, some of it will come from the budgetary allocation, Rs 12,000 crore will be raised through bonds by NABARD and Rs 6,300 crore as bonds to be repaid by the government
- In a bid to raise funds for special infrastructure projects in rural Maharashtra and Mumbai, the state government is planning a \$10 billion infrastructure fund. Since some countries have sought guarantees for the protection of their investment, the state is urging the Centre to provide a ‘comfort letter’ for certain projects
- According to CMIE data, private investment has remained muted despite some improvement in investment sentiment and uptick noticed in some sectors. The value of stalled projects reportedly remained at the Rs 12 lakh crore level, even though the number of stalled projects did not increase during the quarter
- India has locked horns with the US at the WTO on India’s preference for local sourcing of solar equipment. While the initial WTO judgement has gone against India, the government is appealing against it. In the meantime, it is looking at ways to encourage domestic manufacture of solar panels
- The government is all set to launch a subsidiary of Pawan Hans Helicopters Ltd that will operate flights out of Guwahati and connect all state capitals in the Northeast. The move is aimed at increasing regional connectivity.
- With the aim of showcasing the first phase of Ganga cleaning project in October this year, the government has launched as many as 231 projects simultaneously at 104 locations across five states—Uttarakhand, Uttar Pradesh, Bihar, Jharkhand and West Bengal—and also along the Yamuna in Haryana and Delhi

The BusinessLine:

1. On a railroad from Russia to Iran

<http://www.thehindubusinessline.com/opinion/on-a-railroad-from-russia-to-iran/article8843606.ece>

Topic: Trade

Category: Economy

Key points:

- The commencement of operations on the International North-South Transport Corridor project — connecting Bandar Abbas port in Iran to St Petersburg in European Russia — is of great import to India



- Apart from granting India easy access to a vast geography — stretching from North Europe, Caucasus to the mineral rich Central Asia, bypassing Pakistan — success of the project may put indirect pressure on Islamabad to reconsider its resistance to allow India transit to landlocked Afghanistan
- Beginning August, Indian containerised cargo for St Petersburg, bordering Scandinavia on the Baltic, may not set out for a 40-day sail around the world through the crowded and expensive Suez
- The traders may instead opt for a shorter sail to Bandar Abbas, from where the cargo will travel nearly 1,800 km by road to the rail head at Astara in Azerbaijan for forward journey up north, touching upon the Azeri capital of Baku on the Caspian and Port Olya in the Volga delta
- The project is designed in such a manner that a little nudge here and there may see goods travelling to a host of former Soviet republics in Europe and Central Asia, including the energy rich Kazakhstan and Uzbekistan with whom India now shares minimum trade relations
- Russia promises to make the deal sweeter next year. According to a series of reports in the State-sponsored *Russia Beyond the Headlines*, Moscow is expecting to connect the entire 5,000-km stretch by rail in 2017
- Conceived by Russia, Iran and India in 2002; the rail connectivity is already established up to Azerbaijan. The Iranian part of the project was delayed due to decade-long UN sanctions that that was recently lifted. Recent reports suggest work is progressing rapidly to bridge the logistics gaps
- As evidenced by a trial run by Indian freight forwarders early this year, multi-modal operations may reduce the travelling time between St. Petersburg and JNPT Mumbai to 20 days — exactly half the all-sea travel time. The inter-continental rail link should reduce the time to 14 days

- The cost of transportation is estimated at \$3,000 for a 40-foot container, lower than the \$4,000 sea freight. The actual cost will be known once the operation starts and the participating nations decide on concessions
- But there is little doubt that Indian participation is key to make the route popular and competitively priced. New Delhi alone is expected to contribute half the projected five million tonne cargo in the first phase of the project
- That said, it does not necessarily mean that the project is free from ifs and buts. Ideally train and road travel costs more than sea freight. Moreover, delays in completing the Iranian part of the rail project and failure to ensure customs cooperation between nations might work against the interest of traders
- But what's working in favour of the project is the strong political will of all stakeholders. Oil-and-gas-rich Azerbaijan, for example, is pinning hopes on Indian ambition to reach out to convert Baku into a logistics hub. They recently entered an agreement with Russia for through tariff
- Teheran will not miss this opportunity to overcome the infrastructure gap created by years of sanction (beginning with the US sanction in 1995). The project will not only be useful for Iran to import food and consumables from Russia directly to the consumption centres in North Iran but will also help attract investment, particularly from India
- New Delhi stood by Iran in the trying times and Tehran is now happy to return the favour by granting India the right to build Chabahar port and SEZ in the South, closer to the China-controlled Pakistani port of Gwadar
- Moscow, on its part, is keen to grab a share of the Iranian car market that is now dominated by the Chinese. Also, the connectivity will grant it easier access and a strategic foothold in West Asian markets
- But more importantly, Russia wants a remedy to its dwindling trade volumes with India that has dropped from \$11 billion in 2013 to \$7.83 billion over the past three years. And the way to reach that goal is rejuvenating the Indo-Russia strategic ties
- India has already built a 240-km road corridor connecting Afghanistan with Iran. Next on agenda is to build a rail corridor connecting Iranian ports with the India-promoted \$11-billion Hajigak iron and steel project in central Afghanistan
- This will bring cargo to Bandar Abbas or Chabahar and free Kabul from its dependence on Pakistan to reach the outer world

2. Making RCEP work

Topic: Trade

Category: Economy

Key points:

- In a major shift of tack, India may reconsider its offer of zero tariffs in its talks with members of the China-led mega trade bloc in the making, the Regional Comprehensive Economic Partnership (RCEP). India had earlier put out a three-tier tariff deal for RCEP countries: zero duty on over 80 per cent of its tariff lines in the case of the Asean countries, a similar offer for about 65 per cent tariff lines in the case of Japan and Korea with whom it has FTAs, and about 42 per cent zero tariff lines for non-FTA countries, namely, China, Australia and New Zealand
- The latest move to withdraw the zero duty offer seems to have been prompted by a troubling disconnect between the 'Make in India' programme and an increasingly liberalised, post-FTA import regime. What's worse, India's experience with respect to both Asean and Chinese imports has not exactly been positive. Both, the commerce ministry and the Economic Survey 2015-16 have expressed their reservations on the impact of FTAs with Asean
- The Survey observes: "Increased trade has been more on the import than export side, most likely because India maintains relatively higher tariffs and hence had larger tariff reductions than its FTA partners." Generally speaking, plantations and fisheries lost, while pharma, textiles and apparel gained
- Going forward at RCEP, the key for India is to avoid repeating the mistakes of the FTA talks. It would have to strike a fine balance between opening up the economy and ensuring that industries and livelihoods are not disrupted in the bargain. Whether the proposed move to withdraw the zero duty offer stalls progress at the talks or not depends on how India goes ahead with its market access proposals
- Unlike in the FTA talks, India has decided not to unbundle goods and services at RCEP. It seems that the idea is to use services as a bargaining chip to secure market access in other areas. Hence, India is keen on securing free movement of IT professionals, while putting a price on opening its e-commerce, education, accountancy, law and financial services sectors
- India should have a well thought-out plan at RCEP, and yet not be obdurate about it. It makes more sense for India to go along with RCEP than the US-led Trans-Pacific Partnership (TPP). This is because the latter is based on a 'WTO-plus' agenda which includes labour and environment standards, an IPR template that could hurt domestic producers and consumers, and liberalisation of farm markets
- RCEP, with its share of LDCs and emerging economies, is likely to stick to the Doha Round template on IPR and agriculture. India needs to be clear on industries that require protection and those that need markets to realise their competitive potential. There is scope for opening up services such as law, accountancy, entertainment, higher education and e-commerce. We have a great market to offer the world. The skill lies in doing so on our terms, and to our advantage

The Economic Times:

Quick Bits and News from States

1. Two more IS suspects arrested in Hyderabad

(<http://www.thehindu.com/news/cities/Hyderabad/2-more-is-suspects-arrested-in-hyderabad/article8840498.ece?homepage=true>)

The recently busted Islamic State's (IS's) module comprising five Hyderabadis could be bigger than what the law-enforcing agencies initially suspected. National Investigation Agency (NIA) officials on Tuesday arrested two more youth from the city on the charge of aiding and abetting the five suspects arrested earlier. They were presented before the Special Court for NIA cases and remanded in judicial custody.

2. Centre plans unified science syllabi

(<http://www.thehindu.com/news/national/centre-plans-unified-science-syllabi/article8840456.ece?homepage=true>)

The Union government has set the ball rolling on bringing about a convergence in the core syllabi of science subjects and question paper designs across State and central boards. Board examination marks now get weight in the IIT-JEE, though this will go from the next year. Many feel that the lack of parity may deny a level-playing field to students from across the country in any admission that counts Class XII marks.

3. HAL, Safran to set up MRO venture

(<http://www.thehindu.com/business/Industry/hal-safran-to-set-up-mro-venture/article8840449.ece?w=alauto>)

Hindustan Aeronautics Ltd. and France's Safran Helicopter Engines announced that they will jointly set up a helicopter engines maintenance, repair and overhaul (MRO) centre to service Indian and foreign customers using Safran's aero engines.

The location of the centre is slated to be announced in the coming months and the companies did not disclose the investment or the equity stakes in the venture.

The centre will provide MRO services for Safran TM333 and the co-developed Shakti engines that are used in helicopters built by HAL.

4. Retail inflation at 22-month high in June; industrial output up 1.2% in May

<http://www.thehindu.com/business/Economy/retail-inflation-at-22month-high-in-june-industrial-output-up-12-in-may/article8840427.ece?w=alauto>)

A sharp jump in the prices of vegetables drove up food costs and fanned consumer price inflation to its fastest pace in 22 months, government data released on Tuesday showed.

The 5.77 percent reading in June was marginally higher than May's 5.76 per cent and compared with the 5.40 per cent in June 2015. The figure is likely to be transitional in nature and should see some downward movement post-August when new supplies of vegetables hit the market. According to another set of data released by the statistics ministry, industrial output showed an uptick in May. The Index of Industrial Production (IIP) recorded a 1.2 percent year-on-year growth – helped by a six percent growth in the output of consumer durables such as washing machines, televisions and refrigerators.

5. Promote labour-intensive industries: NITI Aayog

<http://www.thehindu.com/business/Industry/promote-labourintensive-industries-niti-aayog/article8840414.ece?w=alauto>)

In a meeting with central trade unions and industry bodies, the NITI Aayog Vice-Chairman stressed upon the need to promote labour-intensive industries in the country in a bid to create jobs. This was the first time that the government think-tank held a meeting with the trade unions.

6. 'Flat fee optimal for spectrum use'

<http://www.thehindu.com/business/Industry/telecom-regulatory-authority-of-india-trai-wants-flat-fee-for-spectrum-use/article8840821.ece?w=alauto>)

The Telecom Regulatory Authority of India (TRAI) on Wednesday said the weighted average formula, as suggested by the telecom department, for calculating the annual charge that operators pay to use airwaves "is at best a temporary solution". The new formula takes into account the 'bid values' by telecom service providers (TSPs) for each band. The authority reiterated "its consistent position that the SUC regime must transition from a slab based regime to a flat ad valorem regime. The ease of implementation, level playing field and encouragement to bidders to participate in the auction are key rationales for such a position being taken.

7. India seeks market access for sesame seeds in Japan

<http://www.thehindu.com/business/Industry/india-seeks-market-access-for-sesame-seeds-in-japan/article8840406.ece?w=alauto>)

India will seek greater market access in the Japanese market for its farm products such as sesame seeds as well as for its services professionals including nurses, when senior officials of both the countries meet on July 28 in New Delhi. The July 28 meeting will be that of the (India-Japan) Joint Committee — a panel set up following the signing of the bilateral Comprehensive Economic Partnership Agreement (CEPA) in 2011. The committee's functions include reviewing the CEPA and suggesting amendments to the pact to boost bilateral trade and investment.

The focus on sesame seeds is because Japan is the world's second largest importer of the item

8. China sank fishing boat in the disputed region: Vietnam

<http://www.thehindu.com/news/international/china-sank-fishing-boat-in-the-disputed-region-vietnam/article8840453.ece?w=alauto>

Vietnam has accused the Chinese coastguard of sinking a fishing boat near a disputed island chain, authorities said on Tuesday

9. Suresh Prabhu-led Indian Railways banks on 'Tri-Netra' to avoid train accidents

<http://www.financialexpress.com/economy/suresh-prabhu-led-indian-railways-banks-tri-netra-avoid-train-accidents/315011/>

India will be the first country to use Terrain Imaging for Diesel Drivers- Infrared Enhanced Optical and Radar Assisted or 'Tri-Netra' in railways for monitoring obstructions on tracks to prevent mishaps, claims Indian Railways.

This device will alert the drivers of any physical obstruction on railway tracks ahead and thus avert accidents. This will prove to be more useful during nights and in foggy conditions when drivers have to constantly look outside the locomotive to assess the condition.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. South China Sea Disputes
2. UNCLOS
3. Art 370
4. IEA
5. Transfat
6. Hybrid Annuity Model
7. RCEP
8. NSTC
9. Hajigak Iron and Steel Project

10. Spectrum Usage Charges

Practice Questions:

Question1: Which of the following countries is /are member states in the North South Transport Corridor Project?

1.Turkey 2. Oman 3.Azerbaijan 4.Afghanistan

a) 1 and 3 only b) 3 and 4 only c) 1 ,2 and 3 only d) All the above

Ans d

Question 2: Which of the following statements is/are correct?

1. Transport is the major contributor of nitrates to the atmosphere in India
2. Power sector is the major contributor for sulphates to the atmosphere in India
3. Residential sector is the major contributor for particulates to the atmosphere in India

a) 1 only b) 2 only c) 3 only d) All the Above

Ans d

Question 3: Which of the following statements is/are correct about the Engineering, Procurement and Construction (EPC) model of Public-private partnership?

1. Government invites bids for engineering knowledge from the private players
2. Procurement of raw material and construction costs are met by the government

a) 1 only b) 2 only c) Both 1 and 2 d) Neither 1 nor 2

Ans c

Question 4: Which of the following statements is/are correct?

1. Partial hydrogenation of unsaturated fats like vegetable oils can yield Trans fats
2. Trans fats have better shelf life than the vegetable oils from which they are made
3. Consumption of Trans fats has shown to increase the risk of coronary heart disease
4. Trans fats are uncommon in nature

a) 1 only b) 2 and 3 only c) 1 and 3 only d) All the Above

Ans d

Question 5: Which of the following statements is/are correct about the Water Resources Development Authority(WRDA)?

1. A Rs 20,000 crore irrigation fund will be set up through it
2. The fund to be mobilized by WRDA will be raised from budgetary allocation of the Ministry of Water Resources, bonds raised by Nabard to be repaid by the Government of India and bonds raised by Nabard on its own

a) 1 only b) 2 only c) Both 1 and 2 d) Neither 1 nor 2

Ans c

Useful News Articles

14-7-2016

A. GS1 Related

B. GS2 Related

1. SC quashes Arunachal Governor's order, restores Tuki govt. to power

<http://www.thehindu.com/news/national/supreme-court-reinstates-congress-government-in-arunachal-pradesh/article8843238.ece?w=alauto>

Topic: Federal Relations

Category: Polity

Key points:

- A Constitution Bench of the Supreme Court on Wednesday unanimously quashed the Arunachal Pradesh Governor's decision to advance the Assembly session from January 14, 2016 to December 16, 2015, a move which triggered political unrest in the sensitive border State and culminated in the declaration of President's rule on January 26
- The five-judge Bench directed the immediate imposition of status quo ante as on December 15, 2015
- The Bench said the Governor is not an “all-pervading super constitutional authority”
- All the Governor did here, the court said, was to use his constitutional authority to ostensibly favour an “invalid breakaway group” of MLAs disqualified under the Tenth Schedule

2. Separatists snub PM; three more die in Kashmir

<http://www.thehindu.com/news/national/separatists-snub-pm-three-more-die-in-kashmir/article8845196.ece?w=alauto>

Topic: Federal Relations

Category: Polity

Key points:

- With three more deaths on Wednesday, the Kashmir Valley remained on the edge for the fifth consecutive day

- According to a police spokesman, stone throwing continued on Wednesday and “stray and intermittent incidents were reported from 13 places in north and south Kashmir
- In a joint statement, the separatist leaders extended the shutdown call by two days and asked Pakistan-occupied Kashmir “to join them in the protests”
- They welcomed United Nations Secretary-General Ban Ki-moon’s statement on Kashmir
- Reacting to the Prime Minister’s meeting in Delhi, the separatists said: “Kashmir is neither an issue of law and order nor an economic problem. It is an old political and human problem that needs to be addressed according to the aspirations of the people and the ground realities in Kashmir”

3. Team of eye specialists sent to Valley

<http://www.thehindu.com/news/national/team-of-eye-specialists-sent-to-valley/article8845714.ece?w=alauto>

Topic: Federal Relations

Category: Polity

Key points:

- As the number of protesters suffering eye injuries in Kashmir clashes touched hundred, the Health Ministry on Wednesday sent a three-member team of eye specialists from the AIIMS in New Delhi to Srinagar to assist the State government in treating the injured
- Hundreds of people have been injured in the clashes, many of them in the eye because of excessive use of pellet guns by security forces to control the protesters
- After Kashmir’s violent unrest in 2010, security forces started using pellet guns as a “non-lethal” measure to avoid civilian fatalities
- A single pellet gun cartridge carries 500 pieces of tiny metal laced with gun powder. On pulling the trigger, the gun sprays the hot metal pieces haphazardly. These pellets can pierce the skull and eyes, leading to blinding other severe complications
- “If you are within the 10-metre range you can get fatally injured,” a senior police officer said

4. Will re-look into circumstances leading to Burhan’s killing: J&K govt.

<http://www.thehindu.com/news/national/will-relook-into-circumstances-leading-to-burhans-killing/article8844889.ece?homepage=true>

Topic: Federal Relations

Category: Polity

Key points:

- What can go right in Kashmir?
- long term political engagement, transparent development policy and creation of employment opportunities will make a difference in J&K. Democracy should come as a liberating force for people and restore dignity
- Readiness to re-look into how Mr. Wani was killed and revisit each civilian killing to understand if any excessive force was used against protesters could send a positive signal

5. Asylum seekers can own property

(<http://www.thehindu.com/news/national/asylum-seekers-can-own-property/article8845503.ece?w=alauto>)

Topic: Rights Issues

Category: Polity

Key points:

- The Union Cabinet on Wednesday approved proposals for extending several benefits to “persecuted” minorities from Pakistan, Afghanistan and Bangladesh living in India on long-term visas
- They can now take up self-employment, buy property, open bank accounts and get driving licences, PAN card and Aadhaar
- They are allowed free movement within the State of their stay, and can get their long-term visa papers transferred from one State to another
- The government has permitted them to apply for long-term visas from the place of their current residence, even if they have moved to the present place without seeking permission
- The powers will be delegated to the Collectors of 16 districts in Chhattisgarh, Gujarat, Madhya Pradesh, Maharashtra, Delhi, Rajasthan and Uttar Pradesh for two years for registration as citizens of India
- “The Collector or District Magistrate would be empowered to authorise an officer not below the rank of Sub-divisional Magistrate for administering the oath of allegiance to the applicant,” the Cabinet note says on granting citizenship
- The government has waived the penalty on late application for extension of their short- or long-term visas. The registration fees for citizenship will be reduced to Rs. 100 from

Rs. 3,000-15,000. Soon, **the Citizenship Rules, 2009**, will be amended to help such persons get citizenship

6. Beijing in choppy waters

Topic: SCS Disputes

Category: International Affairs

Key points:

- China pre-emptively dismissed the entire PCA proceedings in 2014 by refusing to participate in the arbitration and rejected this week's ruling as "null and void"
- Beijing had ratified the UN Convention on the Laws of the Sea (UNCLOS) in 1996 and it is based on the laws framed by the convention that an unfavourable ruling was slammed on China by the Permanent Court of Arbitration (PCA) at The Hague, the Netherlands
- Yet the ruling is likely to have a geo-strategic ripple effect in a region that has for a long time been a hot zone for confrontational military manoeuvres. For years now China has been creating artificial islands in the SCS, and sparked worldwide tensions when it unilaterally set up an Air Defence Identification Zone (ADIZ) in the East China Sea in 2013
- While China has rejected UNCLOS principles in its claims against the Philippines, it is expressly invoking the Convention's provisions in its claims against Japan, regarding the dispute surrounding the fuel-rich Senkaku Islands
- The ruling also draws attention to the glaring fact of non-ratification of UNCLOS by the U.S. Washington may now have to reconsider ratifying the Convention itself, especially if China decides to withdraw from it and thus undermine support for a global rules-based order

7. China warns of an air defence zone in the South China Sea

<http://www.thehindu.com/news/international/china-warns-of-an-air-defence-zone-in-the-scs-after-court-ruling/article8844901.ece?w=alauto>

Topic: SCS Disputes

Category: International Affairs

Key points:

- China on Wednesday said it could establish a military Air Defence Zone in the South China Sea (SCS), but combined its hardening position on the ruling by an international tribunal on the SCS, with a fresh offer of a dialogue with the Philippines

- The Philippines' Department of Foreign Affairs, was quoted as saying that that the tribunal's ruling can serve "as a foundation on which we can start the process of negotiations which hopefully will eventually lead to the peaceful settlement of the maritime dispute in the SCS."
- The imposition of an ADIZ would require overflying planes to first notify China

C.GS3 Related

1. IS may have set up sleeper cells in India: Iraqi envoy

(<http://www.thehindu.com/news/national/is-may-have-set-up-sleeper-cells-in-india-iraqi-envoy/article8845195.ece?homepage=true>)

Topic: Terrorism

Category: Security

Key points:

- The Islamic State may have set up sleeper cells in India owing to the influence of foreign-funded Islamic seminaries and preachers who teach an exclusivist version of Islam, says the new Iraqi Ambassador to India
- "Islamic seminaries and televangelists are powerful tools in the war that the IS is waging, and that is why countries should exercise more control on these sections," he said
- He said Iraq and Syria were the victims of a few powerful regional intelligence organisations in West Asia and North Africa that were using the radicalised youths from different parts of the world as cannon fodder for their wars. "The radicalised youths do not understand that they are the puppets who are motivated by a brand of religion and are used by intelligence agencies fighting proxy wars in West Asia," he said

2. Operation Sankat Mochan: With VK Singh onboard, two IAF aircraft leave to evacuate Indians from South Sudan

(<http://indianexpress.com/article/india/india-news-india/operation-sankat-mochan-two-iaf-aircraft-leave-to-evacuate-indians-from-south-sudan-2912699/>)

Topic: Foreign Casualty

Category: Security

Key points:

- Two C17 aircraft of Indian Air Force left for Juba with the Minister of State for External Affairs onboard
- There are 600 Indians in South Sudan, 450 of them in the capital city of Juba
- South Sudan has been hit by violence which has claimed hundreds of lives till now. The conflict is because of clashes between government troops and forces loyal to Vice President Riek Machar

D.GS4 Related

E. Important Editorials:

The Hindu

1. Turning back the clock

<http://www.thehindu.com/opinion/editorial/editorial-on-arunachal-pradesh-political-situation-turning-back-the-clock/article8845115.ece?homepage=true>

Topic: Federal Relations

Category: Polity

Key points:

- Once again, a Chief Minister unseated by internal rebellion that enjoyed the backing of a friendly regime at the Centre is set to return to office. A Constitution Bench of the Supreme Court has ruled that status quo ante as on December 15, 2015, should be restored in Arunachal Pradesh
- This means that Nabam Tuki will return as Chief Minister and Kalikho Pul, the dissident who formed the government with the help of the BJP after a brief spell of President's Rule, and even proved his majority in a floor test in February, will have to go
- In Arunachal Pradesh, events took an unseemly turn last December when the Governor, intervened in an apparently partisan manner by advancing a session of the State Assembly by nearly a month and asking the House to take up a motion to remove the Speaker as the first item on the agenda. This led to a shutdown of the legislature at the behest of the Chief Minister and the Speaker, and the dissidents holding a parallel session at a makeshift venue, where the Speaker was 'removed' and a 'no-confidence' motion against the government adopted. The subsequent imposition of President's Rule and the installation of the Pul regime raised questions about the propriety of the BJP-led Central government's approach to Congress-ruled States

- Legally, the main significance of the Arunachal Pradesh verdict lies in the clarity it provides on the Governor's role. The Governor has no authority to resolve disputes within a political party; nor is he the conscience-keeper of the legislature. He has no discretionary power to advance an Assembly session without the aid and advice of the Council of Ministers; nor can he fix its agenda
- On the Governor's defence that he was acting to prevent constitutional improprieties such as a Speaker, for whose removal a motion was pending, adjudicating on the disqualification of some MLAs, the Court has made three points about the Governor's intervention: he had no role in the removal of the Speaker, he had no authority to interfere in the Speaker's powers under the anti-defection law, and he had no basis to act on the views of a group of 21 breakaway Congress MLAs, who clearly did not constitute a two-third fraction of the 47-member Congress Legislature Party to be lawfully recognisable
- Mr. Tuki may now struggle to demonstrate his majority as 14 MLAs disqualified under his regime have been reinstated by a recent judgment of the Guwahati High Court. Whether he survives or not, this is not the last we will hear about the issue of how manufactured majorities in State Assemblies are to be dealt with in the constitutional scheme of things

2. Law and diplomacy on South China Sea

<http://www.thehindu.com/opinion/editorial/editorial-on-south-china-sea-law-and-diplomacy-on-south-china-sea/article8845081.ece?homepage=true>

Topic: SCS Disputes

Category: International Affairs

Key points:

- As expected, Beijing lost no time in rejecting the unanimous ruling of an international tribunal at The Hague that China has no legal basis for much of its claims on the South China Sea. But given the tribunal's lack of powers to enforce its rulings, a resolution of the dispute with the Philippines will have to be the stuff of international diplomacy
- Generally, this is not such a bad thing as judicial verdicts on issues of contested sovereignty can trigger a nationalist backlash. The court at The Hague ruled that China's claims to the waters within the so-called "nine-dash line", with wide-ranging economic interests, was in breach of the UN Convention on the Law of the Sea. The case was brought to the court in 2013 by the Philippines, centring on the Scarborough Shoal, but Beijing chose to boycott the proceedings. Yet, the Vice Foreign Minister of China, while asserting China's sovereignty over the South China Sea, has committed to negotiations

with the Philippines following the ruling. Indeed, China now has more compelling reasons to reconsider its overall position

- The setback at The Hague comes at a critical juncture in China's bid to bolster its global economic status. This relates to its long-standing ambition to be accorded recognition as a market economy under the World Trade Organisation. As the 2016 deadline looms, China insists the upgrade is automatic as per WTO rules. The European Parliament thinks otherwise, and voted overwhelmingly in a non-binding resolution in May to delay a decision. Currently, Brussels levies anti-dumping tariffs on imports from Beijing to mitigate the effects of supposedly unfairly low prices on a range of commodities
- Against this backdrop, the Chinese leadership is unlikely to allow itself any distraction in the form of a long-drawn confrontation in its backyard, with its adverse diplomatic fallout. Instead, Beijing is more likely to rally support to its cause for increased trade. History bears witness to a more constructive play of diplomatic forces in similar high-stakes inter-state disputes
- For instance, although Washington ignored a 1986 verdict of the International Court of Justice, concerted pressure led to the eventual end to U.S. backing for Nicaraguan insurgents. In the current case at The Hague, the U.S. can't exert much moral pressure as it has not even ratified the United Nations Convention. Conversely, as a party to the law alongside Manila, there is more pressure on Beijing to comply. It is possible that big-power plays on the South China Sea will now be behind us. After three years of litigation, this does not seem like a bad thing after all

3. Living in denial on Kashmir

<http://www.thehindu.com/opinion/lead/happymon-jacob-on-jammu-and-kashmir-violent-clashes-living-in-denial-on-kashmir/article8845083.ece?hom>

Topic: Federal Relations

Category: Polity

Key points:

- Anti-India feelings were steadily on the rise after over 120 Kashmiris were killed at the hands of the J&K police and Central forces in 2010. The seeds of a new indigenous insurgency were sown by the hasty manner in which Afzal Guru was hanged in 2013 during the rule of the previous government. Let's remember that all this was happening during a decade when terrorist infiltration from Pakistan was lower than ever before thanks primarily to the border/Line of Control fence that was erected in J&K in 2004
- The combined result of this mishandling has been a sharp, and worrying, spike in the number of home-grown militants: educated, armed, religiously inclined and

ideologically motivated, and not necessarily shepherded. Second, years since the violent insurgency of the 1990s was put down, there is today a disquieting rise in the legitimacy for armed militancy among civil society and the educated classes of the Valley

- Its miserable history of mishandling Kashmir has hardly taught New Delhi how to deal with Kashmir, despite fighting the insurgency for close to three decades now.
- When the present government was formed in early 2015, there was hope that things would get better for J&K given the PDP's popularity in south Kashmir and the BJP's historic mandate in Delhi: one and a half years down the road, however, all that J&K is left with is the PDP's political isolation and helplessness, and the centre's inflexible political positions
- The PDP has repeatedly reminded the BJP on the need to deliver on the promises (such as "the coalition government will facilitate and help initiate a sustained and meaningful dialogue with all internal stakeholders, who will include all political groups irrespective of their ideological views and predilections") enshrined in the "Agenda of Alliance". However, not one of the key objectives outlined in the document has been taken up by the coalition so far, not even for discussion
- On the day Wani was killed, the Supreme Court came down heavily (though in the context of Manipur) on the shocking extent of immunity provided to the armed forces. Indeed, this stinging indictment of the Armed Forces (Special Powers) Act — AFSPA — has come at a point in time when the BJP has been playing hide and seek with the PDP, and Kashmiris in general, on the AFSPA question even though a need for a relook at this draconian law was clearly mentioned in the coalition work plan. The court's redefinition of the situation in Manipur as 'internal disturbance', summarily rejecting the Central government's plea that it is a 'war-like situation', has undeniable implications for how New Delhi deals with Kashmir and the debates on draconian laws like AFSPA
- Human and political rights of Kashmiris must be respected and what the country's Constitution guarantees in Article 370 should not be snatched away
- In our country, the government and the political class look for solutions only when there is trouble in Kashmir: they make calls for peace, and send an occasional all-party delegation to the Valley (as happened in 2010) and promise to look into the genuine demands. Sometimes even a team of interlocutors is appointed to negotiate with the dissidents. The tragedy is that once the trouble subsides, promises are forgotten and the committee reports, as usual, get ignored. There is therefore a need to look for sustainable political solutions if the government is serious about pacifying the conflict in Kashmir. The more you wait, the less appetite will there be in the Valley to talk to New Delhi: there was more positivity in the Valley about talks a decade ago than is the case now

- In difficult times such as these, hard decisions have to be taken and the political class should show courage to do so. Here are some suggestions to bring normalcy back to Kashmir: repeal or at least amend AFSPA, release political prisoners, institute a broad-based inquiry into extrajudicial killings in Kashmir, and open a result-oriented dialogue with the Valley's dissidents to discuss the larger political questions as promised by the ruling coalition. If the Indian state could strike a peace deal with the Naga insurgents, why not Kashmir, which is even more central to India's national security?
- With terrorism engulfing the region and the Islamic State waiting at the gates for an opening, India can ill-afford not to pacify its domestic insurgencies. Branding dissent as terrorism would only frustrate our efforts to deal with real terrorism
- Moreover, we should shed our national habit of pointing fingers at others when trouble brews in our country, and own up to our share of mistakes
- Finally, India and Indians need to speak to Kashmiris, openly and without prejudice

4. Making sense of Brexit

<http://www.thehindu.com/opinion/op-ed/c-rangarajan-on-britain-exit-from-european-union-making-sense-of-brexit/article8845095.ece?homepage=true>

Topic: Legislation

Category: Brexit

Key points:

- Is Brexit a blow to globalisation? Globalisation has been interpreted in many ways. In broad terms, globalisation denotes the free movement of goods, services, capital, funds, ideas, technology and people across countries. Many people think globalisation is a recent phenomenon. This is not true. This has been going on for centuries. What has made it unique in recent times is the speed of the movement. Great Britain and many other countries in Europe have reached the present level of economic development only because of this free movement. In both demographic and geographic terms, Britain is a small country. It is not the size of the domestic market that determined its growth. London could not have emerged as the financial centre of the world but for the free flow of capital. The gamut of financial services offered by London is geared to meet world demand and not that of Britain alone
- Even after the exit from the EU, Britain cannot remain as an isolated island. It has to be part of an international trade regime which allows for free trade. What then could have motivated a little more than 50 per cent of the population to come out of the EU? It has something to do with the nature of the relationship within the EU

- The EU has evolved over the last seven decades. From a loose arrangement, it has become a tight bureaucratic organisation with its jurisdiction extending to multifarious activities. When the euro was created as a common currency, Britain opted out of it. The European Central Bank sets a common monetary policy stance for all member countries. This itself has been a source of irritation to many member countries. This came out prominently at the time of the Greek crisis. With the loss of one instrument of control — namely, the exchange rate variation — the entire burden of adjustment had to be through employment and output changes. As one commentator put it, the EU has moved up its aspiration from the idea of ‘common’ market to ‘single’ market. It is this transition which half of Britain has resented. The complex set of regulations emanating from Brussels has made at least a section of the British people feel that they have lost ‘independence’. Some of the elite of Britain who voted to ‘leave’ feel this way. They think that control has moved to unelected bureaucrats in Brussels
- What has induced the ‘non-elite’ to vote for Brexit was the EU’s migration policy. The free movement of people has been the last straw that broke the camel’s back. The low-paid jobs in the U.K. have been taken over by migrants predominantly from Eastern Europe. In an economy which has been growing slowly (even though the U.K. is a better performer than other European countries in recent years), this has come as a shock. The spirit of ‘nationalism’ still runs high. The poor in Britain feel that they have been cheated by the migrants. Absorbing migrants is not new for Britain. The Asian and African migrants constitute a significant proportion of the population. All this happened when the economy was strong and growing. But this is not the situation now, and the resentment is in one sense natural. However, looked at globally, the poor in the countries from which people migrate have benefited. The British have also gained to the extent that the free movement of people has enabled highly skilled professionals to find positions all over Europe
- The ‘leave’ vote thus was motivated by two considerations: one, the degree of integration that the EU was trying to impose, and two, the migration policy which allowed a free movement of people across countries
- Globalisation is not really the devil. If the EU arrangement had been restricted only to free movement of goods, services, capital and funds, it could not have led to any deep resentment. It is the attempt at greater economic integration that has been interpreted as a loss of sovereignty and resented. However, there is still a message for globalization
- Globalisation, with its emphasis on efficiency (since goods and services will get produced at the least cost centres), can lead to greater inequality theoretically. Within a country also, the more efficient including professionals gain disproportionately. This situation gets worse if economies are growing slowly

- The U.S. has always prided itself on saying that the system they have is ‘people’s capitalism’. Inequalities do not matter much when economies are growing strongly and when new entrants to the labour force find employment easily. Countervailing measures are needed to take care of the adverse impact of globalisation. For this reason, we cannot throw the baby out with the bathwater
- The developed countries face a serious dilemma. They have reached a stage in their development when further growth will be slow. This will have implications for absorbing the labour that gets added to the market. Complicating the situation is technological development which is increasingly labour-saving. New technologies have a twofold impact. First, they reduce the demand for labour in general. Second, in particular they make unskilled and semi-skilled work redundant. They demand new skills for which retraining may be needed. Distribution of income has thus become an issue which needs to be dealt with directly
- Brexit is not a blow against globalisation per se. It is a vote against greater economic integration beyond the free flow of goods, services, and capital. Labour does not stand in the same category as capital, even though both are factors of production. Migration hurts when the economy is at a low ebb. Britain, along with other developed countries, faces a basic problem of coping with a growth potential which is far lower than the growth rate they had seen before 2008. The sociological economic implications of this phenomenon are yet to unravel

5. Visa as the master card

<http://www.thehindu.com/opinion/op-ed/mukesh-agma-on-h1b-visas-visa-as-the-master-card/article8845094.ece?homepage=true>

Topic: India and U.S

Category: International Relations

Key points:

- In the United States, immigration continues to be a deeply polarising issue that places high-skilled workers on **H-1B visas** at the centre of an inconvenient narrative
- The free movement of high-skilled workers plagues the U.S.-India bilateral relationship unlike any other issue, and it can be fixed with pragmatic reforms. But some facts need to be aired first so as to erase the myths that have become popular on the campaign trail
- H-1Bs visas are for high-skilled workers. The problem is that the demand for these workers far surpasses the annual allotment of 85,000 H-1Bs, 20,000 of which are slotted for master’s graduates. In fact, the U.S. needs 120,000 new computer

engineers annually but American universities only produce one-third of that number. Hence, the need for the H-1B programme, which allows the U.S. to fill the Science, Technology, Engineering, Mathematics (STEM) gap. Simply put, bringing in tech workers from abroad creates jobs in the U.S. According to a study by Professor Madeline Zavodny of Agnes Scott College, Georgia, U.S., hiring 100 H-1B workers resulted in an additional 183 jobs for native U.S. workers

- Similarly, estimates show that by rejecting 178,000 H-1B visa applications in computer-related fields in 2007-08, the U.S. missed out on creating as many as 231,224 tech jobs for U.S.-born workers in the two years that followed
- But this isn't just a jobs conversation. A National Association of Software and Services Companies (NASSCOM) study released in September 2015 noted that Indian IT companies contributed \$22.5 billion in taxes to the U.S. Treasury between 2011 and 2013. Plus, they supported over 411,000 jobs in the U.S., including 300,000 jobs for U.S. citizens and permanent residents during that time. More important, those jobs make U.S. companies more efficient so that they can compete globally
- All of which raises the question of why there's a political issue in the first place. There is a myth that high-skilled workers on H-1Bs earn less than and — as a result — displace their native-born counterparts. In fact, high-skilled IT workers on temporary visas earn competitive salaries and cost their employers as much or more than their American counterparts. According to a May 2013 Brookings Institution publication authored by Jonathan Rothwell and Neil G. Ruiz, "H-1B [visa] workers are paid more than U.S. native-born workers with a bachelor's degree generally."
- Yet members of the U.S. Congress who used to champion H-1Bs by proposing to quintuple the annual allotment have flipped positions to appeal to the political winds. The IT services industry has been tainted by isolated media accounts of U.S.-born workers training in their foreign replacements. But the reality is that U.S. companies must remain technologically competitive. And that's precisely what they hire U.S. and Indian IT companies to do
- Nevertheless, as a result of political dynamics, the U.S. Congress doubled H-1B visa fees in December, punishing Indian companies to the tune of \$400 million over a decade and prompting India to file a case at the World Trade Organisation over a discriminatory fee increase that largely targets Indian companies. It is politically convenient to charge these companies when the U.S. Congress needs to pay for something. After all, those companies have little influence in Washington. The Indian Prime Minister raised the issue with U.S. President Barack Obama when the fee hike was signed into law as part of December's Omnibus Appropriations Act
- The law's so-called 50:50 fees are clearly discriminatory and should be eliminated. The law provides that increased fees would apply to companies with (a) more than

50 U.S.-based employees and (b) more than 50 per cent of its U.S.-based workforce on H-1B or L-1 visas. If the U.S. Congress does not strike down this discriminatory trade barrier that disrupts the market, then it should level the playing field by reducing the amount assessed per petition, spreading the cost to every organisation that uses the H-1B and L-1 visa programmes instead of targeting Indian firms through the 50:50 trigger

- But that's not the only reform that should be made. Industry should push the U.S. Congress to rally around more visas for small businesses. Critics claim that smaller companies and start-ups don't have the resources that larger IT firms have to procure their share of H-1Bs
- To address these concerns, which have been raised by members of the U.S. Congress, we propose maintaining the current number of 65,000 H-1Bs for larger companies, adding an additional 50,000 visas for small and medium enterprises exclusively, and taking on an extra 30,000 visas for master's graduates
- The U.S. could make these changes solely to improve its strategic relationship with India, which serves as a bastion of stability in an otherwise difficult region. But that's not why the U.S. Congress should act. It should act because innovation — and the hundreds of thousands of jobs associated with new companies — rests on a global, mobile workforce

6. Many don't have power in 'power-surplus India'

<http://www.thehindu.com/data/many-dont-have-power-in-powersurplus-india/article8845501.ece?homepage=true>

Topic: Power

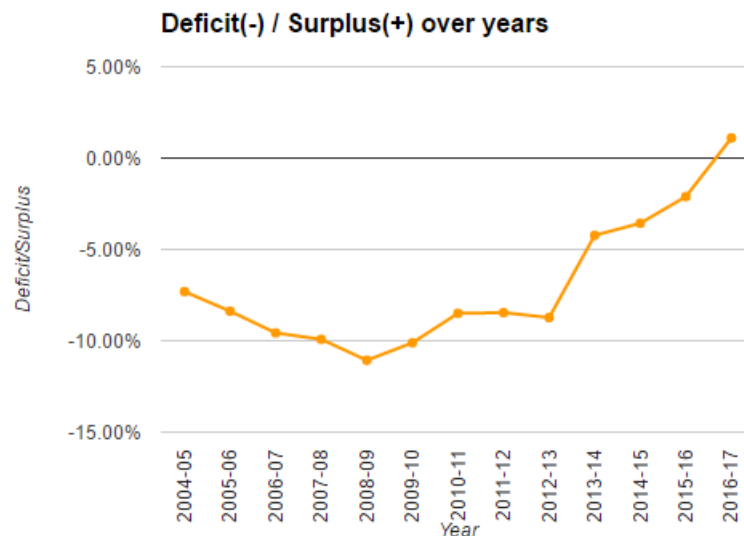
Category: Governance

Key points:

- In India, 300 million people don't have access to electricity, power cuts are rampant and per capita power consumption is significantly lower than the world average
- But "India is likely to experience the energy surplus of 1.1 per cent in 2016-17," says the Load Generation and Balance Report (LGBR) 2016-17 of the Central Electricity Authority (CEA), which functions under the Power Ministry
- Surplus or deficit is determined by calculating the difference between the demand for power and availability. It is the definition of "demand" that lies at the base of this paradox
- "While calculating power demand, only people who are connected to the grid and have access to electricity at present are taken into consideration," says the Chairperson of

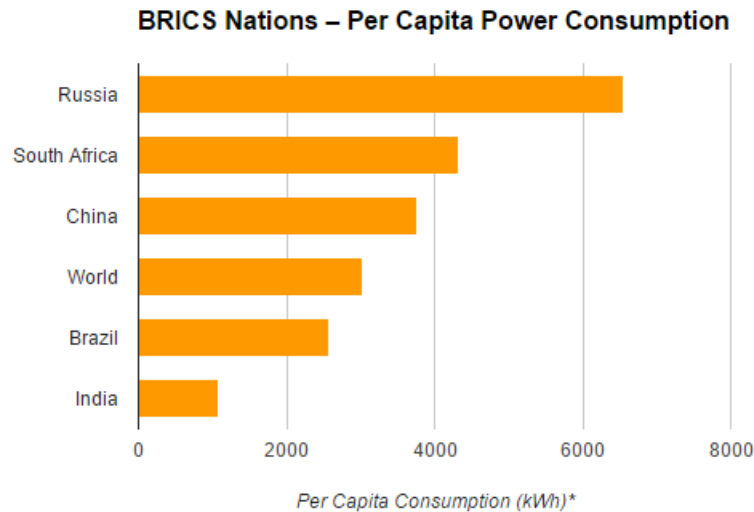
the CEA, told The Hindu. The “real demand” that encompasses all citizens would be known only when India achieves the goal of ‘Power for All’, towards which the government is actively working, he says

- Taking this definition into consideration, there has been a significant improvement. The deficit has gradually reduced from 11 per cent in 2008-09 to 2.9 in 2015-16 and for the first time, there will be a surplus in 2016-17



Source: RBI; LGBR 2016-17

- But if there is surplus power, why do we have power cuts? State discoms are unable to buy electricity due to poor financial health. There is unused power lying in the grid
- Transmission and distribution constraints are also responsible for power cuts. To solve this problem, the government launched the Ujjawal Discom Assurance Yojana (UDAY) in November 2015. By operational and financial turnaround of discoms, UDAY is expected to facilitate reliable, adequate and sufficient power supply to consumers, among other things
- The state of power in the country is best captured by looking at the per capita power consumption. On an average, in 2015-16, the per capita consumption in India was 1,070 kWh, less than the world average of 3,026 kWh, as per data from the International Energy Agency. It is also the lowest among BRICS nations



- The low per capita consumption is mainly due to a large population, a low per capita income and a huge population not having access to electricity. Note that six States — Madhya Pradesh, Kerala, Odisha, Sikkim, Mizoram, Tripura — will be power-surplus in 2016-17 but the per capita availability in the States is lower than the national average. Overall, as per LGBR, 17 States will have power-surplus in 2016-17
- Power demand for India grew by 6.6 per cent in 2014-15 and 4.2 per cent in 2015-16. In the last two years, Bihar — which has the lowest per capita power availability, witnessed the highest percentage growth, with demand increasing by around 25 per cent in both years
- This is indicative of more people getting connected to the grid, the official said. To meet the growing demand for electricity, the government is increasing the installed generation capacity as well. Hope there would be a power-surplus even when all Indians will have access to electricity

The Indian Express

1. In the Northeast, an uneasy new alliance

[\(http://indianexpress.com/article/opinion/columns/in-the-northeast-an-uneasy-new-alliance-assam-manipur-meghalaya-mizoram-bjp-congress-neda-2912212/\)](http://indianexpress.com/article/opinion/columns/in-the-northeast-an-uneasy-new-alliance-assam-manipur-meghalaya-mizoram-bjp-congress-neda-2912212/)

Topic: Federal Relations

Category: Polity

Key points:

- The formal launching of the BJP-led Northeast Democratic Alliance (NEDA) in Guwahati — a Northeastern equivalent of the NDA — shows the BJP's impressive capacity to learn, both from its successes and its failures. What has inspired the formation of this BJP-led alliance of regional parties, at least to some extent, is the narrative of an ideological victory in Assam as a result of the successful harnessing of regional aspirations
- But the trouble is that there is a tension between the ideological space of regionalism in Northeast India and the ideological grand standing that ruling party ideologues have engaged in since the BJP's win in Assam. Largely because of the state's geographical location and its recent history of political turmoil, there has been a great temptation to read into it a historic shift of ideological preferences
- The rise of regional parties in most parts of India, as it has become quite apparent by now, has not been at the expense of national parties, except during the early days of the regional party phenomenon. This is because both the Congress and the BJP have been rather creative in responding to the rise of regional political parties
- In Northeast India the real issue is not whether the BJP delivers on the rhetoric of good governance and development, or succumbs to the agenda of Hindutva. If NEDA wishes to be more than just an anti-Congress electoral alliance it should boldly take on two of Northeast India's most difficult issues: **(a) the ambiguities of citizenship that grow out of the region's long history as a settlement frontier and the conflicting memories and competing narratives of the Partition; and (b) the awkward inter-state border disputes. The illusive search for authentic borders won't end them; there has to be a pragmatic acceptance of the sanctity of colonial district borders as the best we have got**
- There is nothing in the actions and statements of the new government and those related to NEDA so far to suggest that a bold policy agenda on these issues is on the cards

PIB

1. Cabinet approves Pradhan Mantri Kaushal Vikas Yojana 60 lakh youth to be trained afresh

The Union Cabinet has approved the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) with an outlay of Rs.12000 crore to impart skilling to one crore people over the next four years (2016-2020). PMKVY will impart fresh training to 60 lakh youths and certify skills of 40 lakh persons acquired non-formally under the Recognition of Prior Learning (RPL).

Financial support to trainees will be given in the form of travel allowance, boarding and lodging costs. Post placement support would be given directly to the beneficiaries through Direct Benefit Transfer (DBT). Disbursement of training cost to training partners will be linked to Aadhaar and biometrics for better transparency and targeting. Skill training would be done based on industry led standards aligned to the National Skill Qualification Framework (NSQF).

2. Steps taken to increase Pulses Production

Central Government is taking several measures to control the price rise of pulses. On one hand Government is trying to give relief to citizens by importing pulses from foreign countries or taking action against hoarders, on the other hand Govt has taken several steps to increase pulses production and to incentivise pulses growing farmers. Recently, Govt has given a step hike in MSP for pulse crops to encourage farmers Central govt has decided to form a committee under the Chief economic advisor, Govt of India to make a long term plan to encourage pulse growing among farmers and to review MSP and bonus for farmers.

Agriculture and Farmer Welfare Ministry has taken several steps to increase pulse production. In the year 2013-14 under **the National Food security mission** only 482 districts of 16 states were included. Now all 638 districts of 29 states have been included in this plan. Goa, Kerala and 8 north eastern states and 3 hilly states have now been included in this mission. Total 17 hundred crores is being allocated under National food security mission. For pulses, total allocation is Rs. 1630 crores. Central govt has allocated Rs. 1100 crores and 430 crores have been allocated by state govt.

Of this amount allocated for NFSM, 15% goes for production of **new varieties of pulses**. For **expansion of cultivation of new kinds of seeds**, Rs.7.85 lakhs mini-kits are being distributed to farmers free of cost in the year 2016-17, through State Governments.

In the year 2016-17, demonstration of **new techniques for pulse production** is being carried out in 31,000 hectares by 534 KVKs through ICAR & State Agriculture Universities and Rs.25.29 crores have been allocated for this purpose.

Seed Hubs are being created through different organisation like ICAR, State Agriculture Universities and KVKs for ensuring the availability of new kinds of seeds. In 3 years **150 seed centers** will be established and availability of 1.50 lakh quintal improved seeds will be ensured by Central Government. For this purpose, Rs.139.50 crore have been approved for establishment of 93 seed centers during 2016-17 to 2017-18, out of which Rs.80.44 crore is proposed for 2016-17.

Govt is also concentrating towards the procurement of pulse crops. **Inter Cropping of pulses with oil seeds, cotton and other crops, summer moong and cultivation of tur dal on paddy fields is being encouraged.** Government is encouraging Farmer producer organisations (FPO) to grow seeds, to buy, and to use efficient technology and to ensure adequate prices to small and marginal farmers for their produce.

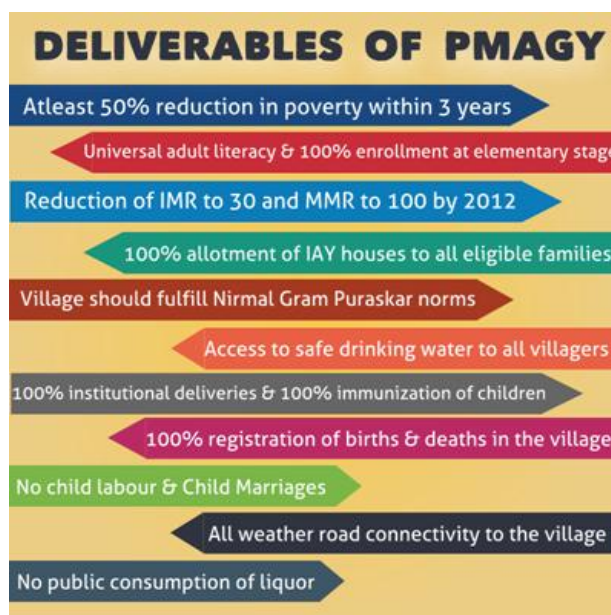
Recently, **the extent of buffer stocks of pulses has been increased from 8 to 20 MTs.** Central procurement agencies (NAFED, FCI, S.F.A.C.) has been to the tune of 69000 till 10th July. Chana and Masoor were procured at the rate of Rs.4900-7000 and Rs.5400-8500 per quintal respectively. The purchase of pulses is still in progress.

3. Shri Thaawarchand Gehlot Reviews Pradhan Mantri Adarsh Gram Yojana

An amount of Rs.201 crore has been released to the 5 pilot States and Rs.228.97 crore to States in the extended phase. Following the success of the scheme in the 1000 pilot villages in Assam, Bihar, Himachal Pradesh, Rajasthan and Tamil Nadu, it is now extended to further 1500 Scheduled Caste majority villages in Assam, Uttar Pradesh, West Bengal, Madhya Pradesh, Karnataka, Punjab, Uttarakhand, Odisha, Jharkhand and Chhattisgarh.

About PMAGY:

Pradhan Mantri Adarsh Gram Yojana (PMAGY) is a Centrally sponsored scheme which is implemented by the Ministry of Social Justice and Empowerment for integrated development of Scheduled Caste majority villages having Scheduled Caste population of more than 50%.



The scheme aims to achieve integrated development of SC majority villages through convergent implementation of relevant schemes and providing gap filling funds to take up activities which do not get covered under existing schemes. The major components of integrated development of villages under PMAGY are:

- (i) Physical infrastructure such as construction of roads, street lighting, access to safe drinking water;
- (ii) Sanitation and environment;
- (iii) Social infrastructure, human development and social harmony; and
- (iv) Livelihood.

3. The Integrated Child Development Scheme Being Completely Revamped To Address The Issue Of Malnutrition : Smt Maneka Sanjay Gandhi

The Women and Child Welfare Ministry is working in a convergence mode with NITI Ayog, Ministries of Health and Education and other stakeholders to deal with the problem of malnutrition on a war footing. The digitization of anganwadis is being taken up and both hardware well as software is being provided for real time monitoring of every child and every pregnant and lactating mother. The anganwadi workers will be given smartphones and the supervisors will be given tablets for which the State government should provide training to anganwadi workers to help shift to the new IT-based system.

Utmost priority is being given to Beti Bacho Beti Padhao and Nutrition programmes which are to be implemented in mission mode. The Beti Bacho Beti Padhao scheme has shown tremendous success due to active involvement of states and urged the states to exhibit the same for ICDS.

The WCD Minister issued strict instructions to the states to comply with the directives of the WCD Ministry pertaining to clean food, prepared untouched by hand with sufficient availability of micro nutrients. "We are also looking at further standardizing the supplementary nutrition so that hygienic, nutritious and locally acceptable food is given to the children and mothers through a standardized process of manufacturing and distribution. This is warranted as the current systems of adhoc procurement and preparation have not succeeded in reducing malnutrition" the Minister explained. She said that the WCD Ministry is making efforts to get the cost norms increased from the current levels so that better food can be provided to the beneficiaries.

The WCD Ministry urged the states to ensure proper utilization of funds for various schemes specially those provided for nutrition and ICDS.

The Financial Express:

1. Distorting SUC, Trai-style

(<http://www.financialexpress.com/fe-columnist/distorting-suc-trai-style/316117/>)

Topic: Telecom

Category: Economy

Key points:

- In an ideal world, all telcos should be paying a similar spectrum usage charge (SUC), but due to bad drafting of the rules in 2010, the government feels SUC for Broadband Wireless Access (BWA) spectrum cannot be changed from 1%. Since this would have given RJio and Bharti Airtel—the two telcos who own BWA spectrum—an unfair advantage, the attorney-general came up with a **compromise using a weighted average**
- Under this formula, while Vodafone and Idea would pay an SUC of 4.7%, Bharti Airtel would pay 3.7% and RJio 2.9%. That's not fair, but as both RJio and Bharti Airtel buy more spectrum in fresh auctions, the difference would have reduced. This formula was given to Trai to make its recommendations, but what has emerged is not only confusing, but also raises SUC and is bereft of logic
- TRAI wants to weight the SUC according to the revenue earned from each band—but since it is not possible to segregate revenues from each band, it is not clear how Trai comes out with its 'factor' by which it weights the revenues. A 'factor' of 4.56 is used for 900 Mhz spectrum in relation to 2100 MHz spectrum—how was this got and why should a pan-India 'factor' be used instead of a per circle one? There is no 'factor' given for 700/800 MHz, so how is this to be dealt with; is the 'factor' the same for 'liberalised'(auctioned) and 'unliberalised' spectrum—if not, why not? Also, since spectrum revenues will change from time to time—if you use spectrum costs for calculating the 'factor', the same problem arises in each successive auction—Trai will have to periodically come out with a new factor, making the entire process of calculating SUC more uncertain
- It is true the government did not try hard enough to convince RJio/Bharti Airtel about the flat SUC, but the weighted average formula it suggested had a logic and the differences would reduce over a few years. Since Trai 's recommendations will only worsen the gap, it's best to just ignore them

The BusinessLine:

1. Why a 'smart villages' scheme makes sense

(<http://www.thehindubusinessline.com/opinion/why-a-smart-villages-scheme-makes-sense/article8844976.ece>)

Topic: Local Bodies

Category: Governance

Key points:

- Almost 70 per cent of the Indian population lives in villages. Therefore it is natural that for 'inclusive' development, the Government must focus on them. Placing the emphasis on creating 'smart cities' is flawed policy. We must give top priority to the development of 'smart villages' — preserving the sustainability of villages will positively impact cities in the long run
- In recent times, more cases of farmers' suicides due to crop failure have been reported. Even after 70 years of independence, we lack a 'support and guidance system'; nor do we have professional counselling for farmers. Many of them have no secondary source of income — this is a major lacuna
- The lack of job opportunities in villages coupled with less remunerative farming (except in the case of large land holdings) compels village youth to migrate to cities. There, many of them do not enjoy a reasonable quality of life because they manage to get only subsistence jobs. The migration is also uni-directional as they continue to live in cities in the hope of landing better jobs. In the long term, this leads to desertion from villages, dilution of village culture, reduced land under cultivation and, consequently, farm output. In the cities, uncontrolled migration adds to pollution, traffic problems, crime, and over-burdening of civic amenities and infrastructure
- The top priority should be the creation of opportunities for youths in villages, thereby discouraging migration to cities. Farming should be made a remunerative occupation, with guidance and mentoring to small farmers on how to get the best yield and market at remunerative prices. It's important to train them to develop a secondary source of income. The benefits of schemes such as crop insurance, soil health card, and neem pesticides must reach the grassroots. Proper implementation is key. A helpdesk set up in every village and manned by trained individuals to handle farmers' queries and provide solutions would be most useful
- We must create an eco-system that makes youth interested in working from their villages. BPOs/KPOs can operate from villages and young people can be encouraged to take up IT jobs there. Many jobs require computer skills instead of degrees

- The digitisation of post offices, rural banks, and IT-enabled services provide excellent opportunities. Projects supported by Digital India and Skill India should be integrated through a unified agency to reach villages. For instance, Skill India can empower youths to start their own small businesses after training as masons, mechanics, electricians, and drivers or to run repair shops, poultry and dairy farms, kirana stores, tea-shops, dhabas and so on
- India's crafts thrive in villages, especially as cooperative ventures. Pottery, metal craft, weaving, jewellery making, wood craft, shell craft, cane craft, embroidery, ivory craft, glass craft and paper craft could be sources of income. The arts and crafts ecosystem of villages is impossible to recreate in cities. A great deal of export potential is hidden here. Senior/elderly artisans can be employed as 'trainers'
- We have sizable tribal population in India, who live in villages, and do not wish to be uprooted. We need to make them part of development. Skill India can study the art/craft unique to each tribal cluster and train their youths to grow in their vocations. They will come into the mainstream by learning the use of new tools and techniques , without the fear of losing their lands, identity and culture
- Villages traditionally preserve large number of water bodies like ponds, wells, bawadis, canals etc. Training villagers in water harvesting methods, rejuvenating ponds/wells to improve water storage and sharing these good practices systematically with others, would help mitigate hardships. The NITI Aayog can draw a master plan to make every village smart in the next five years. Invite support from private institutions or NGOs; however, execution must remain with a governmental 'nodal agency'
- Smart villages can translate into improved farm productivity, water conservation and economic independence to village youth. It makes great social, economic and political sense

Quick Bits and News from States

1. *Godhra carnage accused arrested from Malegaon*

<http://www.thehindu.com/news/national/other-states/godhra-carnage-accused-arrested-from-malegaon/article8844910.ece?homepage=true>

Gujarat police have arrested Imran Batuk, one of the key accused in **Godhra carnage case** was arrested from Malegaon, more than 14 years after the attack on **Sabarmati Express** in which 59 persons, mainly *kar sevaks* returning from Ayodhya, were charred to death near Godhra railway station in February 2002. This is the fifth such arrest in last one year by **Gujarat's Anti-Terrorist Squad (ATS)**. In 2011, a special trial court, which conducted trial under **POTA (Prevention of Terrorism Activities Act)**, had convicted 31 of the 94 persons named in the charge sheet. Out of

31 convicts, 11 were sentenced to death by the trial court, which had held that the attack on the train was a "pre-planned conspiracy."

2. *May pledges bold new future for Britain outside EU*

<http://www.thehindu.com/news/international/in-her-first-remarks-as-pm-may-pledges-bold-new-future-for-britain-outside-eu/article8845178.ece?homepage=true>)

In her first remarks as Prime Minister of the U.K, Theresa May said she wanted to build a better country that worked for all its citizens and would battle to keep the United Kingdom together. She, like her predecessor, had backed Britain staying in the EU.

3. *Constitution Bench to hear plea for National Court of Appeal*

<http://www.thehindu.com/news/national/constitution-bench-to-hear-plea-for-national-court-of-appeal/article8845710.ece?w=alauto>)

Noting that equal access to justice for all is a fundamental right under the Indian Constitution, the Supreme Court on Wednesday referred to a Constitution Bench to consider the question of constitutionality of establishing a National Court of Appeal (NCA) with regional Benches to act as final courts of justice in criminal and civil cases.

"Cases are pending in the Supreme Court on an average of about 5 years, in High Courts for about 8 years, and anywhere between 5-10 years in trial courts... It is common knowledge that the huge backlog of cases in the Supreme Court not only attracts criticism from the litigant public but also from independent observers of the judicial system," a Bench headed by the Chief Justice of India observed in the reference to the Constitution Bench. A verdict in favour of the NCA would act as a great influence on the Parliament to amend the Constitution itself to make room for NCA.

4. *California Lieutenant Governor seek fair portrayal of Hinduism in text books*

<http://www.thehindu.com/news/international/california-lieutenant-governor-seek-fair-portrayal-of-hinduism-in-text-books/article8844382.ece?w=alauto>)

The California Lieutenant and a group of 40 top academicians have sought "accurate and fair" representation of Hinduism in school text books in the U.S. state, which is currently in the process of revising.

5. *DGCA opts for balancing act on air ticket cancellation fee*

<http://www.thehindu.com/business/Industry/govt-fixes-higher-cap-on-air-ticket-cancellation-fee/article8844768.ece?w=alauto>)

Domestic airlines will be allowed to keep fuel charge component of a cancelled ticket and the Centre has mandated them to refund all the other statutory taxes and dues paid by passengers. As per the earlier proposal the cancellation charges included the base fare alone. The airlines will have to provide “all assistive devices” free of cost to differently -abled passengers. Domestic airlines had opposed this and requested the government to charge a nominal fee for providing certain devices such as ambulift and wheelchairs as they bear the cost of such devices provided by ground handling agencies.

6. Cabinet nod for 15 % stake sale in NBCC

<http://www.thehindu.com/business/Industry/cabinet-nod-for-15-stake-sale-in-nbcc/article8844928.ece?w=alauto>

The Cabinet Committee on Economic Affairs approved the disinvestment of 15 per cent paid up equity of National Buildings Construction Corporation Limited (NBCC) out of its 90 per cent shareholding. It would result in estimated receipts of Rs.1,706 crore approximately to the government. The Cabinet also approval the revised cost estimate (RCE) of Rs.7,290.62 crore for the ongoing 1,020 MW Punatsangchhu-II Hydroelectric Project (HEP) in Bhutan. The total cost escalation for the project, at this stage, is Rs.3512.82 crore, according to the government.

7. Learn from Baltic Sea conventions to end fishermen row: legal expert

<http://www.thehindu.com/news/international/learn-from-baltic-sea-conventions-to-end-fishermen-row-legal-expert/article8844959.ece?w=alauto>

International treaties and conventions on the Baltic Sea may provide answers to find a solution to the fishermen problem between India (Tamil Nadu) and Sri Lanka(Northern Province), according to Nirmala Chandrahasan, veteran legal expert. The Helsinki Convention was originally signed by seven Baltic coastal states in 1974 to address issues concerning sources of pollution. She emphasises there is no dispute between India and Sri Lanka on the International Maritime Boundary Line (IMBL) and hence, the question of taking the matter to any international forum does not arise.

8. Rainfall to decline over central India, increase in the north, says IMD

http://economictimes.indiatimes.com/articleshow/53191412.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

With northward movement of **the monsoon trough**, a break in rains is expected for a few days in central India and south India, except the extreme southern states. However, the north Indian plains and foothills of Himalaya will get heavy rains

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. X Schedule (Constitution)
2. President's Rule
3. Air Defence Identification Zone
4. UNCLOS
5. AFSPA
6. H-1B Visas
7. UDAY
8. PMKVY
9. PMAGY
10. ICDS
11. National Court of Appeal

Practice Questions:

Question1: Which of the following statements is/are correct about the Anti-Defection Law?

1. Anti-Defection Law is contained in the Tenth Schedule of the Constitution, which was introduced by the 52nd Amendment in 1985
2. A party could be merged into another if at least one-third of its party legislators voted for the merger

a) 1 only b) 2 only c) Both 1 and 2 d) Neither 1 nor 2

Ans a

Question 2: Which of the following statements is/are correct about Pradhan Mantri Adarsh Gram Yojana (PMAGY)?

1. **Pradhan Mantri Adarsh Gram Yojana (PMAGY)** is a rural development programme launched by the Central government for the development of villages having a higher ratio (over 50%) of people belonging to the scheduled castes
2. The plan is aimed to bring a number of development programs like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana (PMGSY), Sarva Shiksha Abhiyan, Mahatma Gandhi National Rural Employment Guarantee Act, ICDS etc. to select underserved villages

- a) 1 only b) 2 only c) Both 1 and 2 d) Neither 1 nor 2

Ans c

Question 3: Which of the following is/are stated objectives Pradhan Mantri Kaushal Vikas Yojana?

1. Encourage standardization in the certification process and initiate a process of creating a registry of skills
2. Enable large number of Indian youth to take up skill training and increase productivity of the existing workforce
3. Provide Monetary Awards for Skill Certification to boost employability and productivity of youth by incentivizing them for skill trainings

- a) 1 only b) 2 only c) 1 and 2 only d) All the Above

Ans d

Question 4: Which of the following statements is/are correct?

1. An **Air Defense Identification Zone (ADIZ)** is airspace over land or water in which the identification, location, and control of civil aircraft is performed in the interest of national security
2. India, Pakistan and China have such zones

- a) 1 only b) 2 and 3 only c) Both 1 and 2 d) Neither 1 nor 2

Ans c

Question 5: H5N1 is also called:

- a) Swine Flu
- b) Bird Flu
- c) Asian Flu
- d) Spanish Flu

Ans b

Useful News Articles

15-7-2016

A. GS1 Related

B. GS2 Related

1. Kashmir: U.S. calls for talks; India hits back at Pakistan at U.N.

<http://www.thehindu.com/news/international/kashmir-us-calls-for-talks-india-hits-back-at-pakistan-at-un/article8849890.ece?homepage=true>

Topic: India, U.S and the U.N

Category: International Relations

Key points:

- U.S State Department spokesperson said: “We want to see dialogue between India and Pakistan and the Kashmir on the – on how to resolve the conflict in Kashmir and our policy hasn’t changed”
- Meanwhile, India hit back at Pakistan at a United Nations conference on human rights, after the latter raised the situation in Jammu and Kashmir in the forum. Terming Pakistan’s attempt a “misuse” of the forum, India’s Permanent Representative (PR) to the U.N. reminded the world body that Pakistan has been shielding designated terrorists on its territory
- “Pakistan, is the same country whose track record has failed to convince the international community to gain membership of the Human Rights Council in this very Session of the UNGA. The international community has long seen through such designs. Cynical attempts, like the one this morning therefore, find no resonance in this forum or elsewhere in the United Nations,” he said

2. Violence dips, Army moves to stop infiltration

<http://www.thehindu.com/news/national/other-states/restrictions-strike-disrupt-life-in-kashmir/article8848394.ece?w=alauto>

Topic: Federal Relations

Category: Polity

Key points:

- The Army is moving a reserve brigade to the Line of Control along Kupwara, even as agencies suspect more youngsters can join militant ranks because of fresh violence and anger triggered by the killing of the 22-year-old Hizb-ul-Mujahideen commander Burhan Wani
- The deployment at a significant height would greatly increase the Army's presence along the LoC, but could reduce its ability to carry out surprise deployments in the interiors of the Valley

3. Arunachal Governor sets July 16 for floor test; Tuki seeks time

<http://www.thehindu.com/news/national/arunachal-governor-sets-july-16-for-floor-test-tuki-seeks-time/article8850431.ece?w=alauto>

Topic: Federal Relations

Category: Polity

Key points:

- Acting Governor of Arunachal Pradesh Tathagata Roy has asked Chief Minister Nabam Tuki to prove his majority on the floor of the Assembly by July 16. Mr Tuki however, said the order would be difficult to implement as the time was too short
- A statement from the Arunachal Pradesh Governor said the floor test proceedings would follow the principles laid down by the May 6 order of the Supreme Court regarding President's rule in Uttarakhand

4. U.S. begins quiet diplomacy to ease S. China Sea tensions

<http://www.thehindu.com/news/international/us-begins-quiet-diplomacy-to-ease-s-china-sea-tensions/article8850497.ece?w=alauto>

Topic: SCS Disputes

Category: International Relations

Key points:

- The United States is using quiet diplomacy to persuade the Philippines, Indonesia, Vietnam and other Asian nations not to move aggressively to capitalise on an international court ruling that denied China's claims to the South China Sea, several U.S. administration officials said on Wednesday
- Private diplomatic messages were sent through U.S. embassies abroad and foreign missions in Washington, while others were conveyed directly to top officials by the Defence Secretary, the Secretary of State and other senior officials

- The effort to calm the waters following the court ruling on Tuesday suffered a setback when Taiwan dispatched a warship to the area
- Meanwhile, two Chinese civilian aircraft landed on Wednesday at two new airports on reefs controlled by China in the Spratly Islands in the South China Sea, a move the U.S. State Department said would increase tensions rather than lower them

C.GS3 Related

1. Truck attacker kills up to 80 in Nice Bastille Day crowd

(<http://www.thehindu.com/news/international/truck-attacker-kills-up-to-80-in-nice-bastille-day-crowd/article8852942.ece?homepage=true>)

Topic: Terrorism

Category: Security

Key points:

- An attacker killed up to 80 people and injured scores when he drove a heavy truck at high speed into a crowd watching Bastille Day fireworks in the French Riviera city of Nice late on Thursday
- The attack, which came eight months and a day after Islamic State gunmen and suicide bombers killed 130 people in Paris, appeared so far to be the work of a lone assailant (Unidentified sources said the driver was a 31-year-old local of Tunisian origin)
- Hours earlier, in a traditional Bastille Day interview, the French President had said an eight-month state of emergency might end in two weeks' time

2. Kerala's 17 missing flew to Iran before going off radar

(<http://www.thehindu.com/news/national/keralas-17-missing-flew-to-iran-before-going-off-radar/article8850437.ece?homepage=true>)

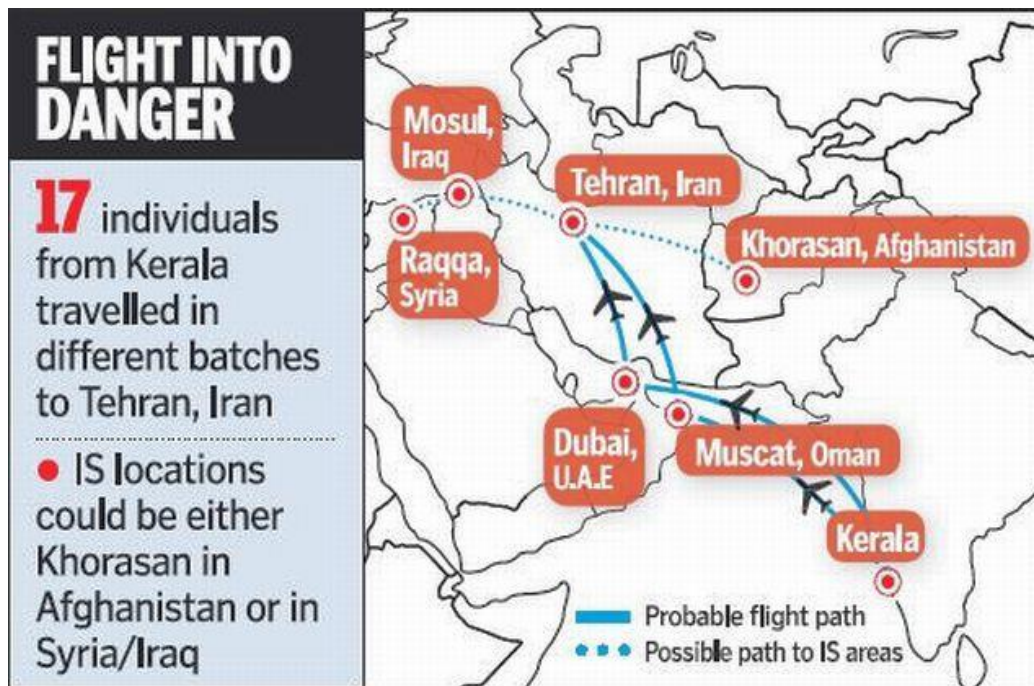
Topic: Terrorism

Category: Security

Key points:

- India has sought Iran's help in tracing 17 persons from Kerala, who have been missing for over a month, and are suspected to have joined the Islamic State (IS). Investigations by Indian agencies have revealed that the 17 Indians, including women and children, travelled till Iran on tourist visas before going off the radar

- The official said they were looking at two probable scenarios now. One, the group might have reached Afghanistan, which shares its border with Iran and joined the Islamic State in Khorasan Province. The other possibility, the official said, was that they have travelled to Iraq and from there on to Syria
- All the missing persons are from Kasargod district in Kerala and their relatives said they had received messages from them that they had reached their final destination — the 'Caliphate' that the IS aims to establish



3. Income Declaration Scheme extended to September 2017

<http://www.thehindu.com/business/Economy/income-declaration-scheme-extended-to-september-2017/article8850409.ece?w=alauto>

Topic: Taxation

Category: Economy

Key points:

- The Centre announced an extension of a deadline under the Income Declaration Scheme, aimed at bringing undeclared income and assets into the tax net to, September 30, 2017
- The government has decided to stagger the due dates for the payments. According to the new plan, a minimum of 25 per cent of the tax, surcharge and penalty is to be paid

by November 30, 2016, another 25 per cent by March 31, 2017, and the remaining amount by September 30, 2017. The previous deadline for the entire payment of the tax, interest, and penalty was November 30, 2016(for making payment by November 30, 2016, the declarants may have to opt for distress sale of the assets)

4. Rare 'Marbled Map' butterfly sighted in Eastern Ghats

(<http://www.thehindu.com/news/national/rare-marbled-map-butterfly-sighted-in-eastern-ghats/article8850478.ece?homepage=true>)

Topic: Diversity

Category: Environment

Key points:

- A group of green enthusiasts exploring around the thick forest of Eastern Ghats near P.M. Kota village of Maredumilli mandal in East Godavari district of Andhra Pradesh a few days ago, stumbled upon a butterfly species never before sighted in south India
- The find belonged to the 'Marbled Map' species
- India is home to 1,318 recorded butterfly species while the figure is about 1,500 in the entire sub-continent. A formal note will be sent to the Bombay Natural History Society (BNHS) so that it can be included in the new butterfly index

D.GS4 Related

E. Important Editorials:

The Hindu

1. Learning to control crowds

(<http://www.thehindu.com/opinion/editorial/editorial-on-jammu-and-kashmir-violent-clashes-learning-to-control-crowds/article8850348.ece?homepage=true>)

Topic: Law and order

Category: Governance

Key points:

- With the death toll rising to at least 38 in the clashes in the Kashmir Valley, the brutal crowd-control tactics of the police have come under the spotlight. They call into

question the changes in standard operating procedure that were made after the violent protests of 2010, when scores of people died, mostly to bullet injuries

- A decision had then been taken to introduce “non-lethal” pellets. But ammunition can only be as “non-lethal” as the tactics employed. And it is evident that the security forces have failed to exercise enough restraint, given the nature of injuries sustained by many young men and women. A high number of the injured have suffered pellet injuries in the eyes
- The Centre has obviously, and correctly, read the situation, and rushed a team of eye specialists to the Valley. But the tragically excessive loss of life, limb and sight this month must force a serious rethink on how policemen are equipped and trained to bring calm to the streets
- Pellets have been fired from 12-bore guns for riot control. These are not long-distance weapons. Police around the world have been trained to aim for below the knee. The idea is that the pain caused by the pellets, usually made of metal and sometimes encased in rubber, acts as a deterrent without maiming or causing serious life-inhibiting injuries. Theoretically, it sounds viable
- The reality that’s obtained in Kashmir this month tells another story. It speaks to a lack of both training and leadership. It is nobody’s case that it is an easy job to control a violent crowd, but it is the duty of the police to do so by causing as little injury as possible. They must ensure that the force they use is never disproportionately excessive to the cause of action
- In the heat of the moment, there was a clear lack of restraint, evident in the numbers injured by the spray of pellets
- Even as the best medical care is now sought to be provided, a more holistic healing must be expeditiously administered. It has to be a political exercise. This week of violence must also end with the assurance that the security forces have learnt important lessons — the most important among them being the adoption of more humane measures for crowd control

2. Theresa May’s challenges

<http://www.thehindu.com/opinion/editorial/editorial-on-the-challenges-faced-by-the-uk-new-prime-minister-theresa-may/article8850349.ece?homepage=true>)

Topic: The U.K after Brexit

Category: International Affairs

Key points:

- Three weeks after a majority of Britons voted in a referendum to leave the European Union, the British political landscape looks entirely different
- Theresa May rose from this post-referendum chaos to become the second woman Prime Minister of the U.K. A seasoned politician with administrative experience, Ms. May's style of working and policy preferences often invoke comparisons with Margaret Thatcher and Angela Merkel
- As Home Secretary for six years, she oversaw Britain's security services, borders and police forces. Despite her hard-line positions on immigration — at the Home Office she supported a net immigration cap — she chose to back the Remain camp, like Mr. Cameron, during the referendum campaign. This pragmatic euroscepticism may have helped her win over both the doves and hawks within the Conservative Party
- That the U.K. has put an end to political uncertainty quicker than expected is good news for both the country and Europe. But the challenges Ms. May faces are unprecedented: uniting the divided Conservative Party, fixing the country's economic worries which have been damaged by Brexit, restoring investor confidence in the immediate future, reigning in xenophobia in the U.K. which threatens its social cohesion and so on
- A yet larger challenge for Ms. May would be dealing with the Brexit referendum outcome. Mr. Cameron had promised to trigger Article 50 of the Lisbon treaty if there was a Leave vote. In the event, he did not. None of the Brexiteers managed to succeed him. Ms. May, herself a Remain supporter, faces a difficult situation. If she doesn't begin the process of taking the U.K. out of the EU, she faces the wrath of Brexiteers within and outside her party. If she invokes Article 50, it could have immediate repercussions for the economy and London's ties with Scotland. This is a tall order that even Ms. May's idol, Margaret Thatcher, would have struggled with

3. Expanding the Idea of India

<http://www.thehindu.com/opinion/op-ed/justice-kurian-josephs-speech-on-new-set-of-fundamental-duties-expanding-the-idea-of-india/article8850365.ece?homepage=true>

Topic: Fundamental Duties

Category: Polity

Key points:

- The Constitution of India, the longest written Constitution of the world, has envisaged a holistic approach towards civic life in a democratic polity. Certain rights have been guaranteed within the Constitution as Fundamental Rights. Since human conduct cannot be confined to the realm of Fundamental Rights, the Constitution has envisaged certain

duties, which are correlated to the rights, and those duties have been described as Fundamental Duties

- The framers of the Constitution did not deem it appropriate to incorporate those duties in the text of the Constitution when it was originally promulgated. However, the post-Constitution civic life, for around a quarter century, did not portray a rosy picture, and therefore, it was thought fit to have a framework of duties in the Constitution itself. It may sound paradoxical that the preparatory work for the introduction of Fundamental Duties by the Swaran Singh Committee was done when the Fundamental Rights were under suspension during the Emergency
- Fundamental Duties were introduced by the 42nd Amendment Act, 1976 — Article 51-A
- Subsequently, another duty was added by the 86th Constitutional Amendment Act of 2002: for a parent or guardian to provide opportunities for education of the child or ward between the age of six and fourteen
- Since then, the scope of Fundamental Rights under Part III of the Constitution has seen significant expansion through judicial pronouncements; the right to free legal services to the poor, right to speedy trial and right to live in a clean and healthy environment are just a few examples. As a result, an imbalance has been created between the current set of Fundamental Rights and Duties. Here is an attempt to examine if a few additional Fundamental Duties in the Constitution of this country could help in balancing out the rights of its citizens and further make them more responsible towards the country's development
- Duty to vote: Article 326 of the Constitution read with Section 62 of the Representation of People's Act, 1951 confers the right to vote. However, quite often the question arises as to whether that right also implies an obligation. The voter turnout during the last general election amounted only to about 67 per cent. This voter apathy should be taken seriously and an attempt should be made to make voting a citizenship obligation
- The state can take several steps to ensure that this duty to vote is made operational and effective. One method through which this may be achieved is by developing a system of incentives for voters and conversely disadvantages for those who abstain from performing their duty to vote. A very large section of people can be motivated to vote this way
- Duty to pay taxes: The tax gap (the revenue that a government is expected to receive as against the revenue it actually collects) continues to increase every year. The greatest indicator of this is the fact that the size of India's shadow economy as a share of the GDP reached 24.3 per cent in the year 2012. Research has found that tax evasion is a direct result of lack of trust among the people, in general, and the government, in particular. Citizens must believe that their taxes are bound to be used for public good. The incorporation of the right to pay taxes as part of Fundamental Duties in the

Constitution will shift the onus onto the taxpayer to pay taxes rather than the tax department to collect them

- Duty to help accident victims: Every 60 minutes, 16 persons die in traffic accidents in India. According to the Law Commission of India, at least 50 per cent of fatalities can be prevented if road accident victims receive medical attention within the critical first hour after the accident. The Karnataka government's decision to frame a 'Good Samaritan law' is a step in the right direction. With the increase in the number of accidents, it has become pertinent for India to recognise this duty as one owed by its citizens towards each other
- Duty to keep the premises clean: Prime Minister Narendra Modi's Swachh Bharat Mission has received tremendous support from people from all walks of life. The most effective mechanism to tackle uncleanliness is to sensitise people about this duty. Therefore, it is imperative that a Fundamental Duty to this effect be added to the Constitution
- Duty to prevent civil wrongs: It is not enough that a citizen refrains from committing wrong; he has a duty to see that fellow citizens do not indulge in the commission of wrongs
- Duty to raise voice against injustice: Today people seem to have stopped reacting to atrocities; they neither report crimes nor volunteer to testify in a court. The duties of a victim or a witness can be classified into two main categories, viz. duty to report a crime and duty to testify in court. The state must also on its part work to ensure that the fight to bring the offender to book does not become a nightmare for the victim or witness
- Duty to protect whistle-blowers: With the coming into force of the Right to Information Act, 2005, every citizen has become a "potential whistle-blower". While the state has a great deal of responsibility in providing for their protection through appropriate legislative instruments, the responsibility to protect torchbearers of transparency vests on each one of us
- Duty to support bona fide civil society movements: Citizens have a moral duty to organise themselves or support citizen groups so that the gaps in governance left by the executive can be filled and the rights guaranteed by the Constitution are made available to every citizen. Therefore, it is proposed that there must be an addition to Part IV-A of the Constitution to that effect
- Reinvigorating civic responsibility: In the modern context, it has become increasingly important to instil a reinvigorated sense of civic responsibility among Indian citizens. This can be achieved by adding new duties to the existing list of Fundamental Duties while also laying emphasis on the performance of the existing ones. The significance of Fundamental Duties is not diminished by the fact that there is no punishment prescribed for not following them. Fundamental Duties constitute the conscience of our

Constitution; they should be treated as constitutional values that must be propagated by all citizens

- It appears our polity is not even aware of such a noble part of our Constitution. This should be included in the curriculum of high school students at least

The Indian Express

1. Strange, said the BJP

[\(http://indianexpress.com/article/opinion/columns/arunachal-pradesh-verdict-neda-supreme-court-bjp-column-2914307/\)](http://indianexpress.com/article/opinion/columns/arunachal-pradesh-verdict-neda-supreme-court-bjp-column-2914307/)

Topic: Federal Relations

Category: Polity

Key points:

- If one thinks of principles alone, the latest ruling of the constitution bench of the Supreme Court can be very reassuring. The moment one begins situating it in the ground realities, the limited point the ruling makes becomes obvious. To be sure, there is something called constitutional morality that goes beyond the literal meaning of words, clauses and articles of the constitution
- On the whole, the court in India has sided with the former more than the latter. Unfortunately, however, actual politics tends to have very limited association with constitutional morality which is only a different name for the ethos of democracy
- It has been clear since last December that the state party is deeply divided and without the help of the flawed anti-defection laws, it is not likely that the Congress can easily survive the floor test in the state legislature. And even if it did, that would be predicated on the stand taken by the speaker
- In Arunachal Pradesh and Uttarakhand, much trouble emanated from the office of the governor and even elsewhere. Governors under this BJP government have been prone to rake in controversies. So, appointments of governors, political expectations from the new appointees and the eagerness with which the home ministry acts on their reports are all non-federal acts of the BJP government and reflect negatively on the democratic ethos that informs the SC ruling and the prevailing interpretation of the constitution
- It is an ironic coincidence that the SC ruling on Arunachal came on the day the BJP launched its major offensive in the Northeast — the North East ‘Democratic’ Alliance (NEDA). Handling states of the Northeast has always been a precarious project
- Through NEDA the party aims at consolidating its political gains from Assam. The political success, however, might leave the region more bruised and more bewildered.

The BJP, of course, has a right to expand in the Northeast; but the delicate issues of regionalism, ethnicity and a negotiated settlement of disparate claims would be ill served if the BJP steamrolls local power equations as it sought to do in Arunachal or if it bypasses local sensitivities in the region

- It is indeed a tough call for political parties to balance three things: Their constant search for power; responsibility to national interest; and the pious challenge of expanding democracy. But leaders go down in history and parties become historic only by trying to balance their power instinct with larger constraints
- The “strangeness” of the ruling lies in the fact that the ruling party is exhibiting overall contempt for democratic ethos. If a party that hopes to be the main national party of the next decade has a cynical approach to the democratic ethos, then surely there is much to worry about notwithstanding the glimmer of hope provided by the court ruling

2. Three states hold the key

[\(http://indianexpress.com/article/opinion/columns/india-polpulation-family-planning-emergency-india-births-rate-total-fertility-rate-2914318/\)](http://indianexpress.com/article/opinion/columns/india-polpulation-family-planning-emergency-india-births-rate-total-fertility-rate-2914318/)

Topic: Demographics

Category: Geography

Key points:

- Scared off by the popular backlash to family planning excesses during the Emergency, India’s political and social leadership abandoned the subject of population growth decades ago. The 10-year goals set out in the Population Policy 2000 were mostly neglected. The problem does not need a political solution. It needs the dedicated attention of the chief ministers of three states — Bihar, Rajasthan and Uttar Pradesh — in whose hands lie the attainment of a goal that 24 states have already realised:
Reducing fertility rates to replacement level
- With over 26 million births each year, the country’s population momentum is akin to a super-fast train which cannot be stopped. With determination, it can, however, be slowed down. Stopping the momentum is impossible: It is like telling generations of Indians, including newly-weds, to not have children or to mandate a small family norm. Fortunately, neither strategy is feasible in a democracy
- But chief ministers can certainly encourage people towards an optimum family size and provide couples with the tools to space and limit the arrival of their children — but voluntarily. Such an approach — soft and easy-going as it may sound — has, by and large, succeeded

- But what is “optimum”? Demographers agree that if women in child-bearing years produce an average of 2.1 children per head — so as to replace both parents — the population gets stabilised. This number is referred to as the total fertility rate (TFR). Both low and high TFR can pose problems. With Japanese and European couples opting for fewer children, TFR in Europe and Japan has fallen below 1.5; that raises fears of societies disappearing. India’s TFR is presently at 2.3 with huge variations between states
- Kerala and Tamil Nadu achieved the ideal TFR of 2.1 in 1989 and 1992. The good news is that since then, several big states — Andhra Pradesh, Himachal Pradesh, Jammu and Kashmir, Karnataka, Maharashtra, Odisha, Punjab and West Bengal — have brought down fertility rates to replacement levels. Three other states — Gujarat, Haryana and Assam — are poised to join them in a year. The TFR in some states like Goa and West Bengal has fallen to nearly European levels
- Bihar, Rajasthan and Uttar Pradesh (30 per cent of India’s population) are, however, responsible for pulling the country back. Their neighbours, Madhya Pradesh, Chhattisgarh and Jharkhand (10 per cent of the country’s population) have also been tardy but they are moving towards the 2.1 TFR goal; for them the target looks attainable by 2020
- The National Family Health Survey and the District Level Health Surveys show that most poor families if assured of two living children do not want more. But this is not the case in Bihar, Uttar Pradesh and Rajasthan where poor parents consciously want more than two children; it is also ironical that the unmet need for contraception is also the highest in these states. Higher fertility levels, early marriages, repeated pregnancies and mothers giving birth in their 40s are exacerbating the problem. Contraception is not used by 50 per cent of those who need it the most
- According highest primacy to population stabilisation in these three states is, therefore, essential. By tracking every married couple in underserved villages, a lot can be achieved. One strategy would be to give incentives to the local health volunteers who should be remunerated for every year’s delay in child birth after the age of 19 (the legal age for women to marry being 18), promoting a gap of three years between children and facilitating family planning methods
- The health minister has recently announced that his ministry will focus on high TFR districts, mostly in Bihar, Uttar Pradesh, Madhya Pradesh and Rajasthan. While this is a good strategy, the engagement of the top leadership is indispensable
- Only chief ministers carry the authority to extract work from the state health bureaucracies. As Tamil Nadu’s example shows, they can requisition the workforce of every department as well that of the private sector. At stake is not just population stabilisation but more importantly women’s liberation and a greater chance for the

unborn children to live, learn and become employable. Such reasons to reduce population can swing elections, if presented intelligently

- India's "demographic dividend" boast is sounding more and more clichéd when one sees the abysmal impact of health and education on millions of young men and women, particularly in the northern states. In the West, the term is used to signify the proportion of working people vis-a-vis the retirees. In India, the so-called dividend is actually represented by disproportionately high number of young people in six high fertility states, many of whom are unemployable. Malnutrition and illiteracy persist
- Natural growth and population growth caused by unplanned in-migration from other states which is largely responsible for the polluted, slum-ridden picture that he has painted for urban India should also be taken into consideration. That, however, is a matter for another story on how appeasement politics is replacing basic governance

3. Fact Check: Understanding the data on flowing milk, booming agricultural output

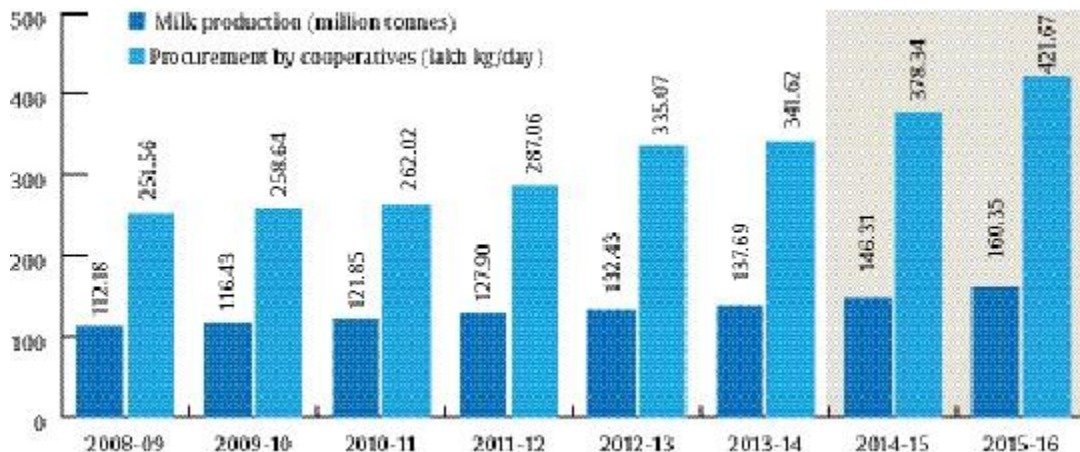
Topic: Primary Activities

Category: Economy

Key points:

- We have had two consecutive drought years, yet India's milk production, according to the Agriculture Ministry, has risen from 137.69 million tonnes (mt) in 2013-14 to 146.31 mt in 2014-15 and 160.35 mt in 2015-16. Never before has the country's milk output grown at these rates — that too, in the face of back-to-back monsoon failures
- Sounds farfetched? Well, in bad rainfall years, farmers do rely more on milk sales to make up for lost income from their main crop. So, rather than plant cotton or groundnut, they may go in for short-duration fodder crops and put all their resources and energy into dairying. In the event, more milk could flow from the udders of their animals
- There is a flip side to this, though. Farmers, even in normal times, accord priority in feeding to the buffaloes and cows already in milk. That tendency is exacerbated during droughts. Since pregnant animals and calves are the ones that bear the brunt of fodder deprivation, their reproduction-cum-lactation cycles get disrupted. Its impact on output will be, however, felt not immediately, but in the succeeding year
- Krishi Bhawan's claim of record milk production growth in the first two years of the government may, therefore, not be totally devoid of logic. The payback time for the 2014-15 and 2015-16 droughts could, ironically, be in 2016-17, which looks to be a very good monsoon year as of now

- The Agriculture Ministry's output estimates are also seemingly supported by data on milk procurement by dairy cooperatives. These were up by 10.7% in 2014-15 and 11.5% in 2015-16, more than even the corresponding growth rates of 6.3% and 9.6% for milk production
- **But connecting output to cooperative procurement can be highly misleading. Cooperatives procure hardly a tenth of the milk produced in India. Even out of their total average daily procurement of 421.67 lakh kg in 2015-16, nearly 60% was from three states — Gujarat, Karnataka and Maharashtra — that together produce less than a fifth of the country's milk. On the other hand, we have Uttar Pradesh with an 18% share of national milk output, but contributing just 1% to overall cooperative procurement. The link between production and procurement at an all-India level is, thus, tenuous at best**
- Moreover, farmers in any case resort to increased milk sales during droughts. But that, as already noted, has more to do with a drying up of regular crop income, and can happen even without production really going up. The accompanying chart shows that in 2012-13, which was a drought year, procurement by cooperatives registered a 16.7% jump, even with milk output being a mere 3.5% higher



- These apart, there is a more important reason for milk procurement by cooperatives shooting up in the last two years. Between 2013-14 and 2015-16, India's milk powder exports collapsed from 1.3 lakh tonnes (valued at Rs 2,717.56 crore) to 15,905 tonnes (Rs 292.57 crore). It takes about 11.5 kg of milk to produce 1 kg of powder. A 1.1 lakh tonne reduction in powder exports would have been equivalent to a lowering of milk purchases by some 36 lakh kg per day. Since much of exports were being done by private dairies, their cutting back on procurement would have led to all this surplus milk flowing to the cooperatives
- Cooperatives dairies are actually in a bind today. While procurement has soared by double digits, the growth in their liquid milk marketing volumes was only 5.6% in 2014-15 and 3.8% in 2015-16 — reflective, perhaps, of the pressure on incomes and

consumption in the wider economy, and also borne out by Amul or Mother Dairy not being able to raise retail prices as freely as before

- But both collapse of exports and sluggish growth in milk sales point to a problem of demand rather than supply. Production may well have increased, but certainly not by 14 mt in 2015-16 alone. That claim is difficult to reconcile with a scenario of extreme water and fodder scarcity across much of rural India in the last two years, forcing farmers to even sell their cattle at distress prices
- It isn't milk alone. Question are being raised over even the Agriculture Ministry's estimates of wheat production, which, for 2015-16, has been pegged at 94.04 mt, as against the previous year's 86.53 mt. A 7.5 mt output increase — when procurement by government agencies is down by 5.2 mt and open market wheat prices are ruling 14%-15% higher compared to last year at this time — has flummoxed market participants and grain analysts alike
- The same goes for soyabean, where Krishi Bhawan's output estimate of 8.92 mt is much more than the Soyabean Processors' Association of India's 6.93 mt
- The near-term policy implications from official crop estimates being wide off the mark are obvious. When market signals are clearly indicating a domestic shortage of wheat, the Centre is still imposing a 25% duty on imports. And the only reason for it is the Agriculture Ministry maintaining that the country harvested a bumper crop of 94 mt- plus even under poor soil moisture conditions, aggravated by high temperatures and absence of winter rains
- But the more serious implications are on credibility. At a time when everybody is expressing doubts over India's GDP growth numbers, overstating crop production only makes things worse

4. Lessons from Uttarakhand and Arunachal: what court orders on Central rule say

Topic: Federal Relations

Category: Polity

Key points:

- With the Supreme Court driving the return of Congress governments in two states in less than three months, the BJP government at the Centre has earned the dubious distinction of having been pushed back on the imposition of President's Rule in perhaps the quickest succession in Indian judicial history
- The Presidential proclamations brought the office of the Governor in both states under cloud, prompting the top court to lay down contours of power that could be validly

exercised by the Centre through the Governor, particularly when different parties are in power at the Centre and in the state.

- The legal defeats of the central government have also reaffirmed the role and authority of the constitutional courts, which have underscored forcefully the significance of democratically elected governments in states at a time when a different party has a brute majority at the Centre
- While the role of the Centre came under the courts' scanner in Uttarakhand where the Presidential proclamation was challenged, the role of the Governor was scrutinised in Arunachal's case. A Supreme Court-ordered floor test helped the Congress regain power in Uttarakhand, whereas in Arunachal, the "unconstitutional" exercise of powers by the Governor was declared sufficient to propel the Congress government back at the helm
- The upshot of the judgments by the constitutional courts in the two cases can be summed up by the opinion expressed by the five-judge Constitution Bench on the ambit of powers with the Centre, which has consistently maintained that imposition of President's rule was its exclusive prerogative
- **Wednesday's verdict was also the first to not only quash the Governor's decisions leading to President's Rule, but to turn the clock back to reinstate the previous government. In two earlier cases, the apex court had refrained from reinstating the previous government, even while it held the proclamation to have been wrongly issued. In Bommai's case, the previous government was not restored because of the passage of time, whereas in Rameshwar Prasad's case, fresh elections had been notified**
- The judgments by the Supreme Court and the Uttarakhand High Court have elucidated the significance of the "principle of responsible government" and the necessity of a "comity" between the constitutional functionaries "to further the constitutional vision of democracy in the larger interests of the nation"
- Regretting what the Constitution Bench on Wednesday described as "a thrashing to the Constitution and a spanking to governance", the constitutional courts have outlined that dislodging a democratically elected government through a Presidential proclamation must happen in extremely rare circumstances, and that the Governor, in such instances, must "keep clear of any political horse-trading, and even unsavoury political manipulations, irrespective of the degree of their ethical repulsiveness"
- The courts have stated that a Governor must remember he is not a democratically elected representative, and therefore, he cannot assume powers of a responsible government and act without the aid and advice of the Chief Minister and his Council of Ministers. The judgments are guiding directions to the Governors to act dispassionately and disassociate themselves from the political affiliations once they resume the constitutional posts

- The judgments further define the specific powers of the Governor, saying that when he believes that the state government has lost the confidence of the majority, he could propose a floor test and then send a report to the President. Under no other circumstances, the courts have now held, can the Governor act without aid and advice
- Also emphasising the role of the Speaker of the Legislative Assembly, the judgments have said that no other authority, including the Governor, can direct the Speaker on how to conduct the proceedings of the House, while reiterating that in a democracy, the floor test is the real test to prove majority

PIB

1. Meeting of Consultative Committee of the Ministry of Agriculture and Farmers Welfare related to National Food Security Mission

According to the third advance estimate, the total production of food grains was 252.23 million tonnes in 2015-16 which is a little bit more in comparison to 252.02 million tonnes in the year of 2014-15. A target has been fixed for the whole food grains production as 270.10 million tonnes for the year 2016-17.

India ranks first on global scenario in respect the consumption of edible oils. Our country requires has a total demand of edible oils in terms of 23 million tonnes. However, we are capable to produce only half of this requirement. To fulfil this scarcity we have to import 12 million tonnes edible oils every year. Keeping this in view, the Government of India is implementing a project **as National Oilseeds and Oil Taad(Palm oil), project**. Under this project oilseeds crops, production of improved seeds to promote the production of oils generated through Taad and trees, micro irrigation, agriculture mechanisation etc. is being encouraged. A special emphasis is being put to promote the farming of oil taad keeping in view the potentiality of its farming in North-Eastern States.

The production of pulses was 8.41 million tonnes on 19.09 million hectare area in 1950-51 and the average productivity was 441 kg per hectare whereas in the year 2013-14 a production of 19.27 million metric tonne was obtained on 25.23 million hectare area and average productivity was 764 kg per hectare. This enhancement is not like that of the enhancement of the crops like rice and wheat in respect of production of pulses. The availability of pulses per capita has reduced to 15.3 kg per year in comparison of 22.1 kg per year in 2013. During this period the availability of rice and wheat per capita has increased from 58 kg per year to 84.8 kg per year and from 24 kg per year to 66.9 kg per year respectively.

Up to the year of 2013-14 under National Food Security Mission (NFSM) the programmes related to pulses were implemented in 468 Districts of 16 States. The Government expended

this mission to North-Eastern States, Hilly States, Kerala as well as Goa. Now, under NFSM the pulses programme is being conducted in 638 Districts of 29 States. Apart from this the crops of pulses are being promoted on rice fallow land under Eastern India Green Revolution Programme (BGREI) in the year of 2015-16. BGREI-Bringing Green Revolution to Eastern India

The Minister of Agriculture further said that top priority is being given to increase the production of pulses in the country by Government of India. During the year 2016-17 under NFSM a sum of Rs. 1100 crore has been earmarked as a central share for pulses programmes out of the whole allocation of Rs. 1700 crore.

2. India was confident that ASEM's role can be elevated to harness the collective capabilities of two dynamic continents for the shared peace, progress and prosperity of our countries and regions: Vice President

Addresses Plenary of the 11th ASEM Summit

ASEM-Asia-Europe Meeting

The Vice President of India, Shri M. Hamid Ansari has said that India was confident that ASEM's role can be elevated to harness the collective capabilities of two dynamic continents for the shared peace, progress and prosperity of our countries and regions. He was addressing the Plenary of the 11th ASEM Summit being held today in **Ulaanbaater, Mongolia**, where he is leading the Indian delegation. He said that ASEM today is a dynamic bridge between Asia and Europe and our shared endeavour has been to promote multi-dimensional connectivity between our continents.

The Vice President said that physical connectivity is merely the means to meeting the aspirations of our citizens; to building mutually beneficial partnerships, and to collectively addressing our regional and global challenges. **The networks of connectivity must also include institutional, digital, economic and socio-cultural aspects, he added.**

Addressing the issue of terrorism, the Vice President said that our societies today face unprecedented levels of threat from **terrorism** in all its manifestations with the most recent example being what has happened, most unfortunately in France. He said that we need to cooperate meaningfully to deal with this threat. **He urged the ASEM to pledge to work together to erase the scourge of terrorism by taking speedy action against the perpetrators, organizers, financiers and sponsors of terror, pointing out that the early adoption of the Comprehensive Convention on International Terrorism under the aegis of the UN is an imperative today.**

The Vice president said that ASEM should also collaborate to protect our global commons such as the seas and oceans in accordance with international conventions, urging ASEM members to resolve disputes peacefully, without threats or use of force, and exercise self restraint in the conduct of activities that could escalate disputes effecting peace and stability. **As a State Party to the UNCLOS, India urges all parties to show utmost respect for the UNCLOS, which establishes the international legal order of the seas and oceans, the Vice President added.**

3. Call on PM by Mr. Gen Nakatani, Defence Minister of Japan

Mr. Gen Nakatani, Defence Minister of Japan, called on Prime Minister Shri Narendra Modi today.

The Prime Minister condoled the loss of life of Japanese citizens in the terror attack in Dhaka earlier this month. The Prime Minister called for greater bilateral and multilateral cooperation against terrorism.

Mr. Nakatani briefed the Prime Minister on the bilateral defence cooperation initiatives. The Prime Minister welcomed Japanese participation at the International Fleet Review in Vishakhapatnam in February 2016, and in the Malabar Exercise off the Japanese coast in June 2016.

Mr. Nakatani also briefed the Prime Minister on regional developments in East and Southeast Asia. The Prime Minister said that he is looking forward to his visit to Japan later this year for the Annual Summit.

4. Mhadei returns after Successful Completion of All Women Expedition

The Indian Navy's Ocean going sailboat, Mhadei, returned to her homeport, Goa, today. A team of six young women officers from the Navy registered a thrilling historic first when they returned to Goa successfully after a voyage to Mauritius. The team on their maiden, and India's first all-women crew ocean voyage, covered a distance of over five thousand nautical miles through treacherous monsoon seas and heavy winds. The voyage had commenced in Goa on 24 May 16 and reached Port Louis, Mauritius on 14 June 2016.

5. DRDO Embarked Major Success in Advanced Artillery Gun System

DRDO achieved yet another technological breakthrough by successfully conducting the proof firing of Armament system for 155 mm x 52 calibre **Advanced Towed Artillery Gun System** (ATAGS) during the technical trials conducted recently at Proof & Experimental Establishment (PXE), Balasore.

6. Government of India and ADB Sign US \$ 100 Million Loan for 'Climate Adaptation in Vennar Subbasin of Cauvery Delta project' in Tamil Nadu

The Government of India and the Asian Development Bank (ADB) today signed a \$100 million loan agreement to strengthen key irrigation and drainage system and improve water management in the Vennar sub-basin of the Cauvery delta in Tamil Nadu. The financing will be used to strengthen embankments of six major irrigation water channels in the Vennar system and rehabilitate 13 irrigation pumping schemes.

7. India felicitated for Maternal and Neonatal Tetanus Elimination (MNTE) and Yaws-free status India: first nation to be formally acknowledged to be yaws-free “proud moment for India to have achieved these two momentous public health milestones”: J P Nadda

India received the official citation from WHO and UNICEF for Elimination of Maternal and Neonatal Tetanus and for being Yaws-free. India is the first country to be officially acknowledged as being Yaws-free. India was validated for Maternal and Neonatal Tetanus Elimination (MNTE) in April 2015, ahead of the global target date of December 2015.

Yaws is a tropical infection of the skin, bones and joints

The Financial Express:

1. Here's what can give Internet access to 500 mn Indians

[\(http://www.financialexpress.com/fe-columnist/beyond-digital-public-distribution-system/317149/\)](http://www.financialexpress.com/fe-columnist/beyond-digital-public-distribution-system/317149/)

Topic: Internet

Category: Governance

Key points:

- A few years ago, the Delhi Government and SEWA experimented to offer poor families a choice on how to receive their food essentials—whether to continue with supplies from the Public Distribution System (PDS), or to switch to a practice of benefit transfer in cash
- These options represent two distinct economic approaches to directly provide food security to needy households—namely, dual-pricing and income-transfer, respectively. The experiment was influenced not as much by the desire to test which of these two mechanisms would be more efficient
- Rather, it sought to explore the kinds of choices a family may exercise and, consequently, the possible benefits marginal sections/strata of society may generate if given a preference

- Families opting for income transfer demonstrated many choices being exercised: they chose to buy more protein foods (animal or pulses) to diversify their nutritional intake; they pooled money to collectively buy from the mandi; they bought grains of their choice, different from those vended in the PDS; or often the same grains as by the PDS but of better quality
- Not only was the principal policy goal (food security) achieved but it was done so in a manner that catalysed two crucial ripple effects. On the supply-side, the efficiency of PDS vendors improved while on the demand-side, it catalysed non-economic and economic empowerment—best testified by women pooling in resources and collectively buying grains of their choice
- Current discussions on digital access and equality, especially in the context of net-neutrality, have gigabytes to learn from such social behaviour—especially since, in providing digital access, unlike access to food, there exist efficient mechanisms for direct and targeted support to end-users
- These bypass contentious mechanisms and anti-competitive practices of enabling internet access, such as differential pricing and offering fragments of the internet, that were justifiably barred by the Telecom Regulatory Authority of India (Trai) this February
- Trai’s recent consultation paper on “Free Data” in May moved the debate to alternative mechanisms and available tools. Akin to income transfer for availing food security, online tools and data-sponsoring apps (like Gigato for instance) could remunerate users through data/time; it is left to the netizen on what and when to spend that data
- One can imagine part of it being spent on sharing latest thoughts and pictures on Facebook; perhaps a larger part is likely to be used to access content/services not offered by predefined packages like Free Basics—such as editing Wikipedia pages, using WhatsApp or VoIP, reading news reports or re-charging household subscriptions to cable TV
- Devising innovative mechanisms to offer users’ data/time has much wider implications. If the public exchequer provides marginal sections of society gratis data/time, a digital PDS, this will immediately widen internet access in India
- Being a digital transaction, targeting benefits to deserving users is almost foolproof—unlike targeting beneficiaries of PDS
- Providing a limited amount/time of data, first-time internet users would get the choice, like families opting for cash transfer for food, to spend it on what they perceive to be their digital essentials. In other words, access to the internet would not be compartmentalised; marginal or first-time users could define what their “basics” are from among all the offerings available on the digital mandi called the internet
- Data in itself is never free; just like food or dole for the marginalised, who earn it through labour (MGNREGA) or when the state pays for it (PDS). On the internet, a “free”

service may also involve labour, like sitting-through advertisements or filling a survey form, before being allowed to use a site.

- More commonly, a free service involves a trade—e.g., giving our phone number or e-mail, or pressing a “like”/“accept” tag. In still other cases, “free” involves a trade-off, such as surrendering our privacy or sacrificing the diversity of content, such as listening to only one music streaming service, like that provided by the internet service provider (ISP)
- So, free data must be seen as a considered term, as it may involve an undisclosed trade-off. Similarly, data-transfer or data-sponsoring apps must be seen with regulatory caution, for their potential to violate the principles of net neutrality. This principle rests on a trio of policy values: parity of availability, equity of access and uniformity in affordability
- Infringement of these values by an ISP typically takes three forms: by hindering the provision of a website; by prioritising, or throttling, data-flows from a website; and, where availability and access are unfettered, by offering certain data at zero or reduced or higher price than comparable ones.
- Within the framework of these values, it is worth pursuing an engagement with “free data”
- Creative mechanisms to provide or transfer data gratis, especially to first-time and marginal users, is welcome as long as they are undertaken in a transparent manner, allow users to choose what to access, and does not hinder competition in the ecosystem of online content/service providers
- This will contribute to achieving the policy goal of expanding internet access but in a manner congenitally embedded to protect net neutrality
- Championing net neutrality in a manner that also proactively emphasises expanding and enhancing digital access is now a necessary, and not just desirable, element in internet policy
- The internet holds opportunities incrementally more than just a parallel for the cash transfer approach to food security.
- A combination of providing data/time (access) and encouraging data transfer/sponsoring (free data) could precipitate digital capability for well over 500 million, of the 700 million mobile phone users in India. If the former is supported from the Universal Service Obligation Fund, and innovations in the latter continue to be spawned by the market, this could emerge as a creative and productive instance of public-private partnership, of which few successes exist in India’s infrastructure sector (The New Telecom Policy - 1999 (NTP’99) provided that the resources for meeting the Universal Service Obligation (USO) would be raised through a ‘Universal Access Levy (UAL)’, which would be a percentage of the revenue earned by the operators under

various licenses. The Universal Service Support Policy came into effect from 01.04.2002. The Indian Telegraph (Amendment) Act, 2003 giving statutory status to the Universal Service Obligation Fund (USOF) was passed by both Houses of Parliament in December 2003)

The BusinessLine:

1. Taking pensions to the poor

<http://www.thehindubusinessline.com/opinion/taking-pensions-to-the-poor/article8850183.ece>

Topic: Social Sector Initiatives

Category: Governance

Key points:

- In the last two years, the Government has introduced several new programmes, some of which are variations of earlier schemes. One such is the Atal Pension Yojana (APY), which was earlier called Swavalamban Yojana NPS (National Pension Scheme) Lite. The APY was introduced in 2015 for unorganised sector workers who do not have sufficient and reliable old age security
- The scheme encourages unorganised workers to make regular small savings during their working years towards pension benefits later. This is an important policy shift away from social assistance schemes to contributory schemes
- APY clearly spells out end benefits of the pension scheme. Monthly pension ranging from ₹1,000 to ₹5000 is guaranteed upon retirement if subscribers contribute the prescribed amount for at least 20 years. This is an improvement over NPS-Lite where the pension amount was uncertain
- The Government provides co-contribution as incentive for five years to poor, unorganised workers not covered by formal social security schemes. APY is a public scheme regulated by the Pension Fund Regulatory and Development Authority (PFRDA). The key functions of record keeping, administration and customer service are performed by National Securities Depository Limited. A Permanent Retirement Account Number (PRAN) is assigned to all subscribers
- The scheme is tied to the broader mission of financial inclusion under the Pradhan Mantri Jan Dhan Yojana by using banks as intermediaries for promoting, administering and extending pension benefits to low income workers. With greater emphasis on e-governance, the scheme seeks to use mobile SMS reminders/alerts, electronic KYC-

based registration and online exit, withdrawal, claims settlement processes to overcome last mile challenges and simplify the experience

- Official statistics show that by March 2016 the scheme had registered 371 banks (public and private sector , RRBs, cooperatives,etc), enrolled 24.60 lakh subscribers, and was managing ₹506 crore of assets. The scheme registered the highest month-on-month subscriber growth (13.55 per cent) and asset growth (26.18 per cent) among all pension schemes in March 2016. However, unorganised workers covered by it are barely 1 per cent
- Stringent default penalties are a major impediment. If a subscriber misses six consecutive contributions, the account is frozen, after 12 months it is deactivated and beyond 24 months the account is permanently closed. Considering that APY is meant for unorganised workers with irregular income streams, this feature reduces the scheme's effectiveness
- Limited government co-contribution: Although co-contribution has been extended to 2019-2020, this could be availed of only by those joining before March 31, 2016. Given that the coverage of the scheme is less than 1 per cent, many unorganised workers joining the scheme in future cannot access it
- Poor agent incentives: Banks are asked to administer APY so that new bank accounts opened under PMJDY could be used for promoting the scheme as well as expanding financial inclusion among the economically excluded
- However, this will come in the way of the rural poor accessing the scheme due to low financial inclusion and low penetration of bank branches in rural areas. Moreover, incentives to banks are considerably lower than those provided in previous schemes since incentives have to be mutually negotiated, and shared between banks and business correspondents
- Lower flexibility in exit and withdrawal: The exit process is rigid as the scheme permits premature withdrawals only in the event of death of the beneficiary or her/his being afflicted by a terminal disease. Subsequently, the exit option was given to the beneficiary if she/he gave up the government's contribution and interest earned on his/her contributions. Considering that poor unorganised workers are highly vulnerable to workplace injuries, accidents and disability, this reduces the reach of the scheme
- Remove account closure for defaults: In the event of sustained non-payment, there can be a system by which subscribers are no longer entitled to a fixed monthly pension on retirement as per APY but can continue making suitable contributions to the APY account at his/her discretion to get different returns. At retirement, 40 per cent of the accumulated corpus can be converted into an annuity and the rest can be offered as a lumpsum

- Encourage mobile money payments: APY hopes to leverage PMJDY's success to expand its coverage among low income workers. However, according to the RBI, while PMJDY has increased account density among underserved communities, account usage is low with nearly 35 per cent of such bank accounts having zero balance. This calls for the deployment of low cost and flexible mobile money channels, which is a newly emerging technology, to improve last mile access to banks for the rural poor
- Ease of premature exits and withdrawals: APY should provide for partial withdrawal of the corpus in an emergency after a reasonable lock-in period of 5 or 10 years. Public Provident Fund schemes have a 15-year lock-in period prior to full withdrawal and allow 50 per cent withdrawal at the end of the sixth year. APY should introduce similar flexibility
- Enhance behavioural interventions: Behavioural interventions or 'nudges' have of late attracted significant attention as low cost policy tools to elicit desired savings behaviour. Studies around the world show that nudges such as peer comparison, commitment devices, goal-setting calendars and personalisation are effective in overcoming self-control issues and prompting regular savings. Although APY has incorporated SMS reminders and auto-debit facility, scope for embedding behavioural interventions into the APY design still exists
- These improvements are urgently needed to improve the coverage of unorganised workers and enhance old age security among them

The Economic Times:

1. No surprise that Cairn is raising Cain

[\(http://blogs.economictimes.indiatimes.com/et-editorials/no-surprise-that-cairn-is-raising-cain/\)](http://blogs.economictimes.indiatimes.com/et-editorials/no-surprise-that-cairn-is-raising-cain/)

Topic: Taxation

Category: Economy

Key points:

- Cairn Energy Plc's reported move to file an arbitration claim seeking \$5.6 billion as damages from the Indian government is a lesson for the tax office to stop raising frivolous tax demands, and end festering disputes with foreign investors. The case has been hanging fire ever since the tax office raised a demand for capital gains tax on the transfer of assorted Cairn subsidiaries to a single Cairn subsidiary in India, ahead of Cairn India's initial public offer

- This was done by invoking a retrospective clarification on indirect transfer of capital assets in India. Rightly, Cairn contested the demand saying that consolidation of various group companies into a single entity marks business re-organisation, which is not liable to be taxed. Globally, business reorganizations within a group are tax neutral, and India cannot be an outlier. The tax demand must be dropped
- The Foreign Investment Promotion Board that approved the Cairn restructuring reportedly did not raise the tax issue. The Shome panel, which reviewed retrospective taxation, also recommended an exemption from capital gains tax for business re-organisation within group companies that includes transfer of shares of a foreign company with underlying assets in India
- But the government failed to provide clarity on the subject. In fact, clarity should be provided in the law. It is absurd for the government to expect Cairn to pay tax under the one-time settlement scheme, open for other types of cases, when no tax was due when the government approved the transactions later taxed. Lack of clarity in the law, reluctance of tax officials decide in favour of taxpayers, adds to a chain of appeals. Delay in ending thoughtless disputes is not in India's interest as it seeks to attract more investment into the country

Quick Bits and News from States

1. India with us on verdict, says China

<http://www.thehindu.com/news/national/india-with-us-on-verdict-says-china/article8850469.ece?w=alauto>)

China continues to insist that it has India's support over the international tribunal verdict on Tuesday that rejected China's claims in the South China Sea challenged by the Philippines, despite India's statements to the contrary. It says India had signed a "common position" statement on the issue this April when External Affairs Minister Sushma Swaraj attended the Russia-India-China (RIC) conference in Moscow. Meanwhile, Japan and India on Thursday "urged all parties to show utmost respect" to the ruling of a tribunal earlier this week in The Hague on South China Sea dispute. A joint statement to this effect was issued after the annual defence ministerial meeting between the two countries.

2. SC orders T.N. to admit candidates from other States to medical courses

<http://www.thehindu.com/news/national/sc-orders-tn-to-admit-candidates-from-other-states-to-medical-courses/article8851439.ece?w=alauto>)

Twenty-eight students hailing from other parts of the country will attend super-specialty medical courses in Tamil Nadu after the Supreme Court ordered the State to forgo its policy of reserving seats for domiciled students in these advanced medical studies. On July 1, the Bench said medical education should not be cloistered from talents outside the State and Tamil Nadu should unreservedly open its doors to the best of doctors across the country.

3. Govt mobilises 3.1 tonnes of gold under monetisation scheme

[\(http://www.financialexpress.com/economy/govt-mobilises-3-1-tonnes-gold-monetisation-scheme/317111/\)](http://www.financialexpress.com/economy/govt-mobilises-3-1-tonnes-gold-monetisation-scheme/317111/)

Government today said it has netted 3.1 tonnes of idle household and temple gold under the monetisation scheme since its launch in November 2015. This is much lower than 800-1,000 tonnes of annual gold import.

4. Coastal villages brought under World Bank aided project

[\(http://www.financialexpress.com/economy/coastal-villages-brought-world-bank-aided-project/316848/\)](http://www.financialexpress.com/economy/coastal-villages-brought-world-bank-aided-project/316848/)

A 12.59 crore World Bank aided underground power cable project will be implemented in the Union Territory of Puducherry to benefit all coastal villages. A 12.59 crore World Bank aided underground power cable project will be implemented in the Union Territory to benefit all coastal villages.

5. India-EU launch joint project to identify and reduce barriers to farm exports

<http://www.thehindubusinessline.com/news/world/indiaeu-launch-joint-project-to-identify-and-reduce-barriers-to-farm-exports/article8850338.ece>

To deal with the frequent rejection of agriculture and processed food consignments from India in Europe and other developed country markets, India and the EU have launched a joint project to identify the barriers faced by Indian exporters in key markets and come up with recommendations to overcome them.

Mangoes, grapes, basmati rice, peanut & peanut products, mushroom, green peas, green beans, dairy products and eggplant will be the focus of the research project as these face the maximum sanitary & phytosanitary (SPS) hurdles in the Western markets. Research under the joint project, being funded by the EU as part of the larger Capacity-building Initiative for Trade and Development (CITD), will be carried out by Delhi-based think-tank ICRIER, under the supervision of the Commerce & Industry Minister in India and EU officials. The results and

recommendations of the study can also provide inputs for the proposed India-EU free trade pact as tackling of SPS barriers is high on India's agenda.

6. Coated silicon nano-particles can solve heat sink problem

[\(http://www.financialexpress.com/fe-columnist/coated-silicon-nano-particles-can-solve-heat-sink-problem/317148/\)](http://www.financialexpress.com/fe-columnist/coated-silicon-nano-particles-can-solve-heat-sink-problem/317148/)

Researchers from Howard University and Georgia Institute of Technology have created **ethylene glycol-coated silicon nanoparticles** to create a sand-like matter as a solution to the heating problem that most electronic devices face.

While computers have been using more fans and heat-sinks, their viability has ceased given that consumers want small devices with more computing power.

The sand works not only as a heat dissipator but also as a bad conductor of electricity, thereby making it suitable for sprinkling on computers and mobile phones.

7. Talgo becomes the fastest train in India

<http://www.thehindubusinessline.com/economy/logistics/talgo-becomes-the-fastest-train-in-india/article8850253.ece>

Spanish-made Talgo has become the fastest train in the country by clocking a speed of 180 km/hr by covering 84 km in 38 minutes in a trial conducted by Railways on Mathura-Palwal route, surpassing the record of Gatimaan Express. The maximum speed of Gatimaan Express is 160 km/hr, Shatabdi Express 150 km/hr and Rajdhani Express is 130 km/hr.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. Human Rights Council
2. X Schedule
3. President's Rule
4. SCS Disputes
5. IS
6. IDS
7. BNHS
8. Fundamental Duties
9. TFR
10. NFSM

11. ASEM
12. UNCLoS
13. APY
14. Gold Monetization Scheme

Practice Questions:

Question1: Which of the following is the fastest running train in India?

- a. Gathimaan Express
- b. Talgo
- c. Rajdhani Express
- d. Shatabdi Express

Ans-a

Question 2: Which of the following is/are explicitly included as Fundamental Duties in Part IV-A of the constitution?

- 1.Duty to vote
- 2.Duty to preserve natural heritage
- 3.Duty to safeguard private property
- 4.Duty to stand against injustice

- a) 1 and 2 only b) 2 and 3 only c) 1,2and 3 d) All the Above

Ans b

Question 3: Which of the following is/are correct about the Gold Monetisation Scheme?

1. Redemption is possible in physical gold or rupees
2. Earnings from the scheme are exempt from capital gains tax, wealth tax and income tax

3. The designated banks may sell or lend the gold accepted under the short-term bank deposit to Metals and Minerals Trading Corporation of India(MMTC) for minting India Gold Coins and to jewellers, or sell it to other designated banks participating in the scheme

- a) 1 only b) 2 only c) 1 and 2 only d) All the Above

Ans d

Question 4: Which of the following statements is/are correct?

1. The UNHRC (UN Human Rights Council) is the successor to the UN Commission on Human Rights, and is a subsidiary body of the UN General Assembly.
2. Pakistan and India are members of the UNHRC

- a) 1 only b) 2 and 3 only c) Both 1 and 2 d) Neither 1 nor 2

Ans a

Question 5: Which of the following statements is/are correct?

1. **Malaria** is a mosquito-borne infectious disease of humans and other animals
2. **It is** caused by parasitic protozoans belonging to the *Plasmodium* type

- a) 1 only b) 2 and 3 only c) Both 1 and 2 d)Neither 1 nor 2

Ans c

Useful News Articles

16-7-2016

A. GS1 Related

1. Census 2011 records rise in literacy among disabled

<http://www.thehindu.com/news/national/census-2011-records-rise-in-literacy-among-disabled/article8856786.ece?w=alauto>)

Topic: Demographics

Category: Geography

Key points:

- More than half of the total disabled population in India are now literate, new numbers released from Census 2011 show. The literacy rate among the disabled has increased from 49.3 per cent in 2001 to 54.5 per cent in 2011. However, this is significantly lower than the overall literacy level of India which stands at 74 per cent
- Both rural and urban areas saw an increase of around four percentage points in literacy rate of the disabled
- Among the urban disabled, 68 per cent are literate while the number stands at 49 per cent for disabled in the rural areas
- The difference between literacy rate of males and females is wider in rural areas — 72 per cent of disabled males and 61 per cent of disabled females in urban areas are literate, a difference of nine percentage points
- But in rural areas, the difference stands at 20 percentage points, as 58 per cent of disabled males and only 38 per cent of disabled females are literate

B. GS2 Related

1. Modi to interact with all Chief Ministers today

(<http://www.thehindu.com/news/national/modi-to-interact-with-all-chief-ministers-today/article8856074.ece?w=alauto>)

Topic: Federal Relations

Category: Polity

Key points:

- Prime Minister Narendra Modi will interact with the Chief Ministers of all the States at a meeting of the Inter-State Council on Saturday
- The Inter-State Council, which is meeting after 10 years, will discuss internal security, economic and social planning, and inter-State relations among other issues
- Other issues include the recommendations of the Punchhi Commission on Centre-State relations, the use of Aadhaar as an identifier and the use of Direct Benefit Transfer for providing subsidies and benefits, and improving the quality of school education with focus on improving learning outcomes and incentivising better performance

2. J&K violence a matter of grave concern: U.S.

(<http://www.thehindu.com/news/national/jk-violence-a-matter-of-grave-concern-us/article8856070.ece?homepage=true>)

Topic: India and U.S

Category: International Relations

Key points:

- The U.S. has been in touch with both India and Pakistan on the volatile situation in Jammu and Kashmir this week, a State Department spokesperson said, adding that the death of protestors in the State was a matter of “grave concern” for Washington

- A direct response to the question of whether the U.S. considered Kashmir an “internal matter of India” was avoided and the statement stopped short of “condemning” the death of protesters at the hands of Indian forces
- The statement also said that U.S has been very clear with the Government of Pakistan that they must target and root out these extremist groups, all militant groups and Taliban

3. ‘At least 300 killed in South Sudan ’

<http://www.thehindu.com/news/international/at-least-300-killed-in-south-sudan/article8856400.ece?w=alauto>)

Topic: South Sudan

Category: International Affairs

Key points:

- At least 300 people were killed and 42,000 fled their homes this month during four days of intense gun battles in the capital of South Sudan, the UN said
- Neighbouring Uganda and Sudan have begun to evacuate their nationals, while Ethiopia has offered to send additional troops to the UN peacekeeping there
- The violence marks a fresh blow to last year’s peace deal to end a civil war that began in December 2013 when President Salva Kiir accused Riek Machar of plotting a coup

4. '120 arrested' over coup attempt by Turkish military

<http://www.thehindu.com/news/international/turkey-political-situation/article8856482.ece?homepage=true>)

Topic: Turkey

Category: International Affairs

Key points:

- Turkey's armed forces said on Friday they had taken power in the country to protect the democratic order and to maintain human rights. Turkish military declared martial law and curfew in Turkey. Turkish presidential source said statement made on behalf of armed forces was not authorised by military command
- Turkey's President Recep Tayyip Erdogan said that nation must gather in squares to give response to attempted uprising, vows will not leave Turkey to 'occupiers'
- Turkish Prime Minister Binali Yildirim said the situation in Turkey was "largely under control"
- Turkish Justice Minister said members of movement loyal to US-based Cleric Gulen in the army attempted coup

C.GS3 Related

1. Exports return to growth after 18 months

<http://www.thehindu.com/business/Economy/exports-break-18month-downward-spiral-to-rise-in-june/article8855753.ece?w=alauto>

Topic: Exports

Category: Economy

Key points:

- India's merchandise exports rose 1.27 per cent year-on-year in June to \$22.57 billion, reversing a trend that started in December 2014 due to weak global demand and a fall in commodity prices, government data showed
- Meanwhile, imports during June 2016 slid 7.33 per cent to \$30.69 billion. Gold imports fell 38.5 per cent to \$1.2 billion, while oil imports contracted 16.4 per cent to \$7.2

billion. A growth in exports combined with a contraction in imports helped narrow the trade deficit in June to \$8.1 billion from \$10.8 billion in June 2015

- India's goods exports returning to the positive growth territory comes at a time when the World Trade Organisation (WTO) had on July 8 said it introduced a new World Trade Outlook Indicator (WTOI) to provide "real time" information on trends in global trade
- At present WTOI reading suggests that trade growth will remain weak into the third quarter of 2016

2. India slips on business optimism index: survey

<http://www.thehindu.com/business/Industry/india-slips-on-business-optimism-index-survey/article8855891.ece?w=alauto>

Topic: State of Indian Economy

Category: Economy

Key points:

- India slipped to the third position on the scale of global business optimism, during April-June, after remaining on top globally for the two preceding quarters
- According to the Grant Thornton International Business Report (IBR), companies were concerned about the delays in key reforms like the goods and services tax, non-resolution of tax disputes and the banking sector's performance
- However, India continues to top the chart on expectations of revenue increases with 96 per cent of the respondents having voted in favour of increasing revenue as prices are seen witnessing an upsurge
- "Growth in employment expectations dropped to the second position during this period from top rank in the previous quarter (Q1 2016). The rank on optimism further slipped to fourth in terms of profitability expectations," according to the survey of 2,500 businesses across 36 economies

D.GS4 Related

E. Important Editorials:

The Hindu

1. France in the crosshairs of terror

<http://www.thehindu.com/opinion/editorial/editorial-on-terror-attack-at-nice-on-bastille-day-celebrations-france-in-the-crosshairs-of-terror/article8855990.ece?homepage=true>

Topic: Terrorism

Category: Security

Key points:

- Festivities in France to celebrate Bastille Day were brutally cut short when a truck careened through a packed crowd in the French Riviera town of Nice. The driver, identified as a French national of Tunisian origin, was shot dead by the police, but not before he had killed 84 people
- President François Hollande quickly termed it a terror attack, extended the ongoing state of emergency for three months and called for intensifying air strikes in Syria and Iraq
- The attack is the third major one in France in less than 18 months, following last November's siege of Paris that claimed 130 lives, and the January 2015 attack on the office of satirical magazine Charlie Hebdo that left 12 persons dead. Although social media channels of the Islamic State were flooded with messages acknowledging the Nice attack, no group had officially taken responsibility for it in its immediate aftermath
- There are two broad lines of analysis that the attack calls for. The first is the tactical question of **how to deal with the "lone wolf", the solitary potential terrorist motivated**

by everything from bigotry and mental illness to a genuine belief in the ultra-violent, nihilistic philosophy of the IS. Lone wolves are committed to carrying out suicide missions and taking as many innocent lives as possible, sometimes drawing direct inspiration from the words of IS leaders. A case in point here is of IS spokesman Muhammad al-Adnani who has called upon the faithful to “run over [American and French disbelievers] with your car”

- How can they be stopped in any part of the world? In the post-Mumbai attacks scenario, Indian intelligence agencies cannot afford to be complacent about this, even as a growing number of alleged IS sympathisers are reported in different parts of the country
- Secondly, a question that countries such as France must ask themselves is a strategic one. For instance, how could the **French leadership do more to re-examine the roots of the social alienation and economic misery that engulf so many among its almost five million Muslims and leave them vulnerable to radicalisation?** Such introspection could potentially reset deep-seated ethno-religious dissonance and, over the longer term, take the edge off the recruitment drives of extremists lurking in the shadows of Syria, Iraq, and the Internet

2. Freedom for the farmer

<http://www.thehindu.com/opinion/editorial/editorial-on-maharashtra-governments-ordinance-to-exempt-farmers-freedom-for-the-farmer/article8855991.ece?homepage=true>

Topic: Agriculture

Category: Governance

Key points:

- The Maharashtra government’s decision to promulgate an ordinance this week to exempt farmers from having to mandatorily sell their fruit and vegetable crop at mandis governed by a 1963 law on marketing farm produce, is a bold and laudable step

- That the Chief Minister has stood his ground against the powerful lobby of middlemen, who shut shop in protest, is even more commendable
- The problem with the present regime, under which produce has to be sold through Agricultural Produce Market Committees, is that farmers seldom benefit from price movements; traders rake in the upside that consumers are forced to shell out. When onion prices soar, for instance, it is usually traceable to APMC mandis in Nashik. This reform could help check household food expenditure by cutting out high intermediary costs to an extent
- **But an even more critical objective is to make Indian agriculture a sustainable economic activity.** Maharashtra's move is pertinent as acute indebtedness among farmers in the State has become almost systemic over the past decade. If the Central government wants to double farmers' incomes in five years (not an easy task even over a decade, going by official data from 2003 to 2013), several interventions are necessary, including better irrigation facilities, and the freedom to sell output where farmers get the best price. **Fruits and vegetables are a good place to start dismantling monopolies of the sort that Indian industry was freed from 25 years ago.** Despite a substantially lower acreage than crops such as cereals and pulses, they contribute a quarter of farm sector incomes. Estimates vary, but there is no denying that a significant chunk of horticultural produce just rots. **That wouldn't be the case if farmers could sell easily to food processing units, or even directly to consumers via e-commerce channels**
- Breaking the stranglehold of APMCs must be accompanied with easier access to credit and market information services, for which farmers often rely on their captive buyers; there also needs to be a greater push for cooperative groups so that marginal and small farmers have adequate negotiating heft in a free market. Healthy competition among private traders and processing units, government procurement agencies and cooperative farmer-producer groups would improve price discovery from farm to fork
- Going ahead, Maharashtra and other States also need to back the Centre's ambitious plan unveiled this April to create an **e-National Agriculture Market for 25 major crops**

- States must wrestle with vested interests and create more choices for the farmer and the consumer
- Though seven States had already implemented the Centre's June 2014 advisory to allow farmers to sell their horticultural produce anywhere instead of through APMCs, Maharashtra's initiative is crucial as it has a larger agrarian economy with a greater impact on national food market dynamics

3. Behind the rage in south Kashmir

<http://www.thehindu.com/opinion/op-ed/mehboob-jeelani-on-jammu-and-kashmir-violent-clashes-behind-the-rage-in-south-kashmir/article8856105>

Topic: Federal Relations

Category: Polity

Key points:

- Tapping into local resentment at the heavy presence of Indian troops which he termed as "occupation", Burhan, in a span of only six years, managed to cultivate a fan base through social media with his clarion call for "freedom" — a fan base that translated into a sudden upsurge in the numbers of local militants last year
- The Hizbul Mujahideen of which Wani was a commander was created in 1989 with an aim to shift the focus of insurgency from the Jammu and Kashmir Liberation Front (JKLF), which fought to make Kashmir independent of both India and Pakistan. Affiliated to the Jamaat-e-Islami, the Hizb managed to recruit local fighters faster than the JKLF, and it decisively steered the separatist movement to an Islamist, pro-Pakistan ideology. But by 2000, security forces had weakened the outfit to such an extent that its numbers came down from several thousand fighters to a few dozen
- The emergence of Burhan, however, brought the Hizb out of the shadows of the Lashkar-e-Taiba. The two groups have always maintained operational distance in public

but, says a senior Jammu and Kashmir police officer, share a “good working relationship” on the ground

- Burhan’s generation was born in the mid-nineties, when gun-toting militants were no longer a common sight. At the turn of the millennium, as they entered their school age, the signs of normality were visible in Kashmir. The thaw in India-Pakistan relations had paved the way for a healthy-looking dialogue process. Atal Bihari Vajpayee, the then Prime Minister, was taking significant strides towards striking a peace deal with Pakistan’s Pervez Musharraf. And Kashmir was on top of their agenda. But as Burhan and his generation entered their early teens, the peace process began unravelling. In 2008, a series of protests erupted against the transfer of land to the Shri Amarnathji Shrine Board, which quickly morphed into a pro-independence agitation, claiming the lives of 60 protesters. Two years later, the killing of a Class XII student named Tufail Mattoo triggered another wave of mass protest that killed about 120 people
- This was when the younger generation was exposed to state brutalities. The images of severely injured men, many of them teenagers, exposed the younger generation to the violent reaction of the state, forcing them to make a choice between separatism and mainstream politics. Many chose the former
- But this time, like the protesters of north and south Kashmir, they were out on the street for a reason many political experts and analysts find hard to fathom. They were out to mourn Burhan, a militant with a bounty of Rs.10 lakh, and pay ‘homage’ to him by hitting and injuring as many policemen as possible. The emotional response took the local government by surprise. The government forces responded to the unrest with bullets, pellets and smoke bombs, killing at least 39 people until July 15
- In the last decade or so, several hundred foreign militants have been killed by the police, Army and paramilitary forces. However, the display of public resentment was largely confined to the places where they were gunned down
- Between 2000 and 2010, the police handing over the body bags to gravediggers at midnight was commonplace. A neighbourhood imam would quietly offer funeral

prayers, sometimes for several unidentified bodies lowered in one grave, and life would move on

- Burhan's death continues to have the Valley in its grip, triggering a rage that refuses to die. After speaking to 20 stone-pelters in various parts of Srinagar, it emerged that the thought of replacing stones with guns does cross their minds. Half of them have lost faith in Indian democracy and are on the verge of crossing the Line of Control (LoC) to the other side, where they expect to acquire arms training, but the lack of guidance and logistical support is holding them back. The other half is still holding on to a glimmer of hope — that perhaps the government of India might take certain people-friendly measures: Quashing the FIRs against stone-pelters, scrapping the controversial Armed Forces (Special Powers) Act, demilitarising the civilian areas and making the security apparatus accountable to the people

The Indian Express

1. The construct of Islamic terror

[\(http://indianexpress.com/article/opinion/columns/nice-france-carnage-islamist-extremists-ramzan-terror-attacks-muslim-dhaka-baghdad-medina-the-construct-of-islamic-terror-2916579/\)](http://indianexpress.com/article/opinion/columns/nice-france-carnage-islamist-extremists-ramzan-terror-attacks-muslim-dhaka-baghdad-medina-the-construct-of-islamic-terror-2916579/)

Topic: Terrorism

Category: Security

Key points:

- Recent terror attacks in the month of Ramzan in Dhaka, Baghdad and Medina by Islamist extremists have again brought to light the question of vilification of the entire Muslim community in social media and in a section of mainstream media. Though we do not have firm evidence of the hand of Islamists in the July 14 attack in Nice in France, Islam might still be blamed for the carnage. There is an increasing trend to blame Islam for producing "jihadi" terrorists. However, the Muslim ulema's critique of terrorism as

antithetical to Islam (which, like many religions, spreads the message of peace) is rarely highlighted by the media. Is this a new trend of Islamophobia in the media?

- The global phenomenon of Islamophobia is a product of hundreds of years of Orientalist discourses constructed by the Western colonial education system. The dominance of many parts of the medieval world by Islamic cultures is described as “dark ages” in such discourses. Such discourses produced the phenomenon of “Islamophobia” that was reproduced in media caricatures and stereotyped political cartoons. Political caricatures of Muslims and Islam in the Western media are as old as the Suez Canal crisis of 1956-1958.
- They made an appearance during the 1974 oil crisis, the revolution, the hostage crisis of 1979-1980 and Gulf war of 1990. The 9/11 incident followed by the Afghanistan war in 2001 and the invasion and occupation of Iraq in 2003 saw such imagery acquire a sharper edge. The prejudicial view of Islam and Muslims as backward and fanatical and not compatible with modernity slots Muslims — and Islam — into a homogenous, essentialist and unitary category without acknowledging the multiplicity of Islamic groups and the heterogeneity of the Muslim world
- Popular cinema in Hollywood and, to an extent, Bollywood, have also contributed in reinforcing stereotypical images of Muslims as terrorists. Many Bollywood films make a direct connection between Muslims and terrorism, and stir up sentiments against Islam and Muslims. The community is rarely shown as a victim of terrorism, which threatens lives of both Muslims and non-Muslims. The profile of the victims of terrorist attacks in Dhaka, Baghdad and Medina shows that terrorism makes no distinction between Muslims and non-Muslims
- It is well-known that numerous terrorist groups have organisational bases among non-Muslims. According to the Forbes’ latest list of the world’s top ten richest terrorist organisations, two are non-Islamic outfits — the Revolutionary Armed Forces of Colombia (FARC) and the Real Irish Republican Army. The Aum Shinrikyo in Japan and Democratic Karen Buddhist Army in Myanmar claim to be inspired by Buddhism. The Maronites in Lebanon and Syria, Orange Volunteers, Loyalist Volunteer Force and Red

Hand Defenders in Northern Ireland, the anti-abortion Army of God in the United States, the Lord's Resistance Army in Uganda and various neo-Nazi groups in Europe claim to follow Christianity

- In 2011, Anders Behring Breivik, a neo-Nazi, carried out the horrendous attacks that killed 77 and injured 319 in Oslo in Norway. Not many decades ago, Zionist groups like Jewish Underground, Brit Hakanaim and Kingdom of Israel, as well as certain anti-communist outfits, took part in terrorist activities. Some left-wing groups, including the Maoists in India, have been designated as terrorist outfits. Hindutva activists are alleged to have organised the Malegaon, Nanded, and Hyderabad's Mecca Masjid blasts
- However, it is noteworthy that there is an increasing trend of Arabisation and Wahabisation among South Asian Muslims. Changing dress codes and changing mannerisms reflect the growing Arabisation of Muslims. This tendency is detrimental to the otherwise plural character of South Asian Muslims. Islamic theology needs to address the core problems of the religion; these pertain to gender inequality, unequal property rights for women, discrimination against women after divorce and the right to use contraception. This is only possible through democratic movements in the Muslim community: Moderate Muslims should take charge and not become passive spectators and victims of Islamist extremism

2. A job for women-and men

[\(http://indianexpress.com/article/opinion/columns/maternity-leave-benefits-paternity-leave-a-job-for-women-and-men-2916597/\)](http://indianexpress.com/article/opinion/columns/maternity-leave-benefits-paternity-leave-a-job-for-women-and-men-2916597/)

Topic: Gender Issues

Category: Society

Key points:

- The government's recommendation to extend maternity leave benefits from 12 to 26 weeks in the private sector will catapult India into a small group of countries that mandate long paid leave for new mothers. This is laudable. Yet, when asked about paternity leave and benefits for new fathers, the Labour Minister said, "The bill is about mothers and children. It is not about the men."
- The minister was responding to specifics of the bill but what he said reflects a cultural mindset ingrained in societies around the world: Childcare is a women's issue. Could we hope to make it gender neutral?
- In today's societal setup, a man would find it difficult to take time off to nurture and bond with his child. The social stigma attached is huge, even in organisations that offer some form of paternal leave benefits.
- Developed economies like the US also lag when it comes to men sharing the burden of childcare and housework. It is not that men don't step up to help. In the instances where they ask for time off to tend to family issues, studies point to long term income hits and lost promotion opportunities. Such men are viewed as lacking in ambition and drive
- The Indian context can't be compared to that of the West. Here, extended families offer a support structure. But such access doesn't mean that men carry on as ever before. One transformative step could involve helping around the house more
- Various studies, including those by the Organisation for Economic Co-operation and Development (OECD), demonstrate that Indian men spend less than an hour-a-day on housework, compared to at least four to six hours spent by women
- It is no secret that women feel the pressure to manage home even as they are expected to perform professionally. Traditional values in India run deep. McKinsey Global Institute's "The Power of Parity" report showed that a majority of men and women agreed with the statement: "If a mother works for pay, her children suffer." A survey by the Confederation of Indian Industry's Indian woman network (Maharashtra chapter) found that 37 per cent of women opt out of their job due to maternity/childcare issues. Their re-entry into the workforce was hindered by their maternal obligations. Is it

therefore surprising that those mothers who can afford to work outside home often elect not to? We have one of the lowest rates of female participation in the workforce, ranking 11th from the bottom of 131 countries, according to the International Labour Organisation. At the very least, this statistic could be improved if we stem the leaking pipeline of educated, urban women dropping out due to care obligations

- After all, there is enough evidence to support the positive economic benefits of having more women work. Last year, IMF chief Christine Lagarde noted that having an equal number of women as men in the workforce could boost India's GDP by 27 per cent. McKinsey also observed a significant bump to the GDP if more Indian women had paying jobs
- The beauty of India is our ability to adapt. A disproportionately young working age population can embrace change faster than an older one. The private sector can lead the way. Many companies are recognised for their progressive, "women friendly" HR policies. Can these eventually become gender agnostic? Could raising a family be viewed as a joint effort by mothers and fathers? Accelerating the long journey towards parity at the workplace can happen when we stop thinking of childcare and domestic chores as primarily a woman's job

PIB

1. President of India inaugurates 'India Skills-2016'

The President of India inaugurated the India Skills Competition -'India Skills-2016' today (July 15, 2016) in New Delhi on the occasion of the World Youth Skills Day. He also launched an **International Skill Centre, PMKVY 2.0 and Labour Market Information System and Skills Online.**

2. Archaeological Site of Nalanda Mahavihara (Nalanda University) Gets Inscribed in World Heritage List

“The Excavated Remains at Nalanda” got included in the Tentative List of World Heritage on 09.01.2009. The nomination dossier for ‘Excavated Remains of Nalanda Mahavihara’ was prepared by the ASI and submitted in January 2015 to the World Heritage Committee for the purpose of its inscription in the year 2016 and on 15 July 2016 it has got inscribed as a World Heritage Site by UNESCO.

The “Excavated remains of Nalanda Mahavihara”, the great monastic-cum-scholastic establishment are located around 88 km away from Patna, state capital of Bihar in India. It presents a key archaeological evidence of a truly international centre for organised learning. Nalanda Mahavihara was founded by Kumargupta I of the Gupta dynasty in 5th century CE. It was patronized by various rulers including King Harshavardhana of Kannauj (7th century CE) and the Pala rulers (8th – 12th century CE) as well as various scholars. Later, number of factors spread over centuries caused the decline of this famed institution. The same region, later, saw emergence of a number of reputed educational institutions like Vikramshila and Odantpuri but the eminence of Nalanda remains unrivaled. About six centuries after Nalanda’s decline, the site was first discovered and reported by Sir Francis Buchanan. The site was systematically excavated and consolidated by Archaeological Survey of India from 1915 to 1937 and again from 1974 to 1982.

Nalanda is a rare combination of outstanding achievements in institution-building, site-planning, art and architecture. Nalanda symbolized the multiplicity of knowledge production, the innovative processes of the organized transmission of ideas through education, and a shared heritage of people living in multiple regions of Asia.

Built ensembles in Nalanda are physical manifestation of influence of ancient Indian pedagogy where planning, architecture and artistic traditions of Indian sub-continent and beyond developed into subsequent architectural and artistic prototypes. Nalanda distinguished itself as the earliest planned university of the Indian subcontinent. Thematic and iconographic

assimilation of features from major art-centres of the sub-continent with local practices is evident in art of Nalanda. **While Nalanda stucco influenced practices in Thailand, its metal art influenced art of the Malayan archipelago, Nepal, Myanmar and Tibet travelling out through scholars.**

Nalanda attracted scholars from the Indian subcontinent and beyond and received patronage of local rulers and foreign kings for unbroken period of 800 years. Students were admitted after rigorous evaluation only. Apart from teaching of topics related to Buddhism, contemporary texts and philosophies, logic, grammar, science, and medicine were also part of the knowledge imparted at Nalanda. Earning the title of 'Medieval School of Discussion and Logic', Nalanda's scholars mastered the art and science of debate developing it into a critical tool for higher learning. Today, the continuity of its systems is also evident in contemporary monasteries in Sri Lanka, Tibet and Nepal. In fact, the term Nalanda has become synonymous with aspired standard of education as evidenced in several 21st century namesake institutions all over the world.

All surviving remains of Nalanda Mahavihara in the proposed property area demonstrate amply the attributes of the property such as its planning and layout, its architectural manifestation and extant building materials and applied ornamental embellishments. Preserved in-situ is structural remains of viharas (residential-cum-scholastic structure) and chaityas (temple-like structure) whose layers of construction show evolution of the respective forms. The positioning of these structures over the length of the site shows the planned layout unique to Nalanda. The viharas retain infrastructure for residential-cum-scholastic functions. The quincuxial or five-fold plan-form characteristic of a Nalanda chaitya is evident in the temple within the property. The site also retains a corpus of moveable and immovable artefacts and artistic embellishment that shows iconographic development reflecting changes in Buddhist belief system. While stucco and engraved art are conserved in-situ, metal and stone objects are exhibited today at the adjoining Site Museum.

3. Shri Ravi Shankar Prasad Launches Transforming India Website

“India is moving ahead, at a rapid pace. Indians are marching together, like never before Towards Peace, Progress & Prosperity”-He Says

The Union Minister of Electronics and Information Technology and Law & Justice today formally launched new Transforming India website -www.transformingindia.mygov.in - in New Delhi.

'Transforming India' website is a repository for sharing the impact of various governance initiatives with citizens in real-time. This website provides information in a user-friendly format enabling citizens to view the content in the form of Infographics, e-books, performance dashboard, videos, daily news corner, etc. and engage with the content by comments and sharing the content through Social Media.

4. Indian Warships visit Port Kelang, Malaysia

In a demonstration of India's 'Act East' policy and Indian Navy's increasing footprint and operational reach, Indian Naval Ships Sahyadri, Shakti and Kirch under the Command of the Flag Officer Commanding Eastern Fleet have arrived at Port Kelang, Malaysia today 15 Jul 16 on a four day visit, as part of deployment of the Eastern Fleet to the South China Sea and Western Pacific

5. Universal roll-out of Public Financial Management System (PFMS) for Central Sector Schemes

The Department of Expenditure is administering the Public Financial Management System (PFMS), which is an end-to-end solution for processing payments, tracking, monitoring, accounting, reconciliation and reporting. It provides the scheme managers a unified platform for tracking releases and monitoring their last mile utilization.

Government has decided to universalise the use of PFMS to cover all transactions/payments under the Central Sector Schemes. The complete monitoring of these schemes will require mandatory registration of all Implementing Agencies (IAs) on PFMS and mandatory use of Expenditure, Advance & Transfer (EAT) module of the PFMS by all IAs.

The Financial Express:

1. Why it is good for the govt to take power away from ICAI, MCI

[\(http://www.financialexpress.com/fe-columnist/good-narendra-modi-govt-take-power-away-icai-mci/318334/\)](http://www.financialexpress.com/fe-columnist/good-narendra-modi-govt-take-power-away-icai-mci/318334/)

Topic: Internet

Category: Governance

Key points:

- From Satyam to Kingfisher, most examples of corporate fraud have shown up the auditor as either unequal to the task or even complicit—and this applies not to small fly-by-night auditors, but many of the big audit firms. In the most recent case involving United Spirits Limited (USL) and Vijay Mallya where a forensic audit has thrown up clear evidence of Rs 1,225 crore of funds being diverted, top audit firms had been associated with USL—Deloitte did the due diligence for Diageo before it bought into USL, and USL’s auditors have included, from FY11 onwards, Price Waterhouse, Walker Chandiook and KPMG associate BSR & Co
- When it comes to disciplining auditors, however, the regulatory body Institute of Chartered Accountants of India (ICAI) has been found wanting, and not surprisingly since its members are the very people/firms it is supposed to be regulating. The same thing

applies to other bodies such as the Medical Council of India and the Institute of Company Secretaries of India

- Given this backdrop, the commerce ministry's proposal to strip ICAI and other such professional bodies of their regulatory powers is a good idea since it prevents a conflict of interest. All of this is part of a plan to improve India's regulation of the services sector and bring it on par with the global best practices
- The biggest advantage of the independent regulators handling the affairs of these services on the lines of Sebi, Trai, or the Competition Commission of India, would be the plugging of the possibilities of delay and reluctance in taking action against members of their own fraternity
- Certainly, it is true that professional bodies are the best judges in terms of standards and good practice, but there are ways to get around this issue—in some cases, professionals hired on the regulatory side could be asked to give up their licenses for even up to five years after they leave the regulatory body; in other cases, these bodies could still be asked to set codes and standards which can then be implemented by an independent regulator. The exact model needs to be evolved, but the need for it is not in dispute

2. Why Jan Dhan Yojana, other schemes can't be a success until banks resolve this problem

[\(http://www.financialexpress.com/fe-columnist/jan-dhan-yojana-schemes-cant-success-banks-resolve-problem/318335/\)](http://www.financialexpress.com/fe-columnist/jan-dhan-yojana-schemes-cant-success-banks-resolve-problem/318335/)

Topic: Financial Inclusion

Category: Governance

Key points:

- While over Rs22.37 crore accounts and Rs1.26 lakh bank mitras were added under the Jan Dhan Yojana (JDY), some gaps are undermining India's financial inclusion efforts
- A National Payments Corporation of India (NPCI) review found that the failure rate for interbank transactions—for JDY accounts—was a whopping 80%. Unlike in urban areas, where one can withdraw cash from ATMs, account-holders in rural areas rely on a network of bank mitras and customer-service points (CSPs) to open accounts, make deposits and even withdraw cash
- But, with the CSPs being associated with different banks, they may not always be able to successfully carry out transactions made with RuPay or ATM cards from other banks—this was the case in this instance. The current fiasco will raise concerns over the plan to introduce more point-of-sale devices to reduce reliance on cash
- The NPCI has now initiated an audit of the financial inclusion tech of banks and aims to bring down the rate to 20%. The government cannot afford such failures, especially when it aims to reduce the cash-use and mobilise JDY accounts via schemes like Direct Benefit Transfer
- While the government has issued over Rs18 crore RuPay cards and linked almost half of the accounts with Aadhaar, the success of its transfer schemes, the Aadhaar-enabled payment systems and RuPay cards will depend on its ability to allow seamless transactions

The BusinessLine:

1. Labour pain

<http://www.thehindubusinessline.com/opinion/labour-pain/article8850192.ece>

Topic: Labour Issues

Category: Governance

Key points:

- The world of work is changing with unprecedented rapidity. This has brought both great uncertainty and fear of change. Therefore, as the International Labour Organization (ILO) approaches its centenary, it is embarking on an important reflection, on the future of work
- The future of work is very much dependent upon India. India is the world's fastest growing major economy, with a large youth population. Future of Work' debate is structured around four 'conversations'
- First, work and society. We make an error of economic reductionism if we believe that the significance of work is limited to its capacity for material provision. Certainly with Decent Work, there is a notion of self-realisation, of being part of society
- The next conversation is about where the jobs will come from. 10 million young people are entering India's labour market every year. Where are those jobs coming from? And what will they look like?
- The third conversation is around the organisation of production. There is a lot of talk about the increase in global supply chains, the cross-border fragmentation of production, and the organisation of production in ways not seen before. The fourth conversation is about what we do about all of this? How do we govern the world of work?
- I see four mega-drivers of change emerging. The first is technology. It is said we are on the cusp of the fourth industrial revolution. If you look at the past three industrial revolutions, whatever turbulence they brought, they created more jobs than they destroyed. Will it be the same this time?
- The second mega-driver of change is demography. India has the largest youth population in the world, but this has both pros and cons. There is no more destabilising factor in society that I know of than large-scale youth unemployment
- The third element is climate change. The future of work will be green or it won't be sustainable

- The fourth mega-driver of change is the growing defensiveness towards globalisation, a pulling back of countries, sometimes with a defensive, nationalistic-sort of sentiment. Globalisation, in its current form, is being questioned
- In the face of these trends India seems to be set upon shaping its own future with determination and confidence. However there are domestic challenges that should not be forgotten. The first is gender. It is a source of worry that of the G20 countries only Saudi Arabia has a lower level of women's labour force participation than India. More alarming is that labour participation is going down, not up
- Secondly, issues related to formalisation of the economy should be addressed. 93 per cent of the workforce in the informal sector is a dramatic statistic
- Finally, poverty. Last year the UN membership adopted the 17 Sustainable Development Goals, with the objective of eliminating extreme poverty by 2030. Rightly, criteria related to creating Decent Work are woven into the SDG's and their indicators
- But despite enormous progress, one of every four poor people in the world lives in India. So, it's no exaggeration to say India's success in tackling poverty will define the 2030 agenda's success, and the success of 2030 agenda will be India's success

The Economic Times:

1. India must gear up to utilise a flood of new LNG

[\(http://blogs.economictimes.indiatimes.com/et-editorials/india-must-gear-up-to-utilise-a-flood-of-new-lng/\)](http://blogs.economictimes.indiatimes.com/et-editorials/india-must-gear-up-to-utilise-a-flood-of-new-lng/)

Topic: Energy Sector

Category: Economy

Key points:

- India must gear up to accept and utilise a big increase in the global supply of liquefied natural gas (LNG). Now, the current capacity of LNG import terminals nationally is about

16.5 mmtpa, while those under construction add up to thrice as much. And the way ahead is to fast-forward overhaul of power distribution and attendant tariff reform, so that power utilities are able to levy and transparently collect dearer charges for gas-fuelled peak-load power

- Reportedly, as many as ten gas liquefaction trains are expected to come on stream in North America and Australia, which would rev up LNG supply to the Asian including Indian markets
- And as prices of commodities remain subdued, LNG contracts are expected to remain easier in the medium term and well beyond. Note that the nation-wide gas pipeline network is set to increase by 11,000 km from just over 16,000 km, which would further boost supply. Meanwhile, the estimate is that anticipated (mostly unmet) demand for natural gas for 2016-17 is about 350 mmscmd and is projected to go up to 490 mmscmd in 2021-22, with usage for power being by far the single biggest demand
- It is entirely possible that LNG imports double and even treble over the next decade and it would make strategic sense to better allocate more resources for LNG infrastructure including shipping, so as to reduce the overall costs of energy sourcing and logistics
- In tandem, stepping up usage of natural gas, the cleanest fossil fuel, also requires that our power utilities are in a position to adopt promising thermal power-generation technologies like Integrated Gasification Combined Cycle. It would then be possible for even base-load thermal stations to switch to gas to meet peak load. An integrated policy for LNG would make ample sense

Quick Bits and News from States

F. Concepts-in-News: Related Concepts to Revise/Learn:

- Census-2011

- Inter- state council
- PMKVY
- Nalanda
- e-NAM
- Jan Dhan Yojana
- APMCs
- NPCI
- ILO
- Sustainable Development Goals

Practice Questions:

1. Which of the following statements is/are correct?

1. Nalanda was a large Buddhist monastery in the ancient kingdom of Magadha
2. Gupta emperor, Kumaragupta I is credited to be the founder of Nalanda
3. The ruins of Nalanda University in Bihar were declared a World Cultural Heritage by UNESCO

- a) 1 only
- b) 2 only
- c) 1 and 2 only
- d) All the above

Ans. D

2. Which of the following is/are correct?

1. Inter State council is a constitutional body
2. Prime Minister is the Chairman of the Inter-state Council
3. Chief Ministers of all the States and Union Territories having Legislative Assemblies, Administrators of Union Territories not having Legislative Assemblies, Governors of

States under President's rule and six Ministers of Cabinet rank in the Union Council of Ministers, nominated by the Chairman of the Council, are members of the Inter-state Council

- a) 1 and 2 only
- b) 2 and 3 only
- c) 1 and 3 only
- d) All the Above

Ans. D

3. Which of the following is/are correct?

1. The WTO has launched a new World Trade Outlook Indicator (WTOI) designed to provide "real time" information on trends in global trade
2. The WTOI gives a headline figure to show performance against trend. A reading of 100 would indicate trade growth in line with recent trends, a reading greater than 100 would suggest above trend growth, while a reading below 100 indicates below trend growth

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans. C

4. Which of the following statements is/are correct about integrated gasification combined cycle (IGCC)?

1. An integrated gasification combined cycle (IGCC) is a technology that uses a high pressure gasifier to turn coal and other carbon based fuels into pressurized gas
2. It can remove impurities from the pressurized gas prior to the power generation cycle

- a) 1 only
- b) 2 only

- c) Both 1 and 2
- d) Neither 1 nor 2

Ans. C

5. Which of the following is/are policy(ies) included in the *Declaration on Fundamental Principles and Rights at Work adopted by the ILO in 1998*?

1. The right of workers to associate freely and bargain collectively
2. The end of forced and compulsory labour
3. The end of child labour
4. The end of unfair discrimination among workers

- a) 1 and 2 only
- b) 2 and 3 only
- c) 1 and 4 only
- d) All the Above

Ans. D

Useful News Articles

(17-7-2016)

A. GS1 Related:

Nalanda in global limelight after UNESCO listing

<http://www.thehindu.com/todays-paper/tp-national/nalanda-in-global-limelight-after-unesco-listing/article8860878.ece>

Category: Art and Culture

Topic: Architecture from ancient to modern times, Heritage

Location: The Hindu

Key points:

- Archaeological site of Nalanda Mahavihara (Nalanda University) in Bihar has been included in the UNESCO's World Heritage List
- The inclusion of the new sites was announced at the 40th session of The World Heritage Committee meeting in Istanbul.
- The site includes stupas, shrines, viharas (residential and educational buildings) and important art works in stucco, stone and metal.
- The University engaged in the organised transmission of knowledge over an uninterrupted period of 800 years. The historical development of the site testifies to the development of Buddhism into a religion and the flourishing of monastic and educational traditions
- Nalanda University has become the 26th 'cultural site' of India to get the prestigious world heritage status.

Tags: Nalanda University, UNESCO, World Heritage List

B. GS2 Related:

Nothing here today folks! ☺

C. GS3 Related:

ISRO soon to test-fly scramjet engine model

<http://www.thehindu.com/todays-paper/tp-national/isro-soon-to-testfly-scramjet-engine-model/article8860925.ece>

Category: Science and Technology

Topic: Science and Technology- developments, Space

Location: The Hindu

Key points:

- The Indian Space research Organisation (ISRO) is slated to test fly a small model of what is called a 'scramjet' engine.
- This could one day help to put satellites and other systems to space.
- This could later grow to power a future dream Indian rocket of two stages (compared to three and four stages at present);
- Thus it can prove to be a rocket that launches satellites and systems super efficiently at much lower costs than now.

Future Prospects

- The scramjet bid is a move towards faster, cheaper, better rockets; if it works, an eventual launch vehicle using a scramjet engine can be very reliable compared to conventional rocket systems that use liquid or cryogenic systems.

Tags: ISRO, Scramjet

Modi asks States to share intelligence

<http://www.thehindu.com/todays-paper/tp-national/modi-asks-states-to-share-intelligence/article8860950.ece>



Category: Internal Security

Topic: Challenges to internal security, Intelligence

Location: The Hindu

Key points:

- Prime Minister Narendra Modi has asked the States to focus on intelligence-sharing to help the country stay “alert” to, and “updated” on, internal security challenges.
- The PM addressed the Inter-State Council meeting, which was convened after 10 years.

Who are the members of the Inter-State Council?

- The Chief Ministers, Lieutenant-Governors of the Union Territories and 17 Union Ministers are members of the Inter-State Council.

Highlights of the address

- Panchayats and urban local bodies would receive Rs. 2,87,000 crore during the period of the 14th Finance Commission, substantially higher than last time.
- Through amendments to the CAMPA Act (Compensatory Afforestation Fund Bill), the Centre was trying to free up Rs. 40,000 crore lying in banks for disbursement to the States. The Centre also wished to share with the States the amount saved as a result of transparency being introduced in the system.
- India's greatest asset is its youth as over 30 crore children are now of school-going age. Hence, the country has the potential to provide the world skilled manpower for many years to come.
- Referring to the Aadhaar card, he said the Aadhaar Act, 2016, enabled the government to use the Aadhaar for direct cash transfer for subsidy and other services.
- The PM said the Centre launched a scheme under which, if there is a reduction in kerosene consumption by a State, the Centre would disburse 75 per cent of the resultant savings in subsidy as grant to that State.

Tags: Inter-State Council , CAMPA Act

D. GS4 Related:

Nothing here today folks! ☺

E. Important Editorials: A Quick Glance

Lessons from cash transfers

<http://www.thehindu.com/todays-paper/tp-opinion/lessons-from-cash-transfers/article8860902.ece>

Category: Governance

Topic: Government policies and interventions for development in various sectors

Location: The Hindu

Key points:

- It is fair to say that there is quite a buzz in policy circles about the potential for cash transfer schemes to address multiple outcomes while bringing in administrative efficiency.
- But, the evidence base to support large-scale programme switch-outs from food to cash is quite limited in the Indian context, given the diversity of social, economic and implementation contexts.
- In India, cash transfers have become popular in recent years — from girl child protection schemes, to maternity benefit schemes, to schemes aimed at improving nutritional outcomes.

Cause for concern

- While the move towards cash transfers as a way to reduce programme leakage in the ICDS and PDS is appealing, there is not a great deal of evidence on the impact of cash transfer schemes on nutrition in India.

Way Forward

The following issues are central to the design of cash transfer programmes:

- Cash transfer amounts need to be sizeable and regular.
- Second, financial inclusion is not as easy to achieve as one might hope, with bank regulations and requirements placing considerable barriers on participation- ensuring financing inclusion and easy access to cash once bank accounts are opened are absolutely essential preconditions for cash transfers that are intended to support routine spending on nutritious foods.
- Third, there needs to be a mechanism in place to monitor adherence to conditions, if any
- Fourth, improving the demand for services by using conditions is only one piece of the story; the other side is in making sure the services exist.
- Fifth, targeting is a serious concern in India, as errors of wrongful inclusion and exclusion continue to plague several programmes.
- Last, but perhaps most important, the cash transfer must be accompanied with high-quality information/education campaigns that encourage good nutritional choices.

Tags: ICDS, PDS, Cash Transfer Programmes

F. Concepts-in-News: Related Concepts to Revise/Learn:

- PDS
- Cash Transfer Programmes
- ICDS
- Inter-State Council
- Scramjet

Practice Questions

Date: 17th July, 2016

Category: Polity and Governance

Topic: Government policies and interventions

Source: The Hindu

Difficulty level: Moderate

Type: Factual

1] Consider the following statements regarding "Inter-State Council",

1. The Chief Ministers, Lieutenant-Governors of the Union Territories and 17 Union Ministers are members of the Inter-State Council.
2. The PM recently addressed the Inter-State Council meeting, which was convened after 10 years.

Which of the above are correct?

- (a) 1 Only (b) 2 Only
(c) Both 1 and 2 (d) Neither 1 nor 2

Ans) c)

Date: 17th July, 2016

Category: Polity and Governance

Topic: Government policies and interventions

Source: The Hindu

Difficulty level: Moderate

Type: Factual

2] Consider the following statements, regarding "CAMPA",

1. Compensatory Afforestation Fund Management and Planning Authority (CAMPA) are meant to promote afforestation and regeneration activities as a way of compensating for forest land diverted to non-forest uses.
2. National CAMPA Advisory Council has the following mandate- a) Lay down broad guidelines for State CAMPA b) Facilitate scientific, technological and other assistance that may be required by State CAMPA c) Make recommendations to State CAMPA based on a review of their plans and programmes d) Provide a mechanism to State CAMPA to resolve issues of an inter-state or Centre-State character.

- (a) 1 Only (b) 2 Only
(c) Both 1 and 2 (d) Neither 1 nor 2

Ans) c)

Date: 17th July, 2016

Category: Science & Technology

Topic: Space

Source: The Hindu

Difficulty level: Moderate

Type: Factual

3] Consider the following statements regarding 'Scramjet' engine,

- 1) The 'Scramjet' engine can help move towards faster, cheaper, better rockets.
- 2) An eventual launch vehicle using a scramjet engine can be very reliable compared to conventional rocket systems that use liquid or cryogenic systems.

Which of the above statement(s) is/are correct?

- (a) 1 only (b) 2 Only
(c) Both 1 and 2 (d) Neither 1 nor 2

Ans) c)

Date: 17th July, 2016

Category: Art and Culture

Topic: Architecture from ancient to modern times, Heritage

Source: The Hindu

Difficulty level: Moderate

Type: Factual

4] Consider the following statements,

1. Archaeological site of Nalanda Mahavihara (Nalanda University) in Bihar has been included in the UNESCO's World Heritage List
2. The site includes stupas, shrines, viharas (residential and educational buildings) and important art works in stucco, stone and metal.
3. Nalanda University has become the 26th 'cultural site' of India to get the prestigious world heritage status.

Which of the above statement(s) is/are correct?

- (a) 1 and 2 Only (b) 2 and 3 Only
(c) All 1, 2 and 3 (d) 2 Only

Ans) c)

Date: 17th July, 2016

Category: Science & Technology

Topic: Energy

Source: The Hindu

Difficulty level: Moderate

Type: Factual

5] Consider the following regarding the 'International Energy Agency',

- 1) The IEA is an autonomous organisation which works to ensure reliable, affordable and clean energy for its 29 member countries and beyond.
- 2) The IEA has four main areas of focus: energy security, economic development, environmental awareness and engagement worldwide.

Which of the statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both of these (d) None of these

Ans) c)