

Useful News Articles

25-7-2016

A. GS1 Related

B. GS2 Related

1. Red Corridor to be redrawn by govt.

<http://www.thehindu.com/news/national/red-corridor-to-be-redrawn/article8894304.ece?homepage=true>

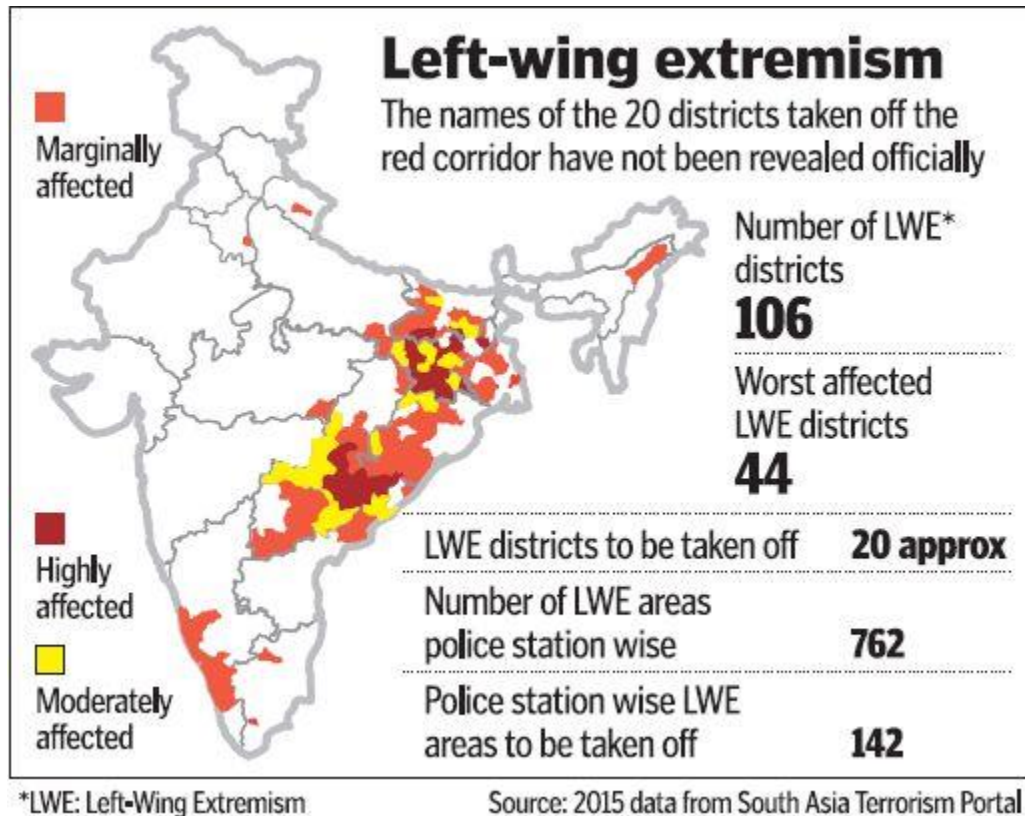
Topic: Federal Relations

Category: Polity

Key points:

- The central government is set to reduce the number of Maoist-affected districts by about a fifth
- Approximately 20 of the 106 districts which have been described as being Maoist-affected and are part of the Red Corridor may soon no longer be part of the list. This exercise, under way now for two years, is being done for the first time since 2006, when the Maoist-affected districts were identified and graded on the basis of their violence profile
- The names of the districts and the reasons for being considered to be taken off the list have been communicated to the States and a response is awaited. The names have not yet been revealed because of the sensitivities of the States which fear that once a district is taken off the list financial aid which is made available to the districts – to the tune of Rs. 30 crore annually for various developmental work – will dry up
- The considerations on which the government has examined the districts with LWE features are: their **violence profile, an assessment of the kind of logistical and other support provided to armed Maoist cadres by their sympathisers and “over ground workers”, and the kind of positive changes brought about by development work that these districts have seen**
- The 106 districts which span 10 States — Bihar, Jharkhand, Andhra Pradesh, Maharashtra, Odisha, Telangana, West Bengal, Madhya Pradesh, Uttar Pradesh and Chhattisgarh — are described as those affected by Left Wing Extremism (LWE) and constitute the ‘Red Corridor’
- There are in all 104 battalions of central forces deployed in LWE-affected districts

- Meanwhile, the Expenditure Finance Committee (EFC) has already given the go-ahead for an ambitious road project in the 44 worst-affected districts
- Under this project, the government proposes to construct 5412 km road length and 126 bridges and it would cost Rs. 11,725 crore



2. U.P., Bihar lead in crimes against Dalits

(<http://www.thehindu.com/data/up-bihar-lead-in-crimes-against-dalits/article8894336.ece?homepage=true>)

Topic: Rights Issues

Category: Governance

Key points:

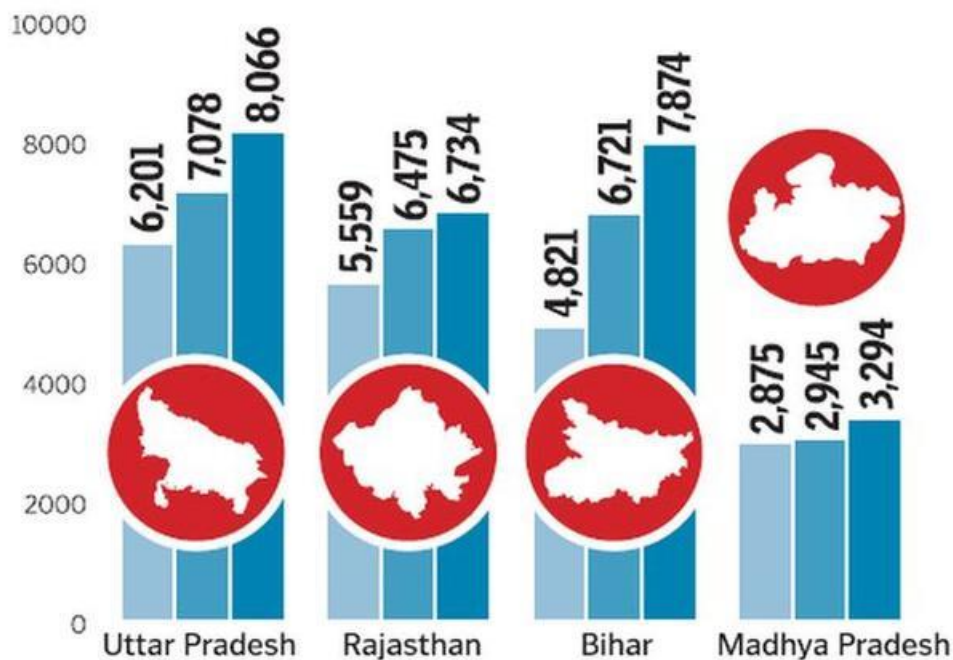
- Uttar Pradesh, Rajasthan and Bihar lead the country in the number of cases registered of crimes against the Scheduled Castes, official data pertaining to 2013, 2014 and 2015 show
- The National Commission for Scheduled Castes (NCSC) counts these States among those deserving special attention

- So far as the atrocities reported to the NCSC by Dalits who feel the authorities are not giving them justice are concerned, U.P. accounts for the highest number at 2024 cases and Tamil Nadu comes next at 999 cases
- “This could mean both laxity of the authorities and greater consciousness of rights among Dalits,” an NCSC official said

SOCIAL INJUSTICE

Rajasthan, with six per cent of India's Dalit population, accounts for 17 per cent of crimes against them

Crimes against Scheduled Castes 2012 2013 2014



3. J&K gets 10% of Central funds with only 1% of population

<http://www.thehindu.com/news/national/other-states/jk-gets-10-of-central-funds-with-only-1-of-population/article8894242.ece?homepage=true>

Topic: Federal Relations

Category: Polity

Key points:

- Jammu and Kashmir has received 10 per cent of all Central grants given to states over the 2000-2016 period, despite having only one per cent of the country's population

- J&K, with a population of 12.55 million according to the 2011 Census, received Rs.91,300 per person over the last sixteen years while Uttar Pradesh only received Rs.4,300 per person over the same period
- Even among the special category states, Jammu and Kashmir receives a disproportionate amount of Central assistance
- The state received Rs.1.14 lakh crore in grants over the sixteen years under review (2000-2016)
- “There were persistent errors in budgeting, savings, excess expenditure and expenditure without provision,” the CAG report on the State’s finances for the year ended March 31, 2014, said. “Anticipated savings were either not surrendered or surrendered at the end of the year leaving no scope for utilising these funds for other development purposes.” The report has entire sub-heads titled ‘errors in budgeting process’, and ‘unrealistic forecasting of resources’.
- Service Tax is not levied in Jammu and Kashmir and hence the state does not get a share of the same in the devolution of central taxes to states. This has led to a ballooning of Jammu and Kashmir’s share in the total non-plan revenue deficit of all states, which has, in turn, meant that the Centre has had to send it more money to finance this deficit
- Another reason lies in the Centre’s treatment of the north-eastern and hilly states. Plan Grants were stopped by the Twelfth Finance Commission except for the north-east states and hilly states including Jammu and Kashmir. Thus, Jammu and Kashmir and other hilly states continue to get the Plan grants while others do not get it
- However, this aspect does not explain Jammu and Kashmir’s larger share of grants even when compared to other hilly states

4. Revoke AFSPA on trial: Mehbooba

<http://www.thehindu.com/news/national/revoke-afspa-on-trial-mehbooba/article8894613.ece?w=alauto>

Topic: Federal Relations

Category: Polity

Key points:

- Jammu and Kashmir Chief Minister Mehbooba Mufti on Sunday lashed out at Pakistan for instigating youths in Kashmir to take up arms, saying it has to change its policy, and asked the Centre to revoke the Armed Forces (Special Powers) Act on trial basis from selected areas as a beginning towards “winning the hearts” of people

6. Nepal Prime Minister Oli resigns ahead of no-trust vote

(<http://www.thehindu.com/news/international/nepal-prime-minister-oli-resigns-ahead-of-notrust-vote/article8894064.ece?w=alauto>)

Topic: Nepal

Category: India's Neighbourhood

Key points:

- Nepal's embattled Prime Minister K.P. Oli resigned on Sunday ahead of a no-confidence vote, plunging the country into a fresh political turmoil after last year's crippling Madhesi protests against the new Constitution
- Mr. Oli, who became Prime Minister in October 2015 heading Nepal's eighth government in the past 10 years, has been facing a no-trust motion after the Maoists withdrew support from the coalition government
- Mr. Oli tendered his resignation after two key ruling alliance partners — the Madhesi People's Rights Forum-Democratic and the Rastriya Prajatantra Party — decided to support the no-confidence motion tabled against him by the Nepali Congress (NC) and the CPN-Maoist Centre led by Pushpa Kamal Dahal 'Prachanda'
- They had accused Mr. Oli of not honouring his past commitments.
- The outgoing PM said Nepal signed transport and transit treaty with China so that it could have access in both of its borders. Now the people of Nepal would not have to face the difficulty it future like it had at the time of border blockade
- He said "Nepal should adopt equidistance in relations with its neighbours for the betterment of the country and the people. We respect the sensitivity of both our neighbours and we also expect the same from them. However, we cannot accept interference in our internal affairs, though we want good relations with or neighbours" (Nepal has been facing political crisis since adopting a new Constitution in September 2015. The Madhesis, mostly of Indian-origin, have been opposing the new statute as they fear it would marginalise them by dividing the country into seven Provinces. Nearly five-month-long Madhesi protests led to the closure of key trading points with India that led to the shortage of essential supplies in the land-locked country. The blockade of trade points with India ended in February after more than 50 people were killed in clashes)

7. India, Mexico target tourism, telecom to boost ties

(<http://www.thehindu.com/business/Industry/india-mexico-target-tourism-telecom-to-boost-ties/article8894247.ece?w=alauto>)

Topic: India and Mexico

Category: International Relations

Key points:

- India and Mexico are charting out a new path in bilateral trade and investment ties with a focus on sectors including renewable energy, telecom and medical devices. This was agreed upon during the recent meeting in Mexico of the bilateral High Level Group (HLG) on Trade, Investment and Economic Cooperation. The HLG, which was established in 2007, had met on July 13-14 after a gap of four years
- With Mexico considering increasing its installed wind power capacity to 9.5 GW by 2018 from currently around 2.5GW, Indian firms such as Suzlon Energy are looking to make huge investments there in the renewable energy sector
- Indian companies are interested in Mexico's telecom sector as the Mexican government is looking to provide high-speed broadband Internet access even in remote areas
- The other area of focus is medical devices. India's medical devices sector will grow to \$17.6 billion by 2020 from around \$10.4 billion in 2014, while in Mexico the medical devices market will grow to \$6.5 billion by 2020 from \$4.9 billion in 2015
- Besides, the HLG discussed ways to boost cooperation in tourism, food processing and protection of 'traditional knowledge'
- The sources said India and Mexico will convene a meeting of their tour operators and hoteliers on the sidelines of the 'World Travel Market' in London during November 7-9 this year. Both the sides have decided to hold meetings of the government-level 'joint working group' on tourism regularly, they said. Plans are also on to conduct training programmes on Indian and Mexican cuisine
- India is also looking at establishing a mechanism for direct trade in precious metals and minerals with Mexico. Mexico is a leading producer of silver and gold — commodities that India imports in huge quantities
- Overall India-Mexico trade in goods had shrunk by 17.7 per cent to \$5.1 billion in FY'16 with India's exports of \$2.8 billion (0.13 per cent growth) and Mexico's exports of \$2.3 billion (a contraction of 32.7 per cent).

C.GS3 Related

1. IS suspects brought to Kochi from Mumbai

<http://www.thehindu.com/news/national/is-suspects-brought-to-kochi-from-mumbai/article8894610.ece?w=alauto>

Topic: Terrorism

Category: Security

Key points:

- Arshid Qureshi and Rizwan Khan, the duo arrested from Mumbai by a joint team of Kerala Police and the Maharashtra Anti-Terrorism Squad, were brought to Kochi on Sunday for interrogation in connection with a case of forceful religious conversion. Some of the Keralite youths missing from the State had attended a religious class by Qureshi at his residence in Mumbai
- The Kochi city police had registered a case under the Unlawful Activities (Prevention) Act against Qureshi along with Palakkad-native Yahiya alias Bestin Vincent
- This after Ebin Jacob (25), brother of Merin who is missing along with her husband Yahia, gave a statement before the police that the duo forced him to get converted to Islam and join the terrorist organization, IS

2. Talking with your hands

<http://www.thehindu.com/opinion/op-ed/talking-with-your-hands/article8891310.ece?homepage=true>

Topic: Robotics

Category: Technology

Key points:

- Students at the Bengaluru-based Amrita School of Engineering's Amrita Robotics Research Lab have developed a prototype of a "smart glove" called MUDRA that converts hand gestures based on Indian Sign Language (ISL) into spoken English. The glove is made of plastic



- It is connected to a personal computer, from where various gestures are electronically decoded and translated into speech using the machine's speakers. Here the device works because of sensors placed on each finger. Various signs which correspond to letters and concepts are interpreted based on how these sensors interpret the varied shapes formed by the fingers
- The glove can recognise numbers from 1 to 10, and ISL gestures corresponding to words such as 'morning', 'night', 'goodbye', 'thank you', etc. It can detect four different states of each finger and configure as many as 70 gestures
- "Going ahead, these speakers will be in-built into the glove," says H.R. Nandi Vardhan, who led a team of engineering undergraduates to develop the apparatus. "The big challenge, however, is to teach the system to recognise a much larger database of gestures and adapt it to be used in regional languages," he adds
- According to various government and independent reports, there are 5-7 million hearing-impaired people in India though there aren't firm estimates of how many of them are formally trained in sign language. There has been a lot of work over the years to standardise signs and gestures, used across several Indian languages, and use them to develop educational material for the hearing-impaired. However, there has been relatively little progress in enabling users of sign language to reach out to a wider audience, which is where applications like a smart glove can be handy
- India has its very own alphabet of signs and symbols called ISL. In 2001, the Ramakrishna Mission released the first Indian Sign Language Dictionary, which documented over 2,500 signs from 12 States, to provide a common sign language code. The Ramakrishna Mission and other organisations involved with hearing-impaired communities have since systemised ISL teaching materials, degree programmes and training sessions to popularise it in India
- Last September, the Union Cabinet cleared a proposal to set up a dedicated research and training centre for sign language users

D.GS4 Related

E. Important Editorials:

The Hindu

1. **How the economy found its feet (Excerpts from interview with former CEA, Deepak Nayyar)**

<http://www.thehindu.com/opinion/op-ed/25-years-of-reforms-how-the-economy-found-its-feet/article8894201.ece?homepage=true>

Topic: Reforms

Category: Economy

Key points:

- It is 25 years since July 1991, etched in memories as a watershed, when economic liberalisation began life in India
- During the 1980s, the competitive politics of populism led governments into a spending spree. But it was not possible for the government, or the economy, to live beyond its means year after year. The fiscal regime was unsustainable. The inevitable crunch did come. The minor oil shock of 1990 following Iraq's invasion of Kuwait was the last straw that broke the camel's back. The balance of payments situation became almost unmanageable
- We simply could not default on our international payments obligations. It would have turned us into a basket case (a person or thing regarded as useless or unable to cope). It was firefighting day by day, surviving month by month, while working at solutions, whether borrowing from the International Monetary Fund (IMF), imposing massive cash margins on imports (postponing payment), or selling gold confiscated from smugglers. This provided breathing time, enabling us to strategise for what needed to be done when an elected government assumed office. This happened in late June 1991
- It was the worst crisis in the economy of independent India. The prospect of default hung over our heads, much like the proverbial Sword of Damocles, for almost 12 months. The continuing political uncertainties compounded difficulties. Yet, there was a strong determination to meet the challenge. It is mirrored in three stories.
- In mid-October 1990, a month before it fell, the V.P. Singh government decided to approach the IMF for a loan. This step was recognised as essential despite caricature perceptions of the IMF as a moneylender in the Shylock tradition. The successor Chandra Shekhar government, hesitant to begin with, quickly endorsed the idea. Over the next two months, I led our negotiations with the IMF for borrowing under the first credit tranche and the Compensatory and Contingency Financing Facility (designed to help meet the increased cost of petroleum imports). It was a tough process, but we obtained \$1.8 billion with minimal conditions in late January 1991. The resolve of the government to avoid default and the stature of the Republic of India, even in deep crisis, helped us drive a hard bargain
- The comfort did not last long. The Congress party withdrew support and the Union Budget could not be presented in February 1991. We had a caretaker government and

a general election to come. But the liquidity crunch was on. Foreign exchange reserves were perilously low. There was capital flight from non-resident deposits. In this milieu, restoring international confidence was imperative. In the midst of the election process, the caretaker government decided to ship 20 tonnes of gold, confiscated from smugglers, to raise \$200 million from the Union Bank of Switzerland through a sale-with-a-repurchase option. In a society where only a bankrupt household would mortgage its gold, it was a brave decision that was also high risk. The shipment process had a script that could match a thriller. It was kept secret. And it bought us most valuable time

- The election process, prolonged by the assassination of Rajiv Gandhi, was completed in June 1991. The situation was dire. P.V. Narasimha Rao was Prime Minister designate but had not yet been sworn in. Late at night on June 20, 1991, Cabinet Secretary Naresh Chandra, Finance Secretary S.P. Shukla and I met him at 12, Willingdon Crescent. For the meeting, I had prepared a note on the crisis in the economy with a handwritten annexure on a strategy outlining measures that needed to be announced before the Budget, plus what needed to be done in the Budget, setting out alternatives and their implications. He read the note and spent some time with us in discussion. The resolve to do whatever was essential came through clearly
- These events do highlight the resilience of the political process despite all its flaws and warts. Two short-lived governments that inherited an economic crisis made tough decisions instead of postponing the day of reckoning. The governmental system and its institutions did everything to avert default even when there was no elected government that could make policy decisions. A minority government that had not yet won a vote of confidence in Parliament acted promptly and decisively. Cynics might think it was the crisis that focussed minds. But there was more
- In the eventful month that followed, between June 24 and July 24, 1991, critical decisions were made: sharp depreciation in the exchange rate of the rupee, using gold held as reserve assets by the Reserve Bank of India (RBI) to borrow, announcing dramatic changes in economic policies, presenting a Budget that delivered the much-needed fiscal adjustment, inter-alia by slashing subsidies and raising prices of petroleum products. The decision to negotiate a Stand-By Arrangement with the IMF and a Structural Adjustment Loan from the World Bank was also made around then. I led these negotiations, which were concluded in late September 1991
- In my view, any government that came to power in mid-1991 would have done almost the same. The blueprints existed. There was little choice. Even so, the outcome was possible only because we had an elected government after months of political instability, and a Prime Minister, Narasimha Rao, who was most decisive in this crisis situation and quietly persuasive in political management. There were dissenting voices,

rather than consensus, both in the Congress Party and in the Opposition. But there was recognition of the deep crisis in the economy among politicians across parties. And no one was willing to bring down the minority government to force yet another election on people

- At this juncture, 25 years later, it must be stressed that reforms are means, not ends. The essential objective is the well-being of our people. In this quest, markets and governments are complements, not substitutes. There are many things that only markets can and should do. However, there are some things that only governments can and must do. If governments perform these tasks badly, it is not possible to dispense with governments and replace them with markets. Governments must be made to perform better. **Indeed, efficient markets need effective governments**

2. 'We hope Pakistan will change the narrative'

<http://www.thehindu.com/opinion/interview/afghan-ambassador-sa-abdali-we-hope-pakistan-will-change-the-narrative/article8894197.ece?homepage=true>

Topic: Pakistan and Afghanistan

Category: India's Neighbourhood

Key points:

- *India needs to correct **the perception that it is too worried about Pakistan's backlash to assist Afghanistan in defence cooperation**, says the Afghan Ambassador to India, Shaida Mohammad Abdali, who has just published a book, Afghanistan-Pakistan-India: A Paradigm Shift (Pentagon Press), on the region. Excerpts from an interview:*
- **Recently, the former chief of Afghanistan's main intelligence agency, Rahmatullah Nabil, released documents showing links between the Pakistani military and the Haqqani group and the Taliban. How do you move on if you are speaking with Pakistan on the one hand while it might be acting against you militarily on the other?**
- I think there is no dispute over the ground realities which are doublespeak, which is saying one thing and doing something else. The thing is we have to think about is how we can work together to change what it is today. Whatever documents you have seen leaked in the media, although they have not been authenticated, didn't surprise me at all because I know that's what's been going on for many years
- **You're essentially saying Pakistan controls the Taliban. In your book you have called it a policy of self-immolation. Can you explain this?**
- It is something like self-demolition. If you see the use of terrorism, if this had been useful for some in the past. Today it is not that useful. It is, at the same time, inflicting a cost on the perpetrator as well. It is not merely the victim who is being affected by

terrorism being exported. It is also the places where terrorism is nurtured, indoctrinated, financed, and supported. Therefore, I have been sincere in whatever I have written about Pakistan — that we don't want any neighbour, including Pakistan, to be in trouble

- **Isn't that repeating the same narrative we've heard for 15-20 years that if Pakistan changes its behaviour, we might see a difference in the region?**
- I think this repetition will not last for long because you can see now that the whole world is fed up with things. You recently witnessed for the first time the U.S. Congress hearing (on Pakistan being a friend or foe)... So we hope that the narrative that has been there for decades is not going to be acceptable for the region, for Afghanistan and the international community — and Pakistan will change it, for the sake of themselves, the world community, and Afghanistan
- **India shares all of Afghanistan's concerns when it comes to terrorism emanating from Pakistan's soil. Yet, you say that India has followed a policy of 'Pakistan First' when it comes to the relationship.**
- I put this on purpose because at times I have felt that there is a perception [in Afghanistan] that India may not go that far when it comes to Afghanistan's quest for certain things, including defence. To be frank, at times requests have been delayed for too long, and then ultimately some perception was created that India doesn't do it [because of] neighbours like Pakistan. I hope that this perception is addressed by the cooperation that is required between our two governments in various fields including defence cooperation. We also, at the same time, understand India's limits in whatever capacity it can help Afghanistan. But we are extremely grateful, India has done a lot. We know it's a donor country. It has done things which one could never believe it could do with Afghanistan. The last two visits of the Prime Minister were received very well in Afghanistan — the Salma Dam, the Parliament building, and many new projects that are in the pipeline
- **Recently, the former envoy from the U.S., Zalmay Khalilzad, said that if Afghanistan needs more security, it may be time for India to step in. Is that something the Afghan government feels is needed?**
- Afghanistan is fortunately building its own capacity, its own Army. As you know, troops are being withdrawn from Afghanistan based on the Afghan capacity that we're building in Afghanistan. So India's assistance in Afghanistan is of course clear, but we don't need boots on the ground. Of course, we don't want to bring back boots from outside. We need to strengthen our own boots, and we're doing it right now

The Indian Express

1. Three job deficits in unfolding India story

(<http://indianexpress.com/article/explained/world-bank-poverty-report-india-poverty-employment-data-india-2933613/>)

Topic: Labour

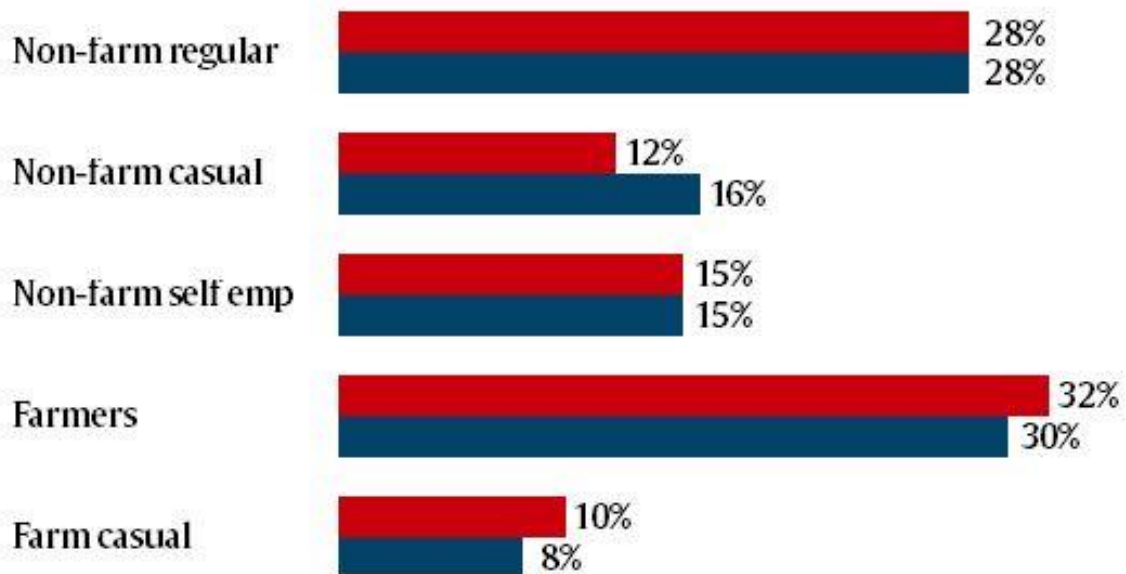
Category: Data

Key points:

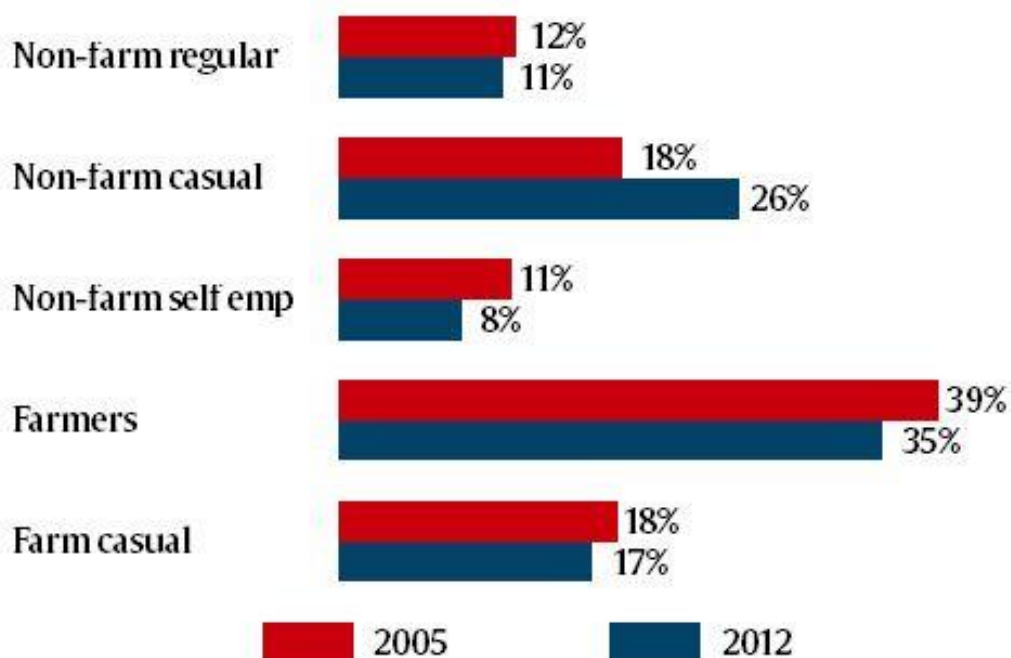
- The rapid decline in poverty in India between 2005 and 2012, the most recent period for which data are available, was driven mainly by higher labour earnings. This is not surprising given that the capacity to work tends to be the main — and often the only — asset of poor households. **Over this period, wages for unskilled workers increased sharply. There was also a marked shift towards non-farm jobs, which on average pay more than jobs in agriculture.** These two trends gave a substantial boost to labour earnings and propelled millions of Indian households above the poverty line. While this was indeed a spectacular achievement, there are reasons to worry about its long-term sustainability
- A large majority of those who escaped poverty did not gain entry into the middle class. Instead, they moved slightly above the poverty line and remain vulnerable to slipping back. The deficit in the number of jobs created after 2005, as well as in their quality, explains these high levels of vulnerability. This period can, therefore, be described as one of a growing jobs deficit. Or rather, three of them: i) a deficit in the overall number of jobs, ii) a deficit in the number of good jobs and, iii) a deficit in the number of suitable jobs for women

FIGURE 1: REGULAR JOBS SUPPORT A MORE DURABLE ESCAPE FROM POVERTY

TYPES OF JOBS FOR THOSE WHO WERE NON-POOR IN BOTH 2005 AND 2012



TYPES OF JOBS FOR THOSE WHO WERE NON-POOR IN 2005 BUT POOR IN 2012



Source: Based on the Indian Human Development Survey (IHDS), 2005 and 2012.

- While all three deficits can be traced to the pattern of India's economic transformation during this period, they are better appreciated from a statistical point of view. Between 2005 and 2012, net job growth in the economy was 0.6% per year. This was much less than the growth in the working age population that was not in school — which stood at 1.9% per year. In absolute numbers, of these 13 million potential entrants into the workforce every year during this period, only 3 million got a job. In a young and increasingly aspirational society, this growing jobs deficit has the potential to turn the much-awaited demographic dividend into a demographic curse
- On closer examination, it is not as if job creation came to a standstill after 2005. On the contrary, there was considerable dynamism in the informal segments of the economy, especially in rural areas. As could be expected in a phase of structural transformation, there was a substantial decline in employment in agriculture, with nearly 34 million farm jobs lost between 2005 and 2012. **Meanwhile, there was a boom in construction jobs, which accounted for nearly half of the expansion in non-farm employment. However, construction jobs tend to be casual. Their wages are set on a daily basis, or through short-term contracts, and they provide no form of social protection. While jobs like these help people escape poverty, they do not take them much farther than that**
- Instead, transitions into the middle class are associated with regular, salaried jobs. The likelihood of a household durably escaping poverty between 2005 and 2012 was higher if a larger share of its members had regular jobs. On the other hand, households that slipped into poverty between these two years saw a growing share of their family members employed as casual workers
- In principle, urbanisation brings with it the promise of better jobs. In India too, it is true that large urban areas have a substantially higher share of regular jobs. By contrast, small towns have far fewer regular jobs to offer, and in rural areas these jobs are rare. Therefore, unless small towns and large villages, where most of India's poor and vulnerable live, can ensure the vibrant creation of regular jobs, building a sizeable middle class could remain an elusive goal for the country
- While big cities have the highest share of regular jobs, they also have the largest overall jobs deficit. **In fact, when moving from small villages to large cities, the scarcity of jobs relative to the working age population not in school increases across the rural-urban gradation.** So, how can one reconcile this larger share of regular jobs with an altogether greater scarcity of good jobs? **The answer is simple: in urban areas the share of regular jobs may be greater among those who are employed, but fewer people are at work in**

these places relative to the working age population. And, in urban locations, it is mainly the women who are not working

- This brings us to the third deficit — the scarcity of suitable jobs for women. **Historically, India’s female labour force participation rates in urban areas have been low — hovering around 20%. But one of the most striking developments after 2005 has been the large withdrawal of women from the rural labour force. As rural areas become increasingly urban, they are beginning to look increasingly urban in the magnitude of their jobs deficit too. By contrast, in small villages, over 70% of women are employed on the farm, as agricultural activities continue to be important in these areas**
- Elsewhere, however, manufacturing tends to be the largest employer of women outside of farming. In towns and cities, on the other hand, women more often hold professional jobs in health, education and public administration. In these areas, construction work, while significant, does not employ too many women
- The structure of female employment by sector is revealing of the kinds of jobs that are seen as more suitable for women. **For instance, women are more likely to work when jobs are located close to their homes and allow multi-tasking, as in the case of farming. They are also more likely to work when jobs offer regular wages, as in the case of manufacturing. Or when jobs have social protection benefits attached to them, as in case of the health, education and public administration, where the public sector is the dominant player. Unfortunately, such jobs are few and far between**

2. Why the triple talaq case before Supreme Court is different from Shah Bano’s in 1986

[\(http://indianexpress.com/article/explained/triple-talaq-case-islam-shayara-banu-triple-talaq-case-supreme-court-2933621/\)](http://indianexpress.com/article/explained/triple-talaq-case-islam-shayara-banu-triple-talaq-case-supreme-court-2933621/)

Topic: Religion and Gender

Category: Society

Key points:

- In October last year, a two-judge Bench of the Supreme Court, while hearing another matter having little to do with Islamic law, decided to suo motu ask the Chief Justice to set up a Bench to examine gender discrimination against Muslim women, especially “arbitrary divorce”
- The case snowballed with the addition of other petitions, and after all impleadments were considered by the Chief Justice recently, hearings have been scheduled for September

- The matter comes 30 years after the controversial Shah Bano maintenance case, which resulted in Parliament passing a law to override a Supreme Court verdict giving a divorced Muslim woman a fairer maintenance than what she got under personal laws. Muslim clerics led by the All India Muslim Personal Law Board (AIMPLB) — enraged by what they saw as interference at a time when politics in India was almost tinderbox like — were able to convince the Rajiv Gandhi Government that the court's judgment eroded Islamic identity
- The debate was successfully framed as an Islam-versus-women's rights issue, and Shah Bano became a part of the Babri Masjid-and-Kashmir idea of injured Hindu pride in India. The argument being, when Hindus have had to codify and reform laws (something which the Hindu Right opposed tooth and nail when Law Minister B R Ambedkar and Prime Minister Jawaharlal Nehru proposed it in the 1950s, leading to Ambedkar's resignation), why then should Muslims be allowed to get away without similar codifications and laws
- Now, three decades on, is the re-emerging debate still going to go the Shah Bano way — and is it likely to end up as a victory for both the Hindu Right and the Muslim Right?
- In the petition before the court now, some things do indeed appear to mirror the 1986 scenario. Such as the view of the RSS-driven Rashtriya Muslim Manch, which argues that its opposition to triple talaq and the nikah halala (an intervening marriage necessary if the old marriage has to be restored) means that there has to be a Uniform Civil Code. The AIMPLB is there too — arguing, as it did then, that there can be no debate or intervention by courts on a matter of personal law
- **But there is another set of petitioners who make this case different. The Bhartiya Muslim Mahila Andolan (BMMA) is intent on making it a triple talaq versus Islam debate — which would change the rules of the game for the older set of rivals**
- **The BMMA's arguments begin with wanting triple talaq and nikah halala to be struck down as being unIslamic, and antithetical to Islam itself.** It is not as though scholars have not argued this earlier — and to those familiar with Islam, inheritance rights, and the notion of marriage as a contract being evidence of the religion treating women as equals, are equally familiar. The fact that the Prophet's wife was a widowed businesswoman, fifteen years older to him, and his youngest wife Ayesha led a contingent to battle, have been cited as 'proof' of Islam being inherently equalising. Practices from 'jahiliya', the so-called age of ignorance before Islam, like the purdah, chador, etc., having left their mark on regional practices and being confused with Islamic practice, have made it considerably difficult to argue that position, though
- What is likely to sneak into and impact the argument also are changes that have taken place since the 80s — both within the Islamic community and outside of it

- In today's age of connectivity, with the Quran and scores of its interpretations being available on mobile phones, Muslim women have more agency, their literacy rates have risen, and their participation in the workforce, though still not at a desirable level, is much higher, say petitioners who have conducted campaigns and raised awareness levels. Debate and conversation about these matters is more prevalent. In the aftermath of the 9/11 attacks, several mainstream Muslim clerics who might otherwise not have made a case for gender equality, found themselves citing Islamic feminism to back the presentation of their faith as a modern idea. A combination of these factors working outside India, and a proliferation of role models and their popularity, have encouraged Indian Muslim women to interrogate 'the spirit of Islam', and their place in it
- **As far as the specifics of what is being argued in the current Shayara Bano matter goes, the disagreement is between those who see Islamic law itself as opposed to the idea of equality enshrined in the Constitution and those who argue that triple talaq and nikah halala are not Islamic, only have credence among a section of Muslims — the Hanafi tradition — and are not held as rightful by Quranic verses**
- And what of the Uniform Civil Code argument? The fact that most see the Code as just an extension of the Hindu law is a problem, and there is little chance of other faiths accepting it, or agreeing to practices that may not draw at all from their respective faiths. The Special Marriages Act anyway exists for those for whom faith is not central to companionship, or for those who marry across faiths, or even caste
- The RSS-inspired petitions would likely want to use the opportunity to make a case for Islam versus good sense. And it is up to Muslim clerics — mostly men who said 'do not interfere' three decades ago — to back the statements they make on their faith having been egalitarian even in the seventh century. Falling back into jahiliya is not an option

PIB

1. Launching of "Feed the Future- India Triangular Training Program (FTF-ITT)" on 25th July, 2016

A new Agriculture Partnership between US and India to achieve Ever Green Revolution to address Global Food Security was announced during the State visit of US President Mr. Barack Obama to India in November 2010. **The effort included Triangular Cooperation adapting technological advances and innovative solutions to address Food Security Challenges in Africa. This pilot stage focused on three African Countries i.e., Kenya, Liberia and Malawi with potential to expand throughout the African Continent in future.**

Consequently, National Institute of Agricultural Extension Management, Hyderabad and

National Institute of Agricultural Marketing (NIAM), Jaipur conducted 7 training programs covering 219 executives from Kenya, Liberia & Malawi. Participants Surveys were conducted in Kenya, Liberia & Malawi to assess the impact of training programs. Results were beyond expectations. **Due to the success of first seven training programs, there have been considerable enthusiasms from the prospective Executives from Africa and Asia to participate in the present training program.** USAID and MEA identified additional countries among those involved in GOI-supported development programs and designated as Feed the Future; India Triangular Training Programme.

2. M/o Tourism sanctions 25 projects worth Rs. 2048 Crore to 21 States and UTs sanctioned under Swadesh Darshan scheme

Ministry of Tourism has sanctioned 25 projects under the Swadesh Darshan scheme worth Rs. 2048 Crore so far to 21 States and Union Territories since its launch of in January 2015. These States and UTs include Jammu and Kashmir, Uttarakhand, Rajasthan, Maharashtra, Kerala, Puducherry, Andhra Pradesh, Telangana, Madhya Pradesh, Chattisgarh, Bihar, West Bengal, Sikkim, Assam, Meghalaya, Mizoram, Arunachal Pradesh, Nagaland, Manipur and Tripura.

(a) For North Eastern States, the Ministry has sanctioned 9 projects worth Rs. 821 Crores covering all the 8 states

(b) For Tribal areas, the Ministry has sanctioned 3 projects for Rs. 282 Crores to the SG of Nagaland, Chhattisgarh and Telangana.

(c) For Buddhist Circuit, the Ministry has sanctioned 2 projects worth Rs. 108.11 Crore to the SG of Bihar and Madhya Pradesh.

The Ministry of Tourism has launched the Swadesh Darshan Scheme in 2014-15 with an objective to develop theme based tourist circuits in the country on the principles of high tourist value, competitiveness and sustainability in an integrated manner by synergizing efforts to focus on needs and concerns of all stakeholders to enrich tourist experience and enhance employment opportunities. Under this scheme, 13 Thematic Circuits have been identified, for development namely: **North-East India Circuit, Buddhist Circuit, Himalayan Circuit, Coastal Circuit, Krishna Circuit, Desert Circuit, Tribal Circuit, Eco Circuit, Wildlife Circuit, Rural Circuit, Spiritual Circuit, Ramayana Circuit and Heritage Circuit.**

The Financial Express:

1. Will TTIP survive Brexit?

[\(http://www.financialexpress.com/economy/will-ttip-survive-brexit/327564/\)](http://www.financialexpress.com/economy/will-ttip-survive-brexit/327564/)

Topic: Trade

Category: Global Economy

Key points:

- Britain, a country that believed in divide-and-rule has just had one stuck on its backside. Whether they like it or not, the fact is that it is a lot of East Europeans and Asians who work hard to keep the British economy growing. The local guys, instead of upping their game and remaining competitive, have decided to keep the EU guys away who actually work to make a living
- Triggering Article 50, formally notifying the intention to withdraw, sets a two-year clock running. After that, the treaties which govern membership would no longer apply to UK. The terms of exit will be negotiated between the UK's 27 counterparts, and each will have a veto over the conditions. The negotiations would be tedious, as it would be hard agreeing to a new trading partnership, establishing what tariffs and other barriers to entry would come into play, and agreeing to other important issues such as restrictions on free movement of persons between the EU and the UK. According to the EU, the complete exit would take about five years or more, because the EU wants to make the conditions for exit really difficult to discourage others from following suit
- Against this backdrop, discussions are on in the academic community on the fate of the Transatlantic Trade and Investment Partnership (TTIP). TTIP is an ambitious trade and investment agreement being negotiated between the US and EU. According to the United States Trade Representative (USTR), TTIP aims to bolster an already strong relationship to help boost economic growth and add to the over 13 million American and EU jobs already supported by the existing trans-Atlantic relations
- TTIP is expected to provide greater compatibility and transparency in trade and investment regulation and, at the same time, maintain high levels of health, safety and environmental protection. The UK and US are important trading partners and there is scepticism that TTIP negotiations would get affected with Brexit. It is obvious that given the UK's economic importance, the EU's market for US products has potentially shrunk, making the EU a less attractive trading partner post Brexit. The first intervention came from the USTR, who the day after the referendum emphasised that the "economic and strategic rationale for TTIP remains strong." Much would also depend on the next US administration
- The EU is extremely keen to complete TTIP negotiations. The 'Euro-realists' associated with the European Conservatives and Reformists (ECR) Group in the European Parliament, whose vision is to reform the EU by further liberalising the single market,

may push for the finishing line. The Euro-realists are against the hidden protectionism that is to be found in national labour laws or trade union practices, which, they argue, weakens Europe's ability to compete in the global market. Hence, if Euro-realism gathers momentum, the conclusion of TTIP could be a reality soon

- However, it is hard to predict the future course of TTIP negotiations. With three years into the negotiations already, with 30 chapters being discussed and 14 rounds of negotiations complete, the deal is nowhere near completion and there are several differences on both the sides
- TTIP comprises three main blocks: **market access for EU and US companies, cooperation on regulatory issues, and global rules of trade such as sustainable development or competition policy.** There has been considerable progress on all three. For instance, in market access, especially on tariffs, the two sides have exchanged offers twice
- TTIP has good offers from both the sides, which include 97% of all tariff lines, leaving the remaining 3% for the so-called end-game. Both the sides are working on improvements within the 97% tariff lines for speedy removal of tariffs. On regulatory issues, there have been proposals for cooperation in chemicals, cosmetics, engineering, medical devices, pharmaceuticals, textiles and cars. The EU has initiated discussions on trade and sustainable development, including on labour and environment. It has also proposed a text for a chapter on energy and raw materials, including promoting green innovations and trade of green technologies. It has suggested removing the existing export licences in the US on exports of gas. This could help diversify the energy mix and contribute to energy security in the EU
- During July 11-15, another round of TTIP negotiations took place in Brussels, with an attempt to consolidate as many texts as possible by the summer break. The President of the European Council has urged member countries to continue with TTIP negotiations and reiterated that the Commission has received the mandate to conclude the negotiations by the end of the year. On the contrary, it could happen that once Britain triggers Article 50 to quit the EU, both London's and Brussels' resources will be diverted on thrashing out a deal on what access the UK has to the single market, at the expense of working on TTIP
- Another factor which could slow down negotiations is that elections are due in both Germany and France in 2017, where a majority are opposed to TTIP. So, a clear picture will emerge only by the beginning of 2018. Though the timeline of end 2016 for TTIP is unlikely to be met, in the long run TTIP will be concluded and survive Brexit. After all, trade between the EU and US is already worth \$4.7 trillion and TTIP provides a chance to the EU to increase it

The Business Line:

1. Skilling in the age of robots

<http://www.thehindubusinessline.com/opinion/skilling-in-the-age-of-robots/article8894079.ece>

Topic: Jobs

Category: Economy

Key points:

- Automation lies at the forefront of the so-called 'fourth industrial revolution', a process whereby the interaction of cyber and physical systems will profoundly change established economic and social structures. And this will happen on a scale, size and speed unseen as of now
- The fourth industrial revolution is upon us, and the big question that everybody is asking is about its effect on employment. Are our policymakers listening?
- The Prime Minister's flagship Skill India mission is a laudable programme. A skilled and trained population is the basis for sustainable long-term growth, and at present there exists a massive gap between the demands of industry and skill level of the populace. But what if the skills become redundant within a few years? Welding. Automobile repair. Basic programming. Entry level management. Even driving. All jobs that can easily be turned over to robots
- **Nasscom predicts that by 2025, 50 per cent of all IT jobs in India will be lost to automation, and the downward trend that has already started. To be trained in redundant skills is to have no skills at all**
- We are preparing our populace for 20th-century jobs. What we need to do is prepare them for 21st-century jobs. The fourth industrial revolution will make most current entry and mid-level jobs, in almost every single sector, irrelevant. The loss of these jobs, however, will be balanced by the creation of a variety of new jobs, mostly in the high technology, creative or service sectors
- While at this point it might be too early to forecast all the various kinds of jobs that may be created in the future, the first step is to acknowledge the fact that we are behind the times
- **A detailed study is needed to understand the current and projected levels of automation in various sectors of the economy and the consequent effect on employment opportunities.** While international studies of this nature do exist, there is no specific study yet for India

- The conclusions of the studies that do exist can be reduced to two major thoughts
- First, the job markets of the future will be more volatile and uncertain. Jobs will be created and destroyed at an exponential rate and any worker would need skills to cope. Second, an increasing number of jobs will be created in areas such as services , creatives and high technology, where automation would have a considerably less impact
- To adequately prepare for this scenario, multiple steps need to be taken. The most important would be **rethinking and restructuring our education systems**. The future being unpredictable, we need to inculcate cognitive flexibility among our children. The idea is not to train them for a particular job but to enable them to deal with the ever-changing nature of jobs. **Adopting design-thinking principles may help students better cope**
- Here one can take guidance from the Partnership for 21st Century Learning, which has outlined ‘21st Century Student Outcomes’ — evaluating skills that students would need. While some outcomes are related to traditional subjects such as science, mathematics and languages, and inter-disciplinary themes, others focus on learning and innovation skills such as **creativity, critical thinking, communication and collaboration; ICT and media literacy; and life and career skills such as flexibility and adaptability**. Taken together, these are skills that do not necessarily train students for a particular kind of job, especially given the fact that the very nature of jobs would change through their years of schooling. India’s education system, needs to be overhauled to reflect these outcomes
- The old cliché that change is the only constant has never been truer than now. While the Government is taking welcome strides in addressing current skills issues, it must also prepare the populace to cope with constant change

2. Hand in hand

Topic: Laws

Category: Governance

Key points:

- The Joint Committee of Parliament that was assigned the task of reviewing **the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill 2016**, deserves a pat on the back. The changes suggested by the committee will strike the right chord with the Insolvency and Bankruptcy Code, enabling both laws to work in harmony towards smoother and faster debt recovery
- The Bill introduced in May had proposed amendments to various laws, mainly the Sarfaesi Act of 2002, to synchronise them with the Insolvency and Bankruptcy code, at

least in spirit. But many of the revisions made to the Sarfaesi Act remained inconsistent with the insolvency resolution process, which the committee has suitably modified. For one, the inherent friction between the laws for insolvency and the laws for security enforcement has been eased by clarifying the uncertainty over the rights of secured creditors during an insolvency process

- The amendments to the Sarfaesi Act allow secured creditors to enforce their security interests, upon a default, without the intervention of courts or tribunals. While this empowers them, enforcing such a right while an insolvency resolution process is in progress can strip the Insolvency and Bankruptcy Code of its purpose and undermine its success. Recognising the need to dovetail the amendments made to the Sarfaesi Act to the Code, the committee has clarified that the secured creditors cannot enforce any collateral or undertake recovery action during the resolution process
- While the proposal to empower the Reserve Bank of India to carry out audit and conduct inspection of Asset Reconstruction Companies (ARCs) smacks of micromanagement, it may well be the need of the hour. Rampant sale of assets by banks to ARCs, lack of disclosures once they are offloaded to the ARC, and a shaky track record of recovery, all call for sound oversight
- Given that there are about 70,000 court cases pending in Debt Recovery Tribunals (DRTs) involving more than ₹5 lakh crore, tackling the issue of inadequate staffing by upping the retirement age of presiding officers of DRTs from 62 years to 65 years is also welcome
- But there are still some loose ends that need to be tied up. The main reason for delay in the bankruptcy process in India up till now has been the existence of multiple laws governing insolvency, which the new Code attempts to set right by creating a unified law. But while it designates the National Company Law Tribunal (NCLT) and DRT as the adjudicating authorities for corporates and individuals, respectively, all Sarfaesi cases will still be referred to DRTs. This can once again delay the entire debt recovery process
- Therefore, moving corporate recovery cases under Sarfaesi to NCLT may be prudent. Also, while the Code provides for the creation of multiple information utilities to collect financial information, the new Bill talks of creating a central registry to maintain records of transactions related to secured assets. Ironing out such inconsistencies and adhering to the timelines laid down by both the laws will be key to a quick resolution

3. For a better harvest

<http://www.thehindubusinessline.com/opinion/for-a-better-harvest/article8894078.ece>

Topic: Agriculture

Category: Governance

Key points:

- Is it possible for the farmer in India who on an average owns less than two acres, to compete with the Latin American farmer who owns more than 50 hectares of land and exports soyabean meal?
- With respect to rice, India may have to take steps to improve the earning capacity of the farmer. A capacity of as low as 500 kg of paddy/hour, can serve as a custom milling unit. There is a vast potential for installing mini rice mills in paddy growing areas, as a rural small scale activity. Farmers are required to be encouraged to be appointed as aggregators as well as for setting up of mini rice plants for better realisation
- They can be encouraged by providing subsidy/loan at concessional rate of interest for huller/ mini rice mills, where the investment requirement is ₹1-4 lakh excluding the cost of land. The pure bran can be supplied to the solvent extraction industry for production of edible rice bran oil. There are any number of opportunities for the use of rice bran oil, which includes an export market in the US
- Similarly, an effort should be made to add value at the village level near the farm gate for wheat, soyabean and other horticultural products. It is important that along with other stakeholders, the Government improve market infrastructure
- Turkey amended its inheritance laws in 2014 to prevent further fragmentation of agricultural land and established a minimum size requirement for agricultural produce. The Turkish government has so far been able to consolidate more than 3 million hectares ,as a result the average land holding of the farmer has gone above five hectares
- We need to move in this direction as consolidation of land is essential to improve the productivity of the farmers and compete in the international market. We need proper implementation of the model tenancy Act
- Huge investment particularly in minor irrigation plays a significant role in recharging of well, drought mitigation and flood control. Such investment has been relatively low compared to large scale irrigation where results have not been encouraging
- The climatic conditions in this country support stevia, a possible substitute for sugarcane, which is endowed with several medicinal properties and can be grown in many northern States. One acre of stevia cultivation can produce sugar equivalent to 36 acres of sugarcane, requiring much less water and providing double the income compared to wheat and paddy. We need accredited agencies for supplying planting materials of stevia in India
- While several corporates have implemented successfully enterprise risk management systems, we have so far not been able to provide holistic solutions to farmers to

mitigate risk. We need proper execution of the same to mitigate the stress level of farmers

3. Reshaping India's trade policy

(<http://www.thehindubusinessline.com/opinion/reshaping-indias-trade-policy/article8894080.ece>)

Topic: Trade

Category: Economy

Key points:

- Trade data for June 2016 brought cheers as India's merchandise exports showed positive growth after 18 excruciating months. However, in their effort to take exports to the next level, India's trade policymakers face four major challenges: How to encourage foreign investments, obtain a balanced outcome of Free Trade Agreements (FTAs), improve ease of doing business, and reduce dependence on export promotion schemes?
- Coincidentally, all four concerns can be addressed by just one action: carrying out a selective reduction in basic custom duties. As the past reductions confirm, it will not lead to the doomsday scenario of domestic industry being wiped out and widespread unemployment. Also, duties are no more the import barriers they used to be. While the earlier 100 per cent tariffs could stop imports altogether, today's 10 per cent cannot. **That is why the international trade game has already shifted to non-tariff barriers such as product standards.** We are slipping in this game and must brace up fast
- Studies show that when duties fall below tipping point, there is large and non-linear increase in trade. Therefore, the world has decisively moved towards a low import duty regime. Simple average import duties on industrial goods in Canada, Japan, Australia, the US and the EU are 2.3, 2.6, 3.0, 3.1 and 4.2 per cent respectively. The top six Asean countries have already implemented zero rates on 99 per cent of tariff lines on intra-Asean trade. About 70 per cent of world trade takes place duty-free thanks to the WTO and numerous FTAs. In India, trade and duties seem to be inversely related. Between 1991 and 2016, while India's merchandise trade (exports and imports) rose from \$37 billion to \$642 billion, average duties came down from 128 per cent to 10.2 per cent. Selective reduction in basic custom duties will address major trade policy concerns
- Low duties encourage foreign investment. Large global manufacturers develop supply chains across countries. Since the complex production process requires goods to cross borders several times at different stages, any duty charged has a cascading and accumulative effect. This makes high duty locations an unattractive destination for

investment. Trade facilitation and duty reduction are the first steps for enhancing foreign investment potential and increasing trade

- Low duties make FTAs more balanced. At the most basic level, FTAs allow zero or concessional duty imports from partner countries and hence the first visible impact of any FTA is the loss of customs revenue. Concerns are regularly raised over the higher revenue losses for India compared to partner countries, even as the actual imports under FTAs are still far below the potential. But that's a no-brainer. A country with 10 per cent duty will lose more than a country with 2 per cent duty. There are other problems as well
- A country with higher import duties also ends up giving more market access and buys less goods from the cheapest sources compared to the FTA partner country. Consider the case of two countries, H with an average tariff of 20 per cent and L with an average tariff of 2 per cent. H and L agree to eliminate tariffs through an FTA. The exporters from L would export more to H as they get a huge 20 per cent price advantage over others. Country H would suffer a higher revenue loss due to the steep tariff reduction, while its consumers may not benefit from the decrease in prices as exporters from L would keep most margins. Domestic producers of H would suffer the most. One, they have to compete with zero duty imports of finished goods from L; and two, they may have to import raw materials from the non-FTA partner country at high duty which will make their products uncompetitive
- Low duties will make the duty structure simple and improve ease of doing business. High duties have necessitated the granting of many customs duty exemptions that vary according to product, user, or intended use. These have made India's current tariff structure complex and difficult to implement. High duties also lead to evasion, litigation and corruption
- Low duties will simplify export schemes. To make exports competitive, the Foreign Trade Policy allows duty-free import of raw materials and capital goods under the duty exemption schemes. These schemes have become complex because of the need to ensure that such imports have indeed been used for export production and not for sale in domestic market. The drawback scheme that refunds the duties paid on inputs costs about ₹40,000 crore annually. The higher the duties, the more the outgo, and higher the allure to take more than is due. So, there is always the issue of a few firms importing duty-free and filing fraudulent drawback claims, keeping the Directorate General of Foreign Trade enforcement wing or the Directorate of Revenue Intelligence on their toes. Once duties come down, many such schemes will lose relevance
- The following plan can be debated for a nuanced reduction in basic custom duties without disturbing the revenue collection target. While the share of all types of custom duties in tax revenue is 14 per cent, the share of basic custom duty is 4 per cent or

₹65,000 crore. One, identify 5 per cent of industrial tariff lines as strategic and retain the current level of duty on these. These may include items on which we wish to invite FDI for manufacturing. Most countries have done this at some point. Developed countries like US and EU even today retain high duties on labour intensive products exported by developing countries

- Two, reduce duties on most raw materials and intermediate goods. A look at duties imposed across tariff lines throws interesting insights. India collects more than 85 per cent of basic custom duty from less than 10 per cent of tariff lines. The bottom 60 per cent tariff lines contribute to less than 3 per cent of revenue. Within this framework, India can consider zero duty on all raw materials and intermediate goods. For most of the remaining industrial products, India may move to 5 per cent duty in next 3 years
- Strategic duty reduction will be an important step in moving towards a modern trade policy regime needed for high growth in trade and investment

The Economic Times:

1. Lower bank funding will reduce bad loans

[\(http://blogs.economictimes.indiatimes.com/et-editorials/lower-bank-funding-will-reduce-bad-loans/\)](http://blogs.economictimes.indiatimes.com/et-editorials/lower-bank-funding-will-reduce-bad-loans/)

Topic: Banking

Category: Economy

Key points:

- Twenty-five years after the path-breaking reforms of 1991, the country lacks a thriving corporate bond market. Economists suggest that junk bonds could serve as the launch pad for the market. Such bonds, issued by companies with low credit rating and offering high yields, would find takers, if three conditions are met. One, the Bankruptcy Code has to be operationalised, to swiftly redeploy assets if projects fail. Two, credit default swaps must insure against default. And, three, there must be a developed market for hedging against possible risks arising from interest rate and exchange rate movements over the life of the bond. Appropriate interest and currency derivatives are a must
- In India, there is far too much reliance on bank funding for all sorts of multi-year investment projects, when banks, with mostly short-term deposits, ideally need to be lending for similar periods (such as working capital) to avoid asset-liability mismatches. A changeover to more of bond financing would require independent vetting of the projects planned and attendant bond rating, and together with vibrant

secondary market trading would provide far greater oversight than mere bank lending

- The point is that a bigger market for corporate bonds should reduce gross non-performing assets in the banking sector, which have now risen to the double digits. Anyway, it makes little sense to opt only for the least risky projects with triple-A and double-A credit rating. And junk bonds can be floated to finance more risky projects. The bond yields would need to be attractive, so as to balance high risks with high returns. The yield levels that make junk bonds attractive to investors would be high. This would not deter small businesses, given the difficulty they have accessing formal finance at present

2. Why Dalit protest is a sign of social progress

[\(http://blogs.economictimes.indiatimes.com/et-editorials/why-dalit-protest-is-a-sign-of-social-progress/\)](http://blogs.economictimes.indiatimes.com/et-editorials/why-dalit-protest-is-a-sign-of-social-progress/)

Topic: Rights Issue

Category: Society

Key points:

- We welcome the widespread protests staged by Dalits in Gujarat to protest against the violent assault on four members of their community by self-appointed cow protectors. In some towns of Saurashtra, where the incident occurred a fortnight ago, some protesters have made the issue of cow protection just the spark that has lit something far bigger, louder and, in terms of traditional caste-based inequity, more disruptive. Protest has been sustained and widespread enough to draw in political leaders and the national media. This marks a gain for Indian democracy, in general, and for Dalits, in particular. It also could mark a tipping point in India's caste politics
- A constant dynamic of Indian politics is the imperative to move society forward from its traditional hierarchical order to one of democratic equality as envisioned in the Constitution. Political parties confront this tension routinely, and buckle under, more often than not. When a khap panchayat issues an edict that conforms to and reinforces traditional values of gender/group inequality and, at the same time, violates basic individual rights guaranteed by the Constitution, politicians find it expedient to honour the khap rather than defend the rights that have been violated
- Thus, custom and conservative social power have kept Dalits at the bottom of the social hierarchy in most parts of the country, especially where their numbers are small, reducing their electoral clout. Persistence of social exclusion and unjust treatment has bred resentment and protests, such as conversion to other religions. The telecom

revolution and the spread of social media among low-income groups have helped convert simmering resentment into active protest, after video footage of four Dalits being beaten with rods went viral

- The protests will likely change the status quo permanently. That is a welcome change even if they have come about because of age-old bigotry. Dalit resentment and assertion will make themselves felt across the country

Quick Bits and News from States

1. Search area for missing IAF plane widened

(<http://www.thehindu.com/news/national/search-operations-of-iafs-missing-an32-aircraft-underway-for-the-third-day-in-succession/article8893977.ece?homepage=true>)

The Search and Rescue (SAR) efforts for the missing An-32 continued for the third consecutive day on Sunday with a total of 18 ships and 16 aircraft from Coast Guard, Navy and Indian Air Force (IAF)

2. Chinese scribes asked to leave after adverse report

(<http://www.thehindu.com/news/national/chinese-scribes-asked-to-leave-after-adverse-report/article8894319.ece?homepage=true>)

India decided not to renew the visas of three journalists of official Chinese news agency Xinhua after an adverse report from the Ministry of Home Affairs. The event is likely to further strain bilateral ties, which have seen considerable tension in the last few months.

3. Two more dead, toll in strife touches 49

(<http://www.thehindu.com/news/national/two-more-dead-toll-in-strife-touches-49/article8894614.ece?w=alauto>)

Death toll in Kashmir valley due to the recent unrest rose to 49 after the death of two more injured persons, including a policeman and a civilian, succumbed on Sunday

4. 'Gunman planned attack for a year'

(<http://www.thehindu.com/news/international/gunman-planned-attack-for-a-year/article8894285.ece?w=alauto>)

The 18-year-old gunman who killed nine people in a shooting spree in Munich had been planning his crime for a year but chose his victims at random, officials said. He (David Ali Sonboly) was obsessed with Anders Behring Breivik(a Norwegian far-right domestic terrorist),

who massacred 77 people in Norway five years ago. There was no indication that the shooting was politically-motivated or that he chose the victims because of their nationality. Sonboly appeared to have been the victim of bullying by fellow pupils back in 2012, filing a complaint against three of his tormentors.

5. Canada, U.K. renew calls for reconciliation in Sri Lanka

<http://www.thehindu.com/news/international/fulfil-commitments-on-human-rights-canada-uk-tell-sri-lanka/article8894122.ece?w=alauto>)

Even as Sri Lanka observes 33rd anniversary of the anti-Tamil riots which triggered a long civil war, Canada and the United Kingdom, both known for having a significant number of Tamil diaspora, have renewed their call to Sri Lanka to fulfill commitments on human rights and democracy.

6. Sri Lanka starts talks with Chinese investors on Hambantota project

<http://www.thehindu.com/news/international/south-asia/sri-lanka-starts-talks-with-chinese-investors-on-hambantota-project/article8894074.ece?w=alauto>)

Sri Lanka has started talks with Chinese investors on the \$10 billion Hambantota Economic Project to be implemented in the southern region of the island nation.

The project would encompass the establishment of oil refineries, a power generation plant and industrial zones, Prime Minister Ranil Wickremesinghe said.

Four projects — the Kandy Mega Development, Wayamba (North-Western) Industrial and Tourist Development Project, Western Megapolis and the Southern Tourist and Industrial Project — will be implemented by the government in 15 years.

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

The Insolvency and Bankruptcy Code

Red Corridor

AFSPA

CAG

NCSC

IS

Taliban

NEP-1991

Uniform Civil Code

TTIP

SARFAESI Act

Hambantota Project

Tags

The Insolvency and Bankruptcy Code

Red Corridor

AFSPA

CAG

NCSC

IS

MUDRA Smart glove

Taliban

NEP-1991

Uniform Civil Code

Shah Bano case

Swadesh Darshan Scheme

TTIP

SARFAESI Act

Model Tenancy Act

Hambantota Project

Practice Questions:

Question1: Which of the following statements is/are correct about MUDRA smart glove?

1. It converts hand gestures to electronic signals and produce a voice output
2. It was developed through Indo-US collaboration

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?

1. The number of persons employed in farm sector is decreasing in India
2. Female workforce participation rate is increasing in India

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

Ans a

Question 3: Which of the following states are classified as states affected by Left Wing Extremism?

1. Maharashtra
2. Jharkhand
3. Madhya Pradesh
4. Telangana

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

Ans d

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

1. The Transatlantic Trade and Investment Partnership (TTIP) is a proposed agreement between the European Union and the United States
2. The Trans-Pacific Partnership (TPP) or Trans Pacific Partnership Agreement (TPPA) is a trade agreement among twelve Pacific Rim countries

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

Ans c

Question 5: Which of the following is/are correct about the Insolvency and Bankruptcy Code?

1. The Code establishes the Insolvency and Bankruptcy Board of India, to oversee the insolvency proceedings in the country and regulate the entities registered under it

2. The Code proposes two separate tribunals to oversee the process of insolvency resolution, for individuals and companies: (i) the National Company Law Tribunal for companies and limited liability partnership firms; and (ii) the Debt Recovery Tribunal for individuals and partnerships

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

Ans c

Useful News Articles

26-7-2016

A. GS1 Related

B. GS2 Related

1. SC allows rape victim to abort 24-week-old foetus

<http://www.thehindu.com/news/national/supreme-court-allows-mumbai-rape-survivor-to-abort-24weeksold-abnormal-foetus/article8897230.ece?w=alauto>)

Topic: Rights Issues

Category: Polity

Key points:

- The Supreme Court on Thursday allowed a rape victim based in Mumbai to abort her 24-week-old abnormal foetus after the Centre clarified that a 20-week cap on termination of pregnancy is not applicable if the pregnant woman's life is found to be in grave danger
- The Attorney General clarified that though The Medical Termination of Pregnancy Act, 1971 mandates against abortion after pregnancy crosses the 20-week threshold, there are exceptions. Section 5 of the Act holds that none of the restrictions mentioned in Section 3 would apply if "termination of pregnancy is immediately necessary to save the life of the pregnant woman."

LIFE VERSUS LIFE

➔ By 2009, 97 per cent of all countries permitted abortion to save a woman's life. But these included specific restrictions

➔ **80 per cent** of developed countries allow abortion for economic or social reasons; **69 per cent** allow it on request. In contrast, **19 per cent** of developing countries allow it for economic or social reasons & **16 per cent** on request

➔ India and Japan are **among 13 countries** that grant wider exceptions such as socioeconomic reasons based on age of the woman or very low income. The **gestation period restriction in India** for these exceptions is 20 weeks

➔ **61 countries** have legalised elective abortions with gestational period requirements with the U.S., Canada, China, Singapore and Netherlands having the widest time period of gestation



Source: *World Abortion Policies 2011, U.N.; The World Abortion Laws Map 2013, Centre for Reproductive Riights.*

2. LS panel to look into Mann's videography

(<http://www.thehindu.com/news/national/parliament-proceedings-lok-sabha-speaker-sets-up-panel-to-probe-mann-incident/article8896741.ece?w=alauto>)

Topic: Legislature

Category: Polity

Key points:

- Lok Sabha Speaker Sumitra Mahajan constituted a nine-member committee of parliamentarians on Monday to probe whether or not Aam Aadmi Party (AAP) MP Bhagwant Mann’s videography of the Parliament House complex, including the room where parliamentary questions were being sorted, had jeopardised its security. The panel has been asked to submit a report by August 3
- Enquiries will mostly look at whether the rule book, which disallows any premature viewing of parliamentary notices, was violated and also violation of rule 354 that forbids videography of Parliament without proper permission
- The inquiry committee shall inquire into the serious security implications and related aspects, suggest suitable remedial measures to avoid recurrence of such incidents in future and recommend appropriate action in the matter,” Ms. Mahajan said, reading out her ruling

3. Forgive past errors of youth, says SC

<http://www.thehindu.com/news/national/forgive-past-errors-of-youth-says-sc/article8898306.ece?w=alauto>

Topic: Rights Issues

Category: Polity

Key points:

- In a relief to India’s young who engage in agitations against the establishment, the Supreme Court held that employers may forgive youngsters who suppress or submit false information in their job verification forms if their criminal past involves only a “trivial” offence like “shouting slogans at a young age or stealing bread.”
- “McCarthyism is antithesis to constitutional goal, chance of reformation has to be afforded to young offenders in suitable cases,” a three-judge Bench observed in a recent judgment

4. Telecom panel fixes minimum spectrum usage charge at 3%

<http://www.thehindu.com/business/Industry/telecom-panel-fixes-minimum-spectrum-usage-charge-at-3/article8898072.ece?w=alauto>

Topic: Telecom

Category: Governance

Key points:

- The Telecom Commission on Monday stuck to its position in favour of using a weighted average formula to calculate the annual fee that telecom companies pay for using airwaves
- It was also decided that for the auctions to be held later this year, the SUC will be imposed at three per cent

C.GS3 Related

1. Solar plane nears end of trip

<http://www.thehindu.com/sci-tech/technology/solar-plane-nears-end-of-trip/article8898084.ece?homepage=true>

Topic: Renewables

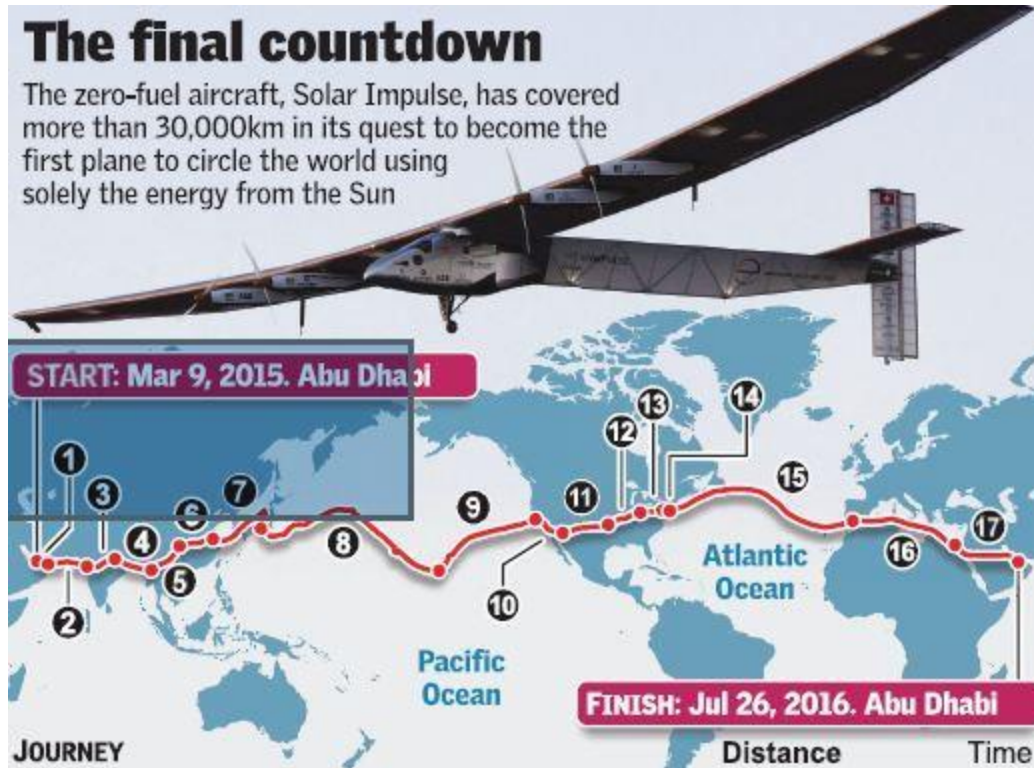
Category: S&T

Key points:

- The Solar Impulse 2 was on Monday approaching the end of its epic bid to become the first sun-powered airplane to circle the globe without a drop of fuel to promote renewable energy
- When the experimental aircraft touches down in Abu Dhabi in the early hours of Tuesday it will cap a remarkable 42,000-km journey across four continents, two oceans and three seas
- With Swiss explorer and project director Bertrand Piccard in the cockpit, the plane is due to land at Al-Bateen Executive Airport in the UAE capital where it launched its tour on March 9, 2015
- Mr. Borschberg, 63, co-founder of the project smashed the record for the longest uninterrupted journey in aviation history with the 8,924-km flight between Nagoya, Japan and Hawaii that lasted nearly 118 hours
- No heavier than a car but with the wingspan of a Boeing 747, the four-engine battery-powered aircraft relies on around 17,000 solar cells embedded in its wings. Its broad wings and light weight make it particularly sensitive to turbulence. The plane has clocked an average speed of 80 km per hour

The final countdown

The zero-fuel aircraft, Solar Impulse, has covered more than 30,000km in its quest to become the first plane to circle the world using solely the energy from the Sun



JOURNEY			Distance	Time	
2015	1	Mar 09 Abu Dhabi (UAE) - Muscat (Oman)	772km	13hrs 01min	
	2	Mar 10 Muscat - Ahmedabad (India)	1,593km	15hrs 20min	
	3	Mar 18 Ahmedabad - Varanasi (India)	1,170km	13hrs 15min	
	4	Mar 19 Varanasi - Mandalay (Myanmar)	1,536km	13hrs 29min	
	6	Apr 21 Chongqing - Nanjing (China)	1,384km	17hrs 22min	
	8	Jun 28 Nagoya - Hawaii (U.S.)	8,924km	117hrs 52min	
	Plane grounded for nine months in Hawaii to repair damaged batteries				
	2016	9	Apr 21 Hawaii - San Francisco (U.S.)	4,086km	62hrs 29min
10		May 2 San Francisco - Phoenix (U.S.)	1,113km	15hrs 52min	
12		May 21 Tulsa - Dayton (U.S.)	1,113km	16hrs 34min	
13		May 25 Dayton - Lehigh Valley (U.S.)	1,044km	16hrs 49min	
15		Jun 20 New York - Seville (Spain)	6,765km	71hrs 8min	
16		Jul 11 Seville - Cairo (Egypt)	3,745km	48hrs 50min	
17		Jul 24 Cairo - Abu Dhabi (UAE)	1,965km	Around 48hrs	

Source: Solar Impulse

Picture: Getty Images

2. U.S. asks India to remove duties, 'barriers' on ICT items

(<http://www.thehindu.com/business/Economy/us-asks-india-to-remove-duties-barriers-on-ict-items/article8898074.ece?w=alauto>)

Topic: Trade

Category: Economy

Key points:

- The U.S. has asked India to eliminate customs duties on Information and Communications Technology (ICT) items, a top official said
- The demand comes ahead of the bilateral Strategic and Commercial Dialogue slated for next month
- The U.S. also urged India to do away with the requirement that ICT products — including those imported — must be “tested” at Bureau of Indian Standards (BIS)-approved labs and later obtain a registration number from the BIS before they can be sold in India
- The U.S. wants to work with India to eliminate localisation policies – including norms that require companies to store their data in a particular country (in this case India) — because many of the major IT industry firms have established R&D initiatives in India and they would like to have free flow of data across borders

D.GS4 Related

E. Important Editorials:

The Hindu

1. Islamic State in Afghanistan

<http://www.thehindu.com/opinion/editorial/islamic-state-in-afghanistan/article8898053.ece?homepage=true>

Topic: Terrorism

Category: Security

Key points:

- Saturday’s twin blasts in Kabul, in which at least 80 people died and over 260 were injured, is a clear escalation of the Afghan conflict by the Islamic State. Over the past two years, the IS has built some presence in eastern Afghanistan, operating largely from the chaotic Nangarhar province. But by carrying out one of the worst mass attacks in Kabul in 15 years, it has flaunted its growing footprint. It has sent a message that it is now a force to reckon with in Afghanistan

- In turn, the attack once again exposes the chinks in the country's security armour. Despite support from U.S. troops and its superior air cover, the Afghan military hasn't been able to do much to prevent Taliban attacks in recent months
- Now, with the IS also joining the fray, the security situation could become much worse. For the IS, Afghanistan is a potential area of expansion. It is under increasing pressure in Iraq and Syria in the wake of sustained attacks by, variously, the U.S., Kurdish groups and the Iraqi and Syrian national armies. Over the past year it has lost territory and thousands of fighters, forcing the leadership to look for other countries, especially Libya and Afghanistan. Groups such as the IS are most comfortable amidst chaos. The IS has exploited the post-war chaos in Iraq and the civil war uncertainty in Syria. Afghanistan falls into the same category. The civil war has substantially weakened post-Taliban state-building in Afghanistan, leaving several regions, particularly the mountainous areas along the Pakistan border, beyond the control of the government. Unsurprisingly, it is in one such district that the IS has found a foothold
- The Kabul attack also fits into the IS's sectarian narrative. The targets of the blasts were the Hazaras, the third largest ethnic group in Afghanistan, which is mainly Shia. In both Iraq and Syria the IS has exploited the Shia-Sunni rivalry to win the support of Sunnis, particularly disaffected youth from the community. By directly attacking the Hazaras, the IS is clearly trying to whip up sectarian passions. This is a dangerous game that even the Taliban has largely stayed away from in Afghanistan
- Though the Hazaras were persecuted under the Taliban in the 1990s, the Afghan civil war did not turn sectarian like the conflicts in Syria and Iraq. The IS is trying to change this equation, because only then can it hope to spread its Sunni fundamentalist ideology to the Afghans. The question is how the Afghan government and the international coalition will respond to these twin challenges. If they indeed let the IS gain ground, as happened with the Taliban in the 1990s, the consequences will be far more disastrous

2. Flawed premise, misplaced prescription

(<http://www.thehindu.com/opinion/lead/urjit-patel-committee-report-flawed-premise-misplaced-prescription/article8898060.ece?homepage=true>)

Topic: Monetary Policy

Category: Economy

Key points:

- The present regime at the RBI is foisting an inflation-targeting framework for the conduct of monetary policy without much debate

- What should the goals of the monetary authorities be? Some obvious desirable candidates are full employment (or a high growth path), low inflation, financial stability, budget balance and external balance (what used to be called equilibrium in the balance of payments). And inevitably there are serious trade-offs between these objectives. High growth can come accompanied by stress in the banking system (as happened in the U.S. in the run-up to the financial crisis), or with a huge current account (of the balance of payments) deficit (this implies growth is funded by international borrowing)
- In the advanced capitalist countries, the professional consensus has moved towards inflation targeting as the objective of monetary policy (after the Lehman Brothers crisis of 2008, the importance of financial stability is not debated). The broad argument in favour of inflation targeting runs as follows (also repeated in the report): **monetary policy cannot significantly alter the level of employment (or not for any length of time) — this is determined by “real factors” such as productivity, labour market rigidities, and possibly the fiscal stance of the government. Monetary policy should target nominal variables, such as rate of inflation**
- Targeting inflation comes from a belief that policy should be simple and transparent, so that the private sector can factor this into their decision-making. The question that this poses is: are there more “complicated” policies which are better? One such policy is called “nominal income targeting”. But it is more complicated and the private sector is deemed to be intellectually challenged
- **In these countries, inflation targeting could be the desirable policy because there is no restriction on the movement of (financial) capital;** the issue of balance of payments needing policy intervention is not even on the menu. **Their interest rates equal the interest rate in the rest of the world (interest parity holds) and the country concerned can borrow abroad to finance the deficit** — for example, the U.K. has been running a current account deficit close to 8 per cent of GDP that no developing country could get away with
- But more relevant here is that there is no pressure on the Bank of England to intervene to correct this. **As a matter of fact, the macroeconomic distinction between a developed and a developing economy is that the latter needs to settle its debt in an internationally accepted currency. Being in possession of real estate or natural resources is not enough, since foreign lenders will not accept rupees. Thus, at the very least, a developing economy also needs to have some notion of external balance**
- On the external front, the report says the RBI should intervene to smooth exchange rate volatility. It also discusses what the RBI should do in the face of large foreign capital inflows and outflows. To insure against outflows, it says, India needs a war chest of foreign exchange reserves. And this is generated by intervening in foreign exchange markets during periods of foreign inflows, via something called “sterilised intervention”.

But the takeaway from the report is that the external sector needs attention in emergencies, not on an ongoing basis

- **So is India like a developed country that can disregard the external constraint? India is a fairly open economy, reliant on foreign capital flows. Gone are the days when we could think of ourselves as a closed economy not really worried about foreign trade and payments.** Even when this was true (before liberalisation), we had two major balance of payments crises that altered the subsequent trajectory of the economy — the first one contributing to the “socialism” of Indira Gandhi, and the second one leading to liberalisation. **Thus, trade and capital flows have to be woven into the proposed policy fabric**
- To go back to the report, the very discussion of sterilised intervention implies that India’s financial markets are not integrated with world markets. So what is sterilised intervention? When capital inflows occur, the RBI could do nothing and let the rupee appreciate. If it chooses to intervene, it could buy foreign exchange. This would increase the supply of money, and possibly cause inflation. So it may buy back the rupees by offering government bonds. This is “sterilised intervention” — sterilised because the policy leaves money supply unchanged. **But since this policy increases the supply of government bonds, the yield on them must rise in order to make the public hold them. And this is possible only if the domestic interest rate can differ from the international one. The whole notion of having adequate foreign exchange reserves, and acquiring them via sterilised intervention, means that we must pay attention to the details of the external sector.** How much foreign exchange to buy? How much sterilisation? Similarly for an outflow, the choice involves a depreciation of the currency versus loss of reserves
- You may get the details of the intervention right, you may be a good boy with inflation and budget deficits under control, and yet face chaos. This is what happened to Latin America after Russia defaulted in 1998. There was a reversal of capital flows that left the more open economies stranded. To not even consider such an eventuality in the design of the architecture of monetary policy is surely being foolhardy. Other developing economies that have adopted inflation targeting often say “inflation-targeting plus” — the “plus” suggesting that there are possible complications
- East Asia has grown out of poverty by using the exchange rate as a tool to generate demand for domestic goods. The RBI Governor has said that today there is no space for such a strategy. But India’s trade balance has been in deficit (around 8 per cent of GDP till recently); a depreciated exchange rate could surely claw back some of this demand by making Indian products slightly more competitive in world markets
- **Not addressing the external constraint is the biggest shortcoming of the report.** There are also other examples of cut-and-paste. In an economy like India’s, why does

monetary policy have nothing to say directly on supply shocks, for example, a failure of the monsoon or a rise in oil prices? A narrow focus on consumer price index targeting means that adverse output shock like El Nino is relevant only if and when it feeds into inflationary expectations. And what will inflation targeting do? After a failed monsoon, and high food prices that have led people to expect high prices, policy would increase interest rates and have a prolonged period of demand compression from a one-off monsoon failure. Nominal income targeting has been shown to be vastly superior in dealing with this kind of a shock

- Similarly, if oil prices were to rise, one way of minimising the inflationary impact of that is to let the exchange rate appreciate. If you were half-conscious of the external balance, it is obvious you do so at your peril (because then the pressure on the current account is being compounded)
- Another example of cut-and-paste is the box item on the so-called New Keynesian Phillips Curve. Whatever its usefulness in industrialised countries, to lift this and use it to illustrate one's preferred policy set-up in India is a bit rich. The example in the report assumes no supply shocks. Also, is the price stickiness assumed there at all a decent representation of how goods prices are determined in the Indian economy?
- The RBI is about to embark on a new policy framework based on poor economics

3. It never trickles down

<http://www.thehindu.com/opinion/op-ed/it-never-trickles-down/article8898000.ece?homepage=true>

Topic: Reforms

Category: Economy

Key points:

- Central to the “reforms” introduced in 1991 was not a “retreat of the state” in favour of the “market” as is commonly supposed, but a change in the nature of the state. This change was not necessarily a conscious decision; it was more a “spontaneous” outcome of the introduction of the “reforms” themselves
- Since the “reforms” entailed the opening of the economy to freer cross-border flows of goods and capital, including of finance which is highly mobile and whose sudden outflow can precipitate a financial crisis, the state under a “reform regime” necessarily has to ensure that the “confidence” of the international financiers in the economy remains intact. State policy therefore must always be to their liking

- The “reform regime” creates a state that becomes exclusively concerned with the interests of globalised capital, and the domestic corporate-financial oligarchy aligned with it
- A fallout of this is the withdrawal of support by the state from traditional petty production, and hence the unleashing of a crisis in this sector, including in peasant agriculture. The increase in the prices of agricultural inputs because of reduced subsidies (as the government, to placate finance capital, has to keep down the fiscal deficit while not raising taxes on the rich); the withdrawal of government price support for several crops by ending the market-intervention role of the Commodity Boards; allowing even nationalised banks to renege on providing agricultural credit, so that the peasantry is forced to rely increasingly on a new class of private moneylenders charging exorbitantly high interest rates; the winding up of public extension services; the removal of the insulation from world market price fluctuations that had been provided earlier to the agrarian economy through tariffs and quantitative restrictions; the cuts in public investment in agriculture and irrigation; the running down of agricultural research and development in public institutions; the permission to agribusiness to enter the countryside for a direct, unmediated and unregulated relationship with the peasantry; and the retreat of the government from providing essential services like quality education and health care are some of the obvious ways in which state support has been withdrawn from this sector
- This has adversely affected the income flow of the peasantry, impaired the profitability of peasant agriculture, reduced its rate of growth, and brought acute distress to the countryside. For large sections of the peasantry, even simple reproduction of their economy has become impossible, causing a spate of peasant suicides. What is true of peasants is also true of traditional petty producers in general: fishermen, artisans, craftsmen, weavers and others. A simple calculation some years ago showed that if the statutory minimum daily wage was imputed to Kerala’s traditional fishermen, then their entire economy would be in deficit
- The income squeeze on the peasants has been accompanied by a taking over of their land for “infrastructure” and “industrial” projects, often at throwaway prices and against their wishes. When consent has been obtained, not everyone dependent on the land has been consulted. “Primitive accumulation of capital”, to use Karl Marx’s phrase, is rampant not only in “flow” terms (income squeeze) but also in “stock” terms (asset dispossession). The latter is set to gather further momentum with the “Smart City” project of this government
- All this need not make one shed tears if the peasants and petty producers, who are either dispossessed or unable to cope with the income squeeze and therefore migrate

to cities, could find proper employment there. But the scale of job creation has been minuscule despite high GDP growth

- Joblessness does not announce itself as such. The employment rationing it entails takes diverse forms: casual employment, intermittent employment, part-time employment, and disguised unemployment (camouflaged often as “petty entrepreneurship”). These give a misleading picture of the unemployment scenario. But if we take what the National Sample Survey calls “usual status employment”, then between 2004-05 and 2009-10, a period of high GDP growth, such employment grew at 0.8 per cent per annum. This was below the natural rate of growth of the workforce itself, even if we ignore the job-seeking displaced peasants
- This has led to a proliferation of precarious and insecure employment, a burgeoning lumpenproletariat(uninterested in revolutionary advancement), an immense weakening of the bargaining position even of the unionised workers, and hence to a compression of the per capita real income of the “working people” as a whole, consisting of agricultural labourers, traditional petty producers, and non-white-collar workers
- A simple statistic confirms this. The percentage of the rural population with food intake below 2,200 calories per person per day (the benchmark for defining rural poverty) was 58.5 in 1993-94; it increased to 68 in 2011-12. Likewise the percentage of the urban population below 2,100 calories per person per day (the benchmark for defining urban poverty) was 57 in 1993-94; it increased to 65 in 2011-12
- It is often claimed that growing calorie deprivation does not indicate worsening economic status, since it could arise for other reasons, such as changing tastes, greater health consciousness, reduced physical work effort, or greater emphasis on children’s education and health care. But if reduced calorie intake occurred for these reasons even when real incomes of the working people were (for argument’s sake) rising, then it would be difficult to explain an increase in calorie intake when real incomes were also rising, such as between 2009-10 (a poor crop year) and 2011-12 (a good crop year)
- Indeed, one invariably finds a positive association between the two variables. The more reasonable explanation for declining calorie intake therefore is a decline in real income of the working people — that is, money income deflated by a price index that takes into account the effect of privatisation of essential services (which the usual price indices do not)
- What the “reforms” have brought therefore is a process of “primitive accumulation of capital” without the creation of adequate employment opportunities to absorb those

who are displaced by it. This has caused a worsening of the conditions of the “working people” as a whole

- There is, however, another side to “reforms”: the growth of the financial sector, or what is called “financialisation”; and the location domestically of certain service-sector activities outsourced from developed countries owing to the comparatively lower wages prevalent here. These have benefited an emerging middle class, not so much through an expansion in its relative numbers as through an increase in its relative incomes. This class has emerged as a votary of the “development” paradigm of the “reform regime” and thrown its weight behind the corporate-financial oligarchy whose share of wealth and income has increased phenomenally under this regime
- But the world capitalist crisis, which is nowhere near ending, is likely to bring disappointment to the middle class. This class will then provide support for an alternative development strategy which would be in the interests of the working people and transcend “neo-liberal” capitalism, though attempts to prevent such a denouement through the formation of a corporate-“communal” alliance that seeks to divide the people will also gather momentum

4. No substitute to accountability

<http://www.thehindu.com/opinion/op-ed/using-pellet-guns-as-a-mobdispersal-technique/article8898002.ece?homepage=true>

Topic: Law and Order

Category: Executive

Key points:

- Ever since the evolution of the police as an organised apparatus of the modern state, one fundamental issue has come to be intertwined with their field operations: how much force can they use to serve the ends of public order? Associated with this are other questions: is it possible to define limits to the police’s overall authority and, if yes, how do we ensure that the exercise of such authority does not transgress the set boundaries? Unfortunately, these are subjective issues and hence difficult to resolve
- What we are now witnessing in the Kashmir Valley is a part of this debate on how to oversee the police so that they are conscious of the risk of overstepping their powers and committing human rights violations
- Misgivings about the police are not about whether they can use force while discharging duties; there is near consensus that they can and should use sufficient force to make sure that law-abiding citizens are not obstructed from going about their daily tasks. What, however, divides opinion is whether the techniques of such force should be so

regulated that they achieve the objective of maintaining public order without transgressing human rights. It is in this context that the use of pellets to disperse mobs in Kashmir has triggered protests as well as demands for the withdrawal of this mode of handling violent mobs. This is not just a routine human rights discussion; it has unmistakably assumed some political overtones too

- Pellets as ammunition were introduced recently in Jammu and Kashmir (J&K) in reaction to complaints of excesses in 2010 by the security forces, who were using rubber bullets to disperse stone-pelting mobs. Contrary to popular belief, even the rubber bullets caused a few deaths, and so began the current experiment with pellets
- It was hoped that pellets, which are lead balls resembling ball bearings, would be less lethal than rubber bullets and conventional bullets but would carry no less deterrence to anti-social elements. The truth, unfortunately, is that while pellets may not kill the person they hit, they penetrate skin tissues and cause serious injuries. Further, they travel from the cartridge at high speed and disperse in unpredictable trajectories
- The complaint from J&K is that pellets have not only caused bodily harm, but have also injured the eyes of many demonstrators, leading to loss of sight. Also, according to some specialists who had examined the eyes of the injured persons, the pellets used in the State by security forces were not all round. Some were irregular and sharp-edged, capable of causing serious injuries. Having said this, it is also important to examine the credibility of the complaint before taking any decision to give up pellets in favour of less injurious ammunition. Any abrupt discontinuance of pellets has serious implications for the effectiveness of law enforcement in handling mobs
- The Home Ministry has responded swiftly to these complaints by rushing eye specialists to J&K. This gesture needs to be applauded. The Home Minister also visited Srinagar a few days ago and reportedly advised against excesses while dispersing mobs. A committee, he said, would be set up to examine other non-lethal alternatives to pellets
- There are two important aspects to this controversy, which have relevance to the criminal justice system. First, since it is difficult to quantify the amount of force that the police can legitimately employ when order is threatened, the state has a huge responsibility to quickly assess police action and punish policemen in cases of wanton violence. Many governments fight shy of this duty and invite odium upon themselves. Such failure to fix responsibility is invariably attributed to the need to preserve police morale. We have seen this happening over and over again in J&K. This is why opposition to the use of pellets is symbolic of the overall dislike of the police in the Valley
- Second, any action to whittle down the operational autonomy of the police in disturbed areas should be taken only after great deliberation on the likely impact on police effectiveness and the morale of the forces. Otherwise there could be problems that may

adversely affect the image of the government itself. No government can afford to be soft on lawbreakers nor can it permit arbitrary police conduct in the field

- Criminal justice scholars across the world, especially in U.S. universities, have conducted serious research in this area. Their broad conclusions converge on the inevitability of the police resorting to force and the need to simultaneously bridle police hands so that there are no excesses. In the U.S., the police have also been accused in the recent past of biases while using force
- While it is fortunate that in J&K there are only mild overtones of prejudice, a controversy over pellet use could always degenerate into accusations of prejudice and political motivation. This is why we need serious introspection and quick corrective action
- The objective should be to find out whether there is any other non-lethal method to handle demonstrations. Indian police use tear gas, lathis, and sometimes water cannons before resorting to the use of firearms to break up violent crowds. Police firing was a rare occurrence until about two decades ago, but with growing violence in India it has become distressingly frequent. Judicial probes into such action have seldom ended in adverse findings against the police
- The administrative response to mob violence will need to blend firmness with moderation. A trained force under professional police leadership combined with an understanding ruling class can do a lot to steer through the dilemma. This is possible only if our polity succeeds in insulating the police from constant political pressures. As things stand now, this seems a pipe dream

The Indian Express

1. Since 2005, fewer jobs for women in India

[\(http://indianexpress.com/article/explained/world-bank-poverty-report-india-poverty-women-employment-data-india-2935459/\)](http://indianexpress.com/article/explained/world-bank-poverty-report-india-poverty-women-employment-data-india-2935459/)

Topic: Labour

Category: Data

Key points:

- Rising labour earnings have been the main force behind India's remarkable decline in poverty. The gains arise partly from the demographic transition, which increases the share of working members in the average family
- But trends in female labour force participation veer in the opposite direction. **Today, India has one of the lowest female participation rates in the world, ranking 120th**

among the 131 countries for which data are available. Even among countries with similar income levels, India is at the bottom, together with Yemen, Pakistan and Egypt (Figure 1). Worse still, the rate has been declining since 2005

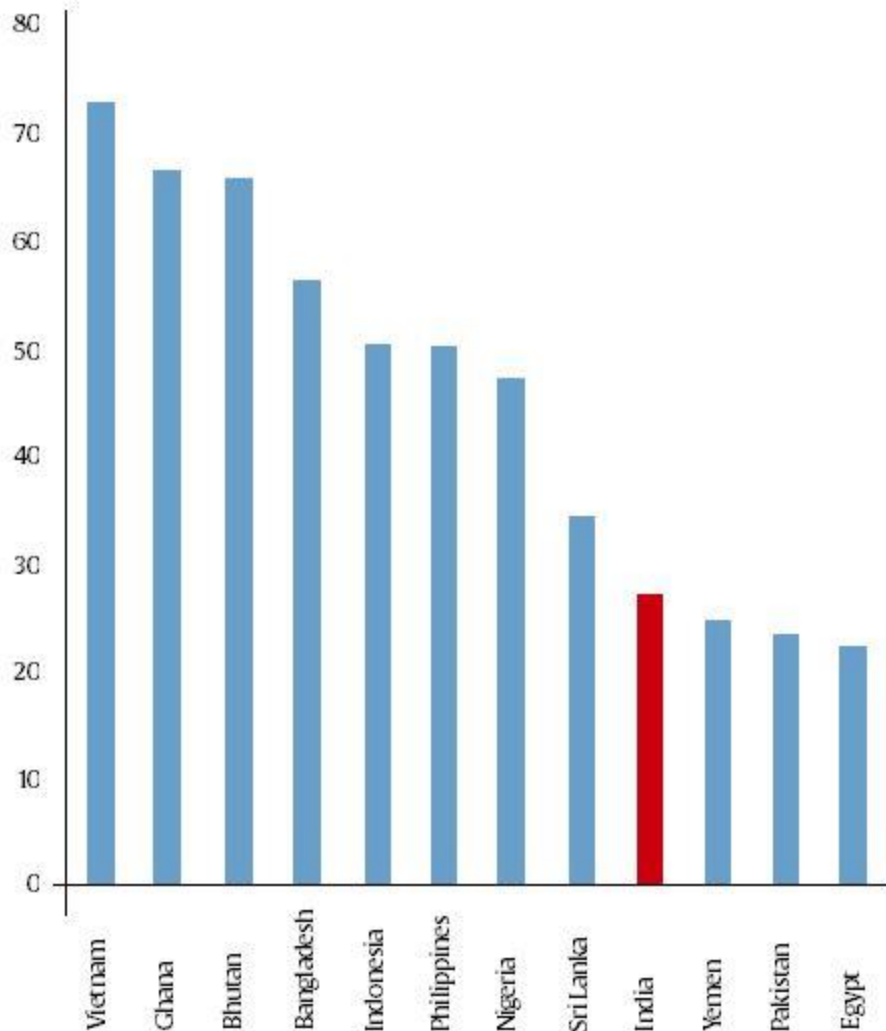
- This is a matter of concern as women's paid employment is known to increase their ability to influence decision-making within the household, and empower them more broadly in society as a whole
- This declining trend has been particularly pronounced in rural areas, where female labour force participation among women aged 15 years and above fell from 49% in 2005 to 36% in 2012. This is the most recent period for which data are available. The numbers are based on the National Sample Survey's (NSS) definition of 'usual status' of work, but the trend remains similar with other definitions too
- The explanation for this disturbing trend is the lack of suitable job opportunities for women. In a traditional society like India, where women bear the bulk of the responsibility for domestic chores and child care, their work outside the home is acceptable if it takes place in an environment that is perceived as safe, and allows the flexibility of multi-tasking. Indeed, three-quarters of women who were willing to work, if work was made available, favoured part-time salaried jobs
- From this perspective, female labour force participation can be expected to depend on the availability of 'suitable jobs' such as farming, which are both flexible and close to home. However, the number of farming jobs has been shrinking, without a commensurate increase in other employment opportunities. **Research suggests that more than half of the decline in female labour force participation is due to the scarcity of suitable jobs at the local level**
- A large body of academic work in India has focused on a different explanation, the so-called "income effect". It is argued that higher household incomes have gradually allowed more rural women to stay at home, and that this is a preferred household choice in a predominantly patriarchal society. Other frequently-mentioned explanations are that the share of working women is declining because girls are staying longer in school. It is also said that with shrinking family sizes, and without the back-up of institutional child support, women have no option but to stay out of the work force
- We are sceptical. Staying longer in school and being less able to rely on family support for child-rearing could justify a decline in participation rates among younger women, but not the equally important drop among middle-aged cohorts. There are also reasons to downplay the income effect. Between 2005 and 2012 India experienced roughly a doubling of wages in real terms. But across districts, a doubling of real wages is associated with a 3 percentage point decline in female participation rates, not with the much larger 13 percentage point fall that actually occurred. Our research shows that

these factors explain less than a quarter of the recent decline in India's female labour force participation

- Evidence also points to a less 'voluntary' withdrawal of women from the labour force than the income effect explanation implies. The NSS, which is the main source of labour market data, tends to underestimate women's work. What most working women do in India does not match the image of a regular, salaried, 9-to-5 job. Many women have marginal jobs or are engaged in multiple activities, including home production, which is often hard to measure well. Female unemployment may be underestimated as well. If one were to relax the stringent criteria used by the NSS to define labour force participation, and include the women who participated under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), or were registered with a placement agency, then the female labour force participation rate would be between 3 and 5 percentage points higher. This measurement problem is further evidenced by the population census data that report much higher rates of female unemployment than the NSS

FIGURE 1: INDIA'S FEMALE LABOUR FORCE PARTICIPATION IS AMONG THE LOWEST IN THE WORLD

120th among 131 countries, alongside Yemen, Pakistan, Egypt; 2012 (%); age 15+

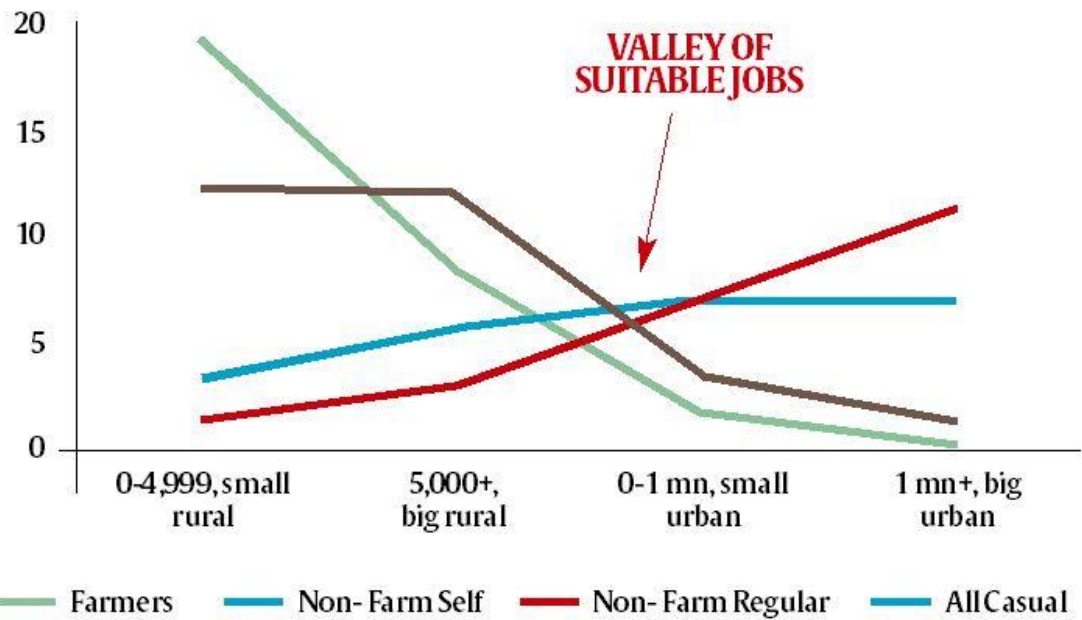


Source: World Development Indicators, World Bank (2012)

- Beyond the income effect and measurement issues, the main driver of the decline in female labour force participation rates is the transformation of job opportunities at the local level. After 2005, farming jobs collapsed, especially in small villages, and alternative job opportunities considered suitable for women failed to replace them

FIGURE 2: TYPES OF JOBS, 2012 (%AGE OF ADULT FEMALES)

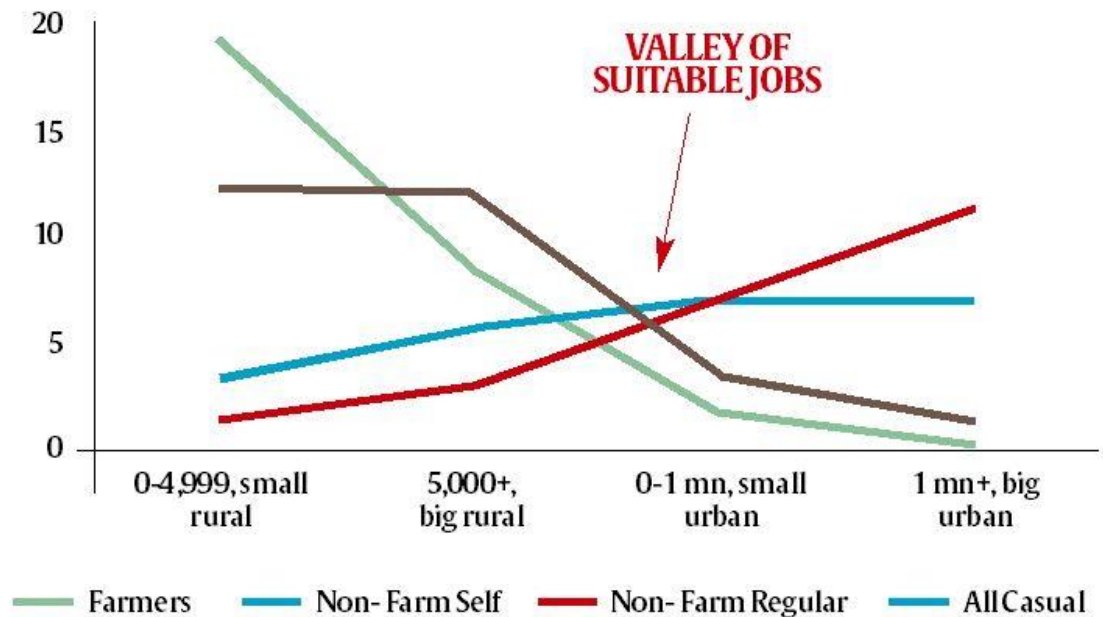
There are not enough suitable jobs for women along the rural-urban gradation



Source: Based on the National Sample Survey (NSS), 2012 and Population Census, 2001

FIGURE 2: TYPES OF JOBS, 2012 (%AGE OF ADULT FEMALES)

There are not enough suitable jobs for women along the rural-urban gradation



Source: Based on the National Sample Survey (NSS), 2012 and Population Census, 2001

- Regular, non-farm employment only expanded in large cities. As a result, there is a 'valley' of suitable jobs along the rural-urban gradation. Fortunately, the decline in female labour force participation is not irreversible. **The trend can be turned around through a more vibrant creation of local salaried jobs — including part-time jobs — in the intermediate range of the rural-urban gradation where an increasingly large share of the Indian population now resides**

2. MTP Act: What 45-year-old abortion law says, why it must change

[\(http://indianexpress.com/article/explained/abortion-law-rape-victim-terminate-pregnancy-supreme-court-20-weeks-pregnant-2935481/\)](http://indianexpress.com/article/explained/abortion-law-rape-victim-terminate-pregnancy-supreme-court-20-weeks-pregnant-2935481/)

Topic: Law and Order

Category: Polity

Key points:

- The Supreme Court allowed a rape victim to abort her “abnormal” 24-week-old foetus on the ground that the pregnancy would endanger her physical and mental health. The victim got relief under an exception in section 5 of the Medical Termination of Pregnancy Act, 1971, which allows abortion after the permissible 20 weeks in case it “is immediately necessary to save the life of the pregnant woman”. That the case reached the Supreme Court, posing complicated and uncomfortable questions of law and morality, underscores the tardiness of India’s lawmaking process, and its failure to keep up with rapid change in science and society. A brief look at what began with the Hareesh and Niketa Mehta case in 2008, and remains barely half done 9 years later

When were the limitations of the “legal limit” of abortion revealed?

- In 2008, Hareesh and Niketa Mehta petitioned Bombay High Court to allow them to abort their 26-week-old foetus who had been diagnosed with a heart defect. For the first time, the national medical narrative took note of the fact that with the advent of medical technology, pre-natal diagnosis of defects had come a long way — and some defects could be revealed after 20 weeks has passed. The Mehtas’ plea was turned down on expert advice. But the court’s observation that only the legislature could address the demand for change in the legal limit meant that India started the process of re-evaluating provisions of the Medical Termination of Pregnancy Act, 1971. Niketa, incidentally, had a miscarriage soon after the verdict
- **Was the law challenged on any other occasion?**
- Yes. Last year, a 14-year-old rape victim from Gujarat sought and received permission from the Supreme Court to abort after the 20 weeks deadline had passed. Her petition was treated as a “special case”, meaning it could not be used as a precedent to grant permission in another case. Which is why the woman in whose favour the SC decided on Monday — identified in her petition as “Miss X” — needed to knock on the doors of the apex court afresh
- **So, what are the provisions of the new MTP law that is in the works?**
- The draft Medical Termination of Pregnancy (Amendment) Bill, 2014, on which the Health Ministry has sought and received comments, provides for abortion beyond 20 weeks under defined conditions. As per the draft law, a healthcare provider may, “in good faith”, decide to allow abortion between 20 and 24 weeks if, among other conditions, the pregnancy involves substantial risks to the mother or child, or if it is “alleged by the pregnant woman to have been caused by rape”
- The draft law also takes into account the reality of a massive shortage of both doctors and trained midwives, and seeks to allow Ayurveda, Unani and Siddha practitioners to carry out abortions, albeit only through medical means, and not surgical ones

- The draft legislation recognises that the anguish caused by pregnancy resulting from rape “may be presumed to constitute a grave injury to the mental health of the pregnant woman”, and that such an injury could be a ground for allowing abortion
- **Why is it essential to change the MTP law?**
- Legal and medical experts feel that a revision of the legal limit for abortion is long overdue. Foetal abnormalities show up only by 18 weeks, so just a two-week window after that is too small for the would-be parents to take the difficult call on whether to keep their baby. Even for the medical practitioner, this window is too small to exhaust all possible options before advising the patient to take the extreme step
- Again, the 45 years since the enactment of the law has seen technology break new grounds — from ultrasound to magnetic resonance imaging to a range of highend foetal monitoring devices that have taken prenatal diagnosis far beyond the illegal sex determination tests that have refused to die out completely
- The rising incidence of sex crimes, and the urgent need to empower women with sexual rights and choices both in their own interest and for the sake of reducing the fertility rate as a whole, have made it imperative that the law be changed. In any case — and what is far more worrying — is the fact that the lack of legal approval does not prevent abortions from being carried out beyond 20 weeks. And they are done in shady, unhygienic conditions by untrained, unqualified quacks, putting thousands of women at risk probably every day

PIB

1. Import of GM Food Products

The import policy of Genetically Modified Food, Feed, Genetically Modified Organism (GMOs) and Living Modified Organisms (LMOs) has been notified by Directorate General of Foreign Trade under General Notes regarding Import Policy in ITC (HS) 2012, Schedule-1 (Import Policy). As per the policy, import of GM food requires prior approval of the Genetic Engineering Approval Committee (GEAC) constituted by the Ministry of Environment Forest and Climate Change.

2. United Nations Peacekeeping Course for African Partners (UNPCAP-01)

The Centre for United Nations Peacekeeping in India (CUNPK) commenced the first United Nations Peacekeeping Course for African Partners (UNPCAP-01) for a duration of three weeks commencing from July 25 at New Delhi. The course is being conducted jointly with the USA.

3. International workshop on Health Technology Assessment (HTA) inaugurated

Government is committed to reducing out of pocket expenses on healthcare: Smt Anupriya Patel

HTA will lead India to have a robust Universal Health Coverage programme: Shri Faggan Singh Kulaste

The three-day workshop is being jointly organized by the Department of Health Research (DHR), ICMR, National Institute for Health and Care Excellence (NICE)-UK and Health Intervention and Technology Assessment Program (HiTAP)-Thailand.

4. India - Japan Social Security Agreement to come into Force from 01st October 2016

The Agreement on Social Security between India and Japan shall come into force with effect from 1st October 2016. With this addition number of Social Security Agreement (SSA) that would become operational would be sixteen. The Ministry of External Affairs, along with Employees' Provident Fund Organisation (EPFO) - the competent authority for negotiating and concluding SSAs have completed the formalities for the Agreement to enter into force. The Social Security Agreement between India and Japan was signed in Tokyo on November 16, 2012.

Bilateral Social Security Agreements (SSA) are made with other countries to protect the interests of Indian professionals, skilled workers working abroad. The Government of India till date has signed SSA with 19 countries. The SSAs have been in operation with 15 countries so far.

5. National Plan of Action for Children 2016 under preparation: Smt Maneka Sanjay Gandhi

The Ministry of Women and Child Development has drafted the National Plan of Action for Children (NPAC) 2016. The NPAC 2016 is based on the principles embedded in the National Policy for Children 2013(NPC 2013) and provides a road-map that links the policy objectives to actionable programmes and strategies as well as indicators for monitoring the progress. In alignment with the NPC 2013, the rights of the children are categorized under four key Priority Areas:

1. Survival, Health and Nutrition
2. Education and Development (including Skill Development)
3. Protection
4. Participation

Salient Features of draft National Plan of Action for Children 2016 are as follows:

- The draft NPAC 2016 is being developed through a consultative process with different Ministries/Departments, Government of states/UTs, Civil Society Organisations as well as children.
- It is based on analysis of status of children and attempts to address key issues and concerns identified in each key priority area
- The draft NPAC defines objectives, sub-objectives, strategies, action points and indicators for measuring progress under the four key priority areas and also identifies key stakeholders for the implementation of different strategies.
- The strategies and action points largely draw upon the existing programmes and schemes of various Ministries/Departments. However, for certain key outcome it also suggests formulation of new programmes and strategies, as required.
- The plan specifically identifies areas where there is a lack of adequate data and information for measuring progress for children in terms of their survival, health, nutrition, education, development, protection and participation and suggest research and knowledge development to address the same.
- The National Policy for Children (2013) provides for formation of a National Coordination and Action Group (NCAG) under the Minister, Ministry of Women and Child development to implement the plan and monitor the progress with other Ministries concerned as its members.

The draft NPAC 2016 takes into account data disaggregated by rural and urban areas for key indicators. Reducing maternal and neonatal mortality rates are key outcomes envisaged under Key Priority Area: Survival, Health and Nutrition.

The first draft is already in the public domain; i.e.; on the website of the Ministry (<http://wcd.nic.in/acts/national-plan-action-children-2016>). The Ministry is currently finalizing the draft based on comments and suggestions received from other Ministries/Departments/Governments of States/UTs/Individuals and civil society organizations.

The Financial Express:

1. Fighting pollution in India: How drastic calls for action don't work

(<http://www.financialexpress.com/fe-columnist/fighting-pollution-in-india-how-drastic-calls-for-action-dont-work/328746/>)

Topic: Pollution

Category: Environment

Key points:

- We have done quite a bit of fire-fighting in Delhi in the name of cleaner air over the past two decades. Over 15 years ago, we shifted some of the major industries out of Delhi to ensure a cleaner environment. This resulted in tens of thousands of families losing their jobs and their children being thrown out of school, probably for ever. It also reduced formal job opportunities in Delhi so that today less than 10% of Delhi citizens have formal jobs. We never really discussed the possibilities of cleaning up the operation of those factories. Nor did we consider the possibility that those factories may harm populations at their new locations
- The second major Delhi-based initiative was to mandate CNG as a fuel for public vehicles in the face of an international practice that it is better to mandate performance standards (in this case, exhaust standards) and not technologies (in this case, CNG). This is because technology-based standards discourage innovation and competition and encourage monopolies. While the move gave us temporary relief from visible smoke, it also had some unintended effects. For example, buses became more expensive; so, a large number of students had to be shifted from bus transport to overloaded vans and many office-goers from contract buses to motorcycles. The CNG solution could be implemented in Delhi, but it did not help dozens of other polluted cities where CNG will not be available
- Health problems stemming from high pollution levels are serious in dozens of cities in India and not only in Delhi. As of today, there are only three reliable scientific studies that inform us about the sources of particulate pollution (PM2.5) in Delhi (Guttikiunda, S. et al 2013; Pant, P. et al 2015; Sharma, M. and Dikshit, O. 2015) and none for the less important cities around the country. According to all these studies, the contribution of vehicular emissions to PM2.5 is certainly less than 30%. Studies commissioned by CSIR and UNEP also show that actual number of personal vehicles operating on the roads of Delhi is less than 60% of the total number as old vehicles that are scrapped do not get deregistered

- Scientific samples of vehicles on the road in Delhi (data published in international journals) show that cars more than 15 years old and 11-15 years old comprise only 1% and 6% of the total. Therefore, even if all cars more than 10 years old were junked we may reduce total PM2.5 emissions by 0.2% in Delhi (30% X 10% X 7%). Even if we consider old cars to be grossly polluting, the benefit cannot be more than 1% as old cars are driven much less than new cars. It is quite clear that banning old cars will cause major bureaucratic and social headaches without any discernible health benefit
- These experiences should convince us that serious societal problems need thoughtful well-researched responses and not do-gooder 'drastic' actions that may not work in time. Putting people to hardship again and again without adequate rewards in terms of health benefits or livelihood gains makes governance even more difficult. We have reached this impasse because we are investing very little in academic institutions to conduct serious studies on issues of importance on a continuing basis. Our studies show that knowledge production in India today on a per capita basis is much less than that in China and even less than that in countries like Iran, South Africa, Brazil, etc
- To solve the problems of pollution in Indian cities we have to think of short-term and long-term solutions. The most objective short-term solution to vehicular pollution would be **to strengthen 'pollution under control' (PUC) testing systems**. The government can announce that within a year, the PUC test will become much more stringent and will test for PM2.5 and NOx emissions annually. Vehicles not conforming to the new tests will not be allowed on the road. Not only will everyone see such a ruling as fair, but also there will be no discrimination between CNG, petrol and diesel vehicles. Grossly polluting CNG vehicles will also go off the road
- For long-term action, we have no choice but to fund 10 or more research centres which work on these issues around the country for years to come. We need some dedicated researchers and thinkers who compete to provide us the most workable solutions. If we don't do this, we will keep discussing our problems for years without any clean air

The BusinessLine:

1. Delhi's disastrous play in Kathmandu

<http://www.thehindubusinessline.com/opinion/delhis-disastrous-play-in-kathmandu/article8897956.ece>)

Topic: Nepal

Category: India's Neighbourhood

Key points:

- For a country that saw eight prime ministers come and go in 10 years, the collapse of Khadga Prasad Sharma Oli's nine-month-old government in Kathmandu shouldn't make big news. But it did
- Many in India saw Oli's departure as vindication of Delhi's foreign policy and, the return of Indian dominance over Nepal's political affairs. For Beijing it was the loss of a trusted ally. The truth, however, lies somewhere in between and doesn't call for any celebration in Delhi
- For the Chinese who recently changed their Nepal strategy, from being passive actors to engaging in direct intervention as was evident in the case of Maoist leader Prachanda's volte-face in May, there is surely a lesson to be learnt
- Prachanda, who eventually ended Oli's stay in power by withdrawing key support to the coalition government, wanted to pull out the rug as early as May but changed his mind, reportedly upon insistence by the Chinese
- The way the matter ended, shows that Beijing was wrong in following the Indian practice of micro-managing affairs in Kathmandu. It paid the price for depending a bit too much on Nepal's opportunistic political core
- But the country that needs to take the maximum lessons from the whole episode is India. It is true that Nepal's politics often dragged India into the political games. But the question is how Delhi responded to the situation, and whether its actions followed a consistent pattern. Were the actions in line with the national interest, both economic and strategic? To what extent was the Indian strategy nuanced, if at all?
- Unlike in any of the neighbouring economies, India is omnipresent in Nepal. Indian politicians cutting across party lines are stakeholders in Nepal's political affairs
- There is a historical perspective to this. A country that not merely shares open border but enjoys complete access to the Indian job market cannot be insulated from Indian politics. But the problem is, India's Nepal strategy falls prey to swings in the domestic political climate
- The vacillating Indian strategy can be easily understood from the treatment it meted out to the Maoists
- India labelled the erstwhile king as pro-China and turned a blind eye to Maoists using Indian territories to dislodge the monarchy. This stance changed after Islamists hijacked an Indian Airlines flight in 1999 from Kathmandu to Delhi
- The Atal Bihari Vajpayee government took the Maoists here to task, owing to their rising influence in India. As an extension of its domestic policies, India is believed to have played a role in bringing down the nine-month-old Prachanda government in 2009 because he was seen as being pro-China. Significantly, Oli was then in the good books of Delhi! In contrast to these flip-flops, China has had a stable relationship with Nepal. It

didn't compromise its national security (read Tibet); it allowed India to remain in the driver's seat (read micro-manage) while seeking to control the levers of power

- The most pitiable feature of India's Nepal strategy was the manner in which it neglected to promote trade and commerce
- True, India has offered a plethora of fiscal concessions to Nepal and it is the ultra-nationalists in Kathmandu who are to blame for creating stumbling blocks in increasing Indian investments in Nepal. But what is less reported is India's monopolistic approach to Nepal's trade interests
- Travel along the border, and immediately the appalling lack of infrastructure on the Indian side presents itself. A 2002 scheme for trade facilitation has just started seeing the light of day
- There was no reason why India, located next door, couldn't offer Nepal better and cheaper port, road and rail connectivity for third country imports. But we didn't
- India is the sole supplier of fuel to Nepal. Can anyone explain what stopped us from laying pipelines to ensure smooth supplies? Can anyone explain why India allowed the Madhesi to hold to ransom trade through the main trading point at Birgunj for five long months till February?
- True, India had a genuine interest in seeing Nepal address the Madhesi demand for equal political rights. India was a stakeholder in the 2007 and 2008 agreements wherein the first democratically elected government in Nepal had agreed to address their concerns.
- It is also true that the ruling politics in Kathmandu finally ended up promulgating a constitution that failed to address the concerns of ethnic minorities. But was it in India's interest to allow them to block the main trading gate for so long?
- The world read this as a blatant attempt on the part of Delhi to arm-twist Kathmandu and handed over Oli a golden opportunity to shame India on the global platform and invite China to free Nepal from Indian dominance
- China utilised the opportunity and Oli became a national hero. Oli, one must remember, is still the darling of the nation and could have emerged a winner had the Nepalese Constitution had a provision for mid-term elections
- So where are India-Nepal relations headed now? First of all, Oli's departure will not resolve the constitutional crisis in Nepal as the next-in-line coalition of the National Congress and Maoists does not have a two-thirds majority.
- What is more important is that the people's verdict does not support this coalition. And Oli's Communist party of Nepal (United Marxist-Leninist) has adequate hold on the bureaucracy to scuttle every move of the new government to earn popular support.
- Meanwhile, India has to fight the public wrath for its perceived role in the collapse of the Oli government

2. Clear the policy confusion over NPAs

<http://www.thehindubusinessline.com/opinion/clear-the-policy-confusion-over-npas/article8897949.ece>

Topic: Banking

Category: Governance

Key points:

- Amidst the reams of discussion and data put out in the public domain on non-performing assets (NPAs), there has been almost no serious attempt to understand its root causes
- To the uninitiated, a bank loan becomes an NPA if the borrower doesn't pay the interest or instalment even after 90 days from the due date. NPAs are a double whammy — banks no longer can earn interest income from such accounts, and they have to make a certain amount of provision from their profit for those accounts
- The NPAs are defined and classified under the Reserve Bank's Income Recognition and Asset Classification (IRAC) norms
- While examining the surging bad debts of public sector banks in particular, what is generally overlooked are the range of internal and external factors causing it
- Once this is appreciated, it would become evident that a more multi-pronged approach is called for
- The solutions arising out of the IRAC norms are not equal to the complexity of the problem at hand
- The internal reasons for loan default may include: serious illness or death of the promoter, managing partner or key persons in management; mismanagement of funds or inventory; siphoning off funds; and, importantly, diversion of working capital funds.
- Again, the diversion of funds may be external or internal. External diversion refers to 'misuse' of the working capital provided by the bank to invest in associate firms or to buy properties not relevant to the business concerned
- This is deemed a case of fraud. There is a tendency to view all big-ticket NPAs as results of wilful default or deliberate diversion of funds. This may not be the case
- Internal diversion refers to the working capital funds being used to buy capital goods such as machinery
- The external reasons for a loan to become an NPA include: an unexpected delay in getting raw materials; unexpected fall in the order book; natural calamities; damage to due fire; and, importantly, very subdued growth in the economy

- While a close monitoring of loan books can provide signals on loans slipping into NPAs if they are on account of internal reasons, it would be beyond the control of banks in the case of NPAs arising due to external factors. Again, external factors sometimes produce systemic effects
- For example, several small-scale units work on sub-contracts and make supplies to big companies. If these giants fail to pay these small firms or even prolong payments, it will hit the loan accounts of dependent firms
- So, banks may be permitted to restructure or reschedule its payment terms at least once during the currency of the loan, if it is stressed on account of any of these reasons
- Unfortunately, the RBI does not buy this logic; it permits rescheduling of such a loan 'only if' the bank declares the loan an NPA. There could be a multitude of reasons at work for a loan slipping into an NPA
- Therefore, addressing this menace is not a simple affair, and no single solution will resolve this knotty issue
- To identify and mark an account as NPA, which is a system-driven process in all banks, there is a standard formula. The yardstick is the same for all loans — big or small; personal or trade; or a loan to a manufacturer; all loans, except farm loans, are equal in the eyes of the IRAC norms
- That's one of the problems. The IRAC norms are similar to the earlier versions of the Basel rules. In 1992, the Basel Accord was introduced to strengthen the capital base of banks. Later in 2003, the improved version of the same was brought into force, namely Basel II
- Now Basel III is in vogue. In Basel I, the risk weights were predetermined or fixed for the credit portfolio of banks. In other words, the view under Basel I — 'one cap fits for all' — was no longer felt workable and hence Basel II came into being
- Strikingly, the IRAC norms are also similar in nature and they are uniformly applicable to all loans and advances. To make them more relevant, they need to be modified
- The RBI or the Government must constitute a core committee to re-examine the IRAC norms see and how best they could be made more dynamic, workable and realistic. The committee must have at least two or three senior bankers who have rich, varied and hands-on experience in the area of credit dispensation.
- The terms of reference of the committee could be to review and revise the existing NPA norms and make them flexible; to suggest how and where restructuring could be allowed without lowering the status of the asset; to suggest how and where haircuts could be done while making provisions; and, to look into the level of freedom top management of banks can enjoy while managing stressed assets without resorting to "ever-greening" of accounts

- Such a strategy would provide a great relief to banks in the matter of handling stressed assets. More importantly, they will shift their focus to credit growth by shedding their abhorrence towards lending to new projects. As a result, we may all be able to witness a clear boom in the economy

The Economic Times:

1. Merger of oil PSUs: The focus should be on productivity, not size

(<http://blogs.economictimes.indiatimes.com/et-editorials/merger-of-oil-psus-the-focus-should-be-on-productivity-not-size/>)

Topic: Energy sector

Category: Economy

Key points:

- The reported proposal to merge several public sector oil companies to form one behemoth is a terrible idea. Far from unlocking synergy and shoring up innovation, the move to aggrandize monopoly in the hugely voluminous oil sector is more likely to lead to inefficiencies and scuttle productivity gains across the board
- There is certainly a case for oil companies to rationalise investments across the value chain, right from exploration and production (E&P) of hydrocarbons, and on to refining and marketing of petroleum products. Indeed, oil refiners and marketers like IOC, BPCL and HPCL have in recent years acquired several E&P blocks both at home and abroad, and upstream specialist ONGC has also revved up its presence in refining and petrochemicals
- However, it is also very much in the national interest to boost productivity, efficiency and innovativeness across oil segments and a single behemoth entity would simply be too huge a disincentive to rationalise expenses and seek synergy
- We are set to become the third-largest consumer of petro-products – most of it imported – and instead of promoting a wholly questionable monopoly, it makes perfect sense to step-up competitiveness and openness so as to improve throughput and logistics in our vast oil economy
- It is also a fact that there is pathbreaking paradigm shift underway in energy and transportation, and oil products are not expected to remain the main automotive fuel in the foreseeable future. The government needs to read the writing on the wall and overhaul market design in oil. It actually needs to unlock shareholder value and gainfully divest in the oil sector for a more competitive marketplace

- In parallel, instead of effectively ringfencing the lucrative oil marketing and retailing segment only for the oil companies, we need to open it up for independent retailers, as in the mature markets abroad. The state-owned oil majors seem very smug about the future and spend precious little on research and development and renewable energy. A far greater monopoly would only make matters worse

Quick Bits and News from States

1. Lawyers lay siege to Madras High Court

<http://www.thehindu.com/news/national/lawyers-lay-siege-to-madras-high-court/article8898121.ece?homepage=true>)

Despite the unprecedented crackdown by the Bar Council of India, which suspended 126 Tamil Nadu lawyers, more than 3,000 advocates from across the State thronged the city on Monday to lay siege to the Madras High Court, demanding the immediate withdrawal of the recent amendments to the statutory rules of the court. For nearly two months, the advocates have been protesting against the amendments made to the 46-year-old statutory Rules of the High Court

The new provisions included to Rule 14 empower judges to debar advocates who browbeat or abuse judges, lay siege to court halls, tamper with court records, appear in court under the influence of liquor, spread unsubstantiated allegations against judges or accept money either in the name of a judge or on the pretext of influencing him. So far, a court could debar advocates only on the grounds of contempt of court.

2. Seven sentenced to life in post-Godhra riots case

<http://www.thehindu.com/news/national/other-states/seven-sentenced-to-life-in-postgodhra-riots-case/article8898007.ece?w=alauto>)

In a post-Godhra 2002 riots case in which three persons belonging to the minority community were killed in Viramgam town of Ahmedabad district, the Gujarat High Court on Monday sentenced seven persons to life imprisonment, including three accused who were earlier acquitted by the trial court in 2011. This is the second such case which saw the High Court reversing the trial court verdict. Earlier last week, the High Court convicted 10 of the 27 accused in another post-Godhra case involving murder of two Muslims in village Meta Adraj in Mehsana district.

3. RBI slaps Rs.27 cr. penalty on 13 banks

<http://www.thehindu.com/business/Economy/rbi-slaps-rs27-cr-penalty-on-13-banks/article8898071.ece?w=alauto>)

The Reserve Bank of India (RBI) has imposed a penalty of Rs.27 crore on 13 banks, including HDFC Bank, Bank of Baroda and Punjab National Bank, for violating several norms such as those for know your customer (KYC) and anti-money laundering (AML)

4. Pradhan Mantri Fasal Bima Yojana gets big boost

<http://www.financialexpress.com/economy/pradhan-matri-fasal-bima-yojana-gets-big-boast-heres-how/328765/>)

The government's move to roll out the Pradhan Mantri Fasal Bima Yojana (PMFBY) from the ongoing kharif season has got a boost with 18 agriculturally critical states, including Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Uttar Pradesh, Karnataka, Odisha and Maharashtra, having floated tenders to identify insurers who will offer the scheme to farmers. The mega crop insurance scheme had reduced the premium to be paid by the farmers to 2% of the insured value for the more rain-dependent kharif crops like paddy, pulses and oilseeds and 1.5% for the rabi season, compared with 3.5-8% under the previous schemes. The premium for annual commercial and horticultural crops will be capped at 5%.

5. IRCTC offers Rs. 10 lakh insurance cover for passengers

<http://www.thehindubusinessline.com/economy/logistics/irctc-offers-rs-10-lakh-insurance-cover-for-passengers/article8898192.ece>)

Starting September, passengers booking tickets through the IRCTC website can avail of a travel accident cover for a premium as low as Re 1 for an insurance cover of Rs. 10 lakh.

The insurance cover is besides the compensation given by the Railways in case of accidents to valid ticket holders. The insurance would provide coverage against death, injury and disabilities caused due to accidents. Three insurers — Shriram General, Royal Sundaram and ICICI Lombard — which will provide the cover

6. India to renegotiate all bilateral investment pacts: Nirmala Sitharaman

http://economictimes.indiatimes.com/articleshow/53385020.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

India has proposed to renegotiate all its bilateral investment pacts and to replace them with new treaties, Parliament was informed today. Out of the total 83 treaties signed by India so far, 58 are being terminated. The notices have been sent to the respective governments through the diplomatic channels. The new Indian Model Bilateral Investment Treaty text is aimed at providing appropriate protection to foreign investors in India and domestic investors in the foreign country, in the light of relevant international precedents and practices while maintaining a balance between the investor's right and the government obligations.

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

1. The Medical Termination of Pregnancy Act, 1971
2. Spectrum Usage Charge
3. Solar Impulse-2
4. Urjit Patel Committee
5. GEAC
6. IS
7. Bilateral Investment Treaty
8. PM Fasal Bhima Yojana
9. Income Recognition and Asset Classification (IRAC) Norms

Practice Questions:

Question1: Which of the following is/are key priority areas listed under the National Plan of Action for Children-2013?

1. Survival, Health and Nutrition
2. Education and Development
3. Protection
4. Participation

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

Ans d

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

1. The Saur revolution in Afghanistan led to the 1979 intervention by the Soviets and the 1979–1989 Soviet–Afghan War against the Mujahedeen
2. In 1996 the Taliban captured the Afghan capital Kabul and established the Islamic Emirate of Afghanistan
3. The Taliban government fell in 2001 after the US led invasion of Afghanistan

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

Ans d

Question 3: Which of the following is/are recommendations of the Urjit Patel committee report?

1. Monetary policy should be targeted at controlling inflation
2. CPI is a better measure than WPI for inflation targeting
3. The inflation target has to be fixed
4. A monetary policy committee should be set up for better decision making

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

Ans d

Question 4: Which of the following statements is/are correct about Solar Impulse-2?

1. The Solar Impulse 2 is the first sun-powered airplane to circle the globe without a drop of fuel
2. The project smashed the record for the longest uninterrupted journey in aviation history with the flight between Nagoya, Japan and Hawaii that lasted nearly 118 hours
3. The four-engine battery-powered aircraft relies on around 17,000 solar cells embedded in its wings

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

Ans d

Question 5: Which of the following is/are correct about the PM Fasal Bhnima Yojana?

1. The scheme covers kharif, rabi crops as well as annual commercial and horticultural crops
2. For Kharif crops, the premium charged would be up to 2% of the sum insured. For Rabi crops, the premium would be up to 1.5% of the sum assured. For annual commercial and horticultural crops, premium would be 5 per cent
3. The remaining share of premium will be borne equally by the central and respective state governments

a) 1 only

b) 2 only

c) 1 and 2 only

d) All the Above

Ans d

Useful News Articles

27-7-2016

A. GS1 Related

B. GS2 Related

1. Lok Sabha passes the Child Labour Amendment Bill

<http://www.thehindu.com/news/national/live-monsoon-session-of-parliament-day-7/article8901111.ece?w=spa>

Topic: Legislation

Category: Polity

Key points:

- The Bill seeks to amend the Child Labour (Prohibition and Regulation) Act, 1986, which prohibits the engagement of children in certain types of occupations and regulates the condition of work of children in other occupations
- The Bill adds a new category of persons called “adolescent”. An adolescent means a person between 14 and 18 years of age. The Bill prohibits employment of adolescents in hazardous occupations as specified (mines, inflammable substance and hazardous processes)
- The central government may add or omit any hazardous occupation from the list included in the Bill
- The Bill is linked with the RTE Act so if the minimum age for compulsory education of 14 years is raised, it will automatically rise in this Bill as well
- Earlier, there was no rehabilitation fund. The fines used to go to the Labour Department. But with this Bill, the government will have to deposit Rs. 15000 for every child released
- In the old Bill, the fine was a minimum of Rs. 10000 and a jail term of three months to one year for first time offenders. The fine has been increased to Rs 20000 and a jail term of six months minimum is prescribed
- MPs debated on the definition of hazardous occupations. Right now, only three industries have been marked as hazardous — mines, inflammable substance and hazardous processes

- The amendment Bill relaxed the penal provisions for parents or guardians, but penalises an employer from the first offence. Many times the guardian is the employer, says MPs
- The lawmakers are divided over employing children in family business. The definition of family in the Bill includes extended family of uncles, aunts, cousins, nieces and nephews. Parliamentarians fear this clause can be misused
- An M.P questioned as to what will happen to children between 14 and 18 years. “Juvenile Justice Act says a child is 16 years, RTE says child upto 14 years. We need a clear definition for child. Why is Labour Ministry taking up this Bill instead of HRW”, she asked. She also questioned about "child beggers", “would you call them labourers as well”, she asked

2. Modi to spell out 15-year vision for India

(<http://www.thehindu.com/news/national/modi-to-spell-out-15year-vision-for-india/article8902695.ece?homepage=true>)

Topic: Planning

Category: Governance

Key points:

- Prime Minister Narendra Modi will share his vision and strategy for India’s development over the next seven to fifteen years with the NITI Aayog, on Thursday
- At the meeting, the Aayog’s CEO Amitabh Kant will make a presentation on the three, seven and 15-year strategy and vision documents it is preparing to replace the Nehruvian 5-year plans, the last of which will end in 2016-17, an official said. The vision document is expected to be finalised by the year-end
- Before meeting the Prime Minister, the Aayog will on Wednesday hold consultations on its action plans and strategies with the Chief Secretaries of the States at Vigyan Bhawan

3. The unease over the NGO notifications

(<http://www.thehindu.com/news/national/the-unease-over-the-ngo-notifications/article8902676.ece?homepage=true>)

Topic: Accountability

Category: Governance

Key points:

- Three notifications from the Department of Personnel dated June 20, 2016, and an official memo on June 24, laid down the procedures and timelines for filing returns of public servants, the definition of which in **the Lokpal and Lokayukta Act** includes office bearers of NGOs
- Section 14 (1) of the Act includes directors, managers, secretaries and other officers of societies, trusts and associations of persons that receive more than Rs 10 lakhs under the Foreign Contribution Regulation Act (FCRA) under its ambit. It does the same in the case the organisations wholly or partly funded by the Central government if they receive an annual grant above a limit that may be fixed by it. (This has been set at Rs 1 crore.)
- Refusing to buy the Centre's argument that it is merely implementing what is prescribed already in the Act, there are some who believe that this is a part of the Centre's strategy to target NGOs. The Home Ministry's cancellation of the registration of 10,020 associations for violation of the FCRA is cited as evidence of this

4. Tribunal rules against Indian govt.

<http://www.thehindu.com/news/national/devasantrix-deal-tribunal-rules-against-indian-govt/article8901526.ece?homepage=true>

Topic: ICT

Category: Governance

Key points:

- The international tribunal of arbitration in The Hague has ruled against Antrix Corporation, the commercial arm of India's space organisation, in the ongoing case with Devas Corporation over sharing of spectrum on satellites. With this, India may likely have to fork out \$1 billion as compensation to Devas
- PCA administers cases under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL)
- In 2005 Antrix and Devas entered into an agreement for the long-term lease of two ISRO satellites operating in the S-band. The deal was for 70 MHz of S-Band frequency used to provide multimedia services by leasing most of the transponders on the GSAT-6 and GSAT-6A satellites for 12 years. Devas was to pay \$300 million over the said period. However, after reports of unilateral process and presumptive loss to exchequer due to the deal the then government annulled the contract in August 2011. Following this the U.S. investors in Devas moved a case against Antrix

5. Irom Sharmila to end fast, contest Manipur elections

(<http://www.thehindu.com/news/national/other-states/irom-sharmila-to-break-fast/article8901738.ece?homepage=true>)

Topic: Federal Relations

Category: Polity

Key points:

- Sixteen years after starting her hunger strike demanding the repeal of the Armed Forces (Special Powers) Act, Irom Chanu Sharmila has decided to end her fast on August 9 and contest the Manipur Assembly elections as an Independent candidate
- Ms. Sharmila, who has refused to eat or drink anything since November 2000, and is force-fed through a nasal tube in Imphal's Jawahar Lal Nehru Hospital is in a special ward which serves as her prison (On November 2, 2000, an Assam Rifles battalion allegedly killed 10 civilians in a village near Imphal)

6. After MCI revamp, high-level panel to recast UGC, AICTE

(<http://www.thehindu.com/news/national/after-mci-revamp-highlevel-panel-to-recast-ugc-aicte/article8902720.ece?w=alauto>)

Topic: Regulation

Category: Governance

Key points:

- The Prime Minister's Office (PMO) has directed the high-level committee, headed by Niti Aayog Vice Chairman Arvind Panagariya, to prepare a road map for reforming the two regulatory bodies in the field of education — the University Grants Commission (UGC) and the All India Council for Technical Education (AICTE) — as well as the board looking after Homeopathy and Ayurvedic education in the country
- The panel is already set to recommend the scrapping of the Medical Council of India (MCI) and replacing it with the National Medical Commission (NMC)
- Four Boards — Under Graduate Medical Board, Post Graduate Medical Board, Accreditation and Assessment Board and a board for registration of medical colleges as well monitoring of the ethics in the profession — will be set up under the Commission

- For allowing private medical colleges, the reformed system will strive to be more assessment-based, focussing on outcomes rather than relying on the inputs-based eligibility criteria in the present system

C.GS3 Related

1. Four infiltrators killed, one held in Kashmir

<http://www.thehindu.com/news/national/four-infiltrators-killed-one-held-in-kashmir/article8902675.ece?w=alauto>

Topic: Insurgency

Category: Security

Key points:

- Four militants have been killed and one apprehended in an ongoing operation in the frontier district of Kupwara on Tuesday
- An Army spokesman said soldiers had launched a search operation to flush out militants two days ago near the Line of Control (LoC) in Kupwara district
- “After two days, contact was established. During the ensuing gunfight, four militants were killed while one militant was apprehended,” said the Army spokesman.
- The Army said the militant group was intercepted close to the anti-insurgency obstacle system (AIOS) after a suspicious movement was noticed. “The Army maintained a tight cordon around the forest area for the whole night to ensure that the militants don’t escape from the area,” said the spokesman
- Meanwhile, fresh clashes broke out in Jammu and Kashmir on Tuesday leaving one civilian dead and 17 injured after the government lifted curfew in eight of 10 districts for the first time in 17 days
- The spontaneous protests pose fresh challenge to security forces as demonstrators no more heed requests made by the separatists. The separatists later released a joint statement hinting at prolonged street agitation

2. Climate change worsens conflict, say scientists in new study

<http://www.thehindu.com/sci-tech/science/climate-change-worsens-conflict-say-scientists-in-new-study/article8902608.ece?homepage=true>

Topic: Climate Change

Category: Environment

Key points:

- Climate change can worsen ethnic conflict, climate scientists have shown in a research paper published in the Proceedings of the National Academy of Sciences (PNAS) of U.S.A
- The main hypothesis of the paper, that was first published online on Monday, July 25, is that climate-related disaster enhances the risk of armed conflict outbreak in ethnically divided countries
- Using event coincidence analysis, they tested their hypothesis based on data on armed-conflict outbreaks and climate-related natural disasters for the period 1980–2010. Globally, the researchers found a coincidence rate of 9 per cent regarding armed-conflict outbreak and disaster occurrence such as heat waves or droughts. The analysis also reveals that during the 30-year study period about 23 per cent of conflict outbreaks in ethnically highly divided countries robustly coincided with climatic calamities
- They conclude that climate change acts as a threat multiplier during conflict, though not a direct trigger
- The scientists also clarify that there is no evidence that climate-related disasters act as direct triggers of armed conflicts. However, they do warn about increased risk of armed-conflict outbreak for climatological events globally because of a projected drying trend in already drought-prone regions such as Northern Africa and the Levant, which includes Egypt and Syria

3. Scientists work toward storing digital information in DNA

<http://www.thehindu.com/sci-tech/science/scientists-work-toward-storing-digital-information-in-dna/article8894266.ece?homepage=true>

Topic: Genetics and IT

Category: S & T

Key points:

- Companies and institutions archive huge amounts of data for decades or centuries, at a time when the world is generating digital data faster than it can store it. Technology moves on, and data can't be retrieved if the means to read it is no longer available
- DNA is by its essence an information-storing molecule; the genes we pass from generation to generation transmit the blueprints for creating the human body. That information is stored in strings of what's often called the four-letter DNA code. That really refers to sequences of four building blocks abbreviated as A, C, T and G found in

the DNA molecule. Specific sequences give the body directions for creating particular proteins

- Digital devices, on the other hand, store information in a two-letter code that produces strings of ones and zeroes. A capital 'A', for example, is 01000001
- Converting digital information to DNA involves translating between the two codes. In one lab, for example, a capital A can become ATATG. The idea is once that transformation is made, **strings of DNA can be custom-made to carry the new code, and hence the information that code contains**
- * One selling point is durability. As a storage medium, "it could last thousands and thousands of years,"
- * Advocates also stress that DNA crams information into very little space. Almost every cell of your body carries about six feet of it; that adds up to billions of miles in a single person. In terms of information storage, that compactness could mean storing all the publicly accessible data on the Internet in a space the size of a shoebox
- * DNA storage would avoid the problem of having to repeatedly copy stored information into new formats as the technology for reading it becomes outmoded
- Getting the information into DNA takes some doing. Once scientists have converted the digital code into the 4-letter DNA code, they have to custom-make DNA
- Twist Bioscience of San Francisco used a machine to create the strings letter by letter, like snapping together Lego pieces to build a tower. The machine can build up to 1.6 million strings at a time
- Each string carried just a fragment of information from a digital file, plus a chemical tag to indicate what file the information came from
- To read a file, scientists use the tags to assemble the relevant strings. A standard lab machine can then reveal the sequence of DNA letters in each string
- Sri Kosuri of the University of California Los Angeles, who has worked on DNA information storage but has now largely moved on to other pursuits, says one challenge for making the technology practical is making it much cheaper
- Scientists custom-build fairly short strings DNA now for research, but scaling up enough to handle information storage in bulk would require a "mind-boggling" leap in output, Mr. Kosuri says. With current technology, that would be hugely expensive

D.GS4 Related

E. Important Editorials:

The Hindu

1. Back under a doping cloud

<http://www.thehindu.com/opinion/editorial/back-under-a-doping-cloud/article8902599.ece?homepage=true>)

Topic: Sports

Category: Governance

Key points:

- World Championship bronze medallist, wrestler Narsingh Yadav, has shaken the Indian sporting community by testing positive for a banned steroid
- The incident has once again brought to the fore India's rather lackadaisical approach towards keeping sport clean. It seems the country has forever been playing catch-up in bringing transparency in anti-doping measures
- India wasn't even a signatory to the World Anti-Doping Agency (WADA) code until December 2004. The National Dope Testing Laboratory was established in New Delhi in 1990 but was accredited by WADA only in 2008. In this intervening period, every positive drug test could be contested in court, a convenient alibi for any athlete or administrator to cover up wrongdoing
- When three women from the victorious 2010 Commonwealth 4x400m relay team tested positive and were handed one-year sentences by NADA, the International Association of Athletics Federations had to intervene against what it perceived as lenient punishment
- Interestingly, coach Yuri Ogorodnik of Ukraine, who was fired after being accused of providing food supplements that were not sanctioned by the Sports Authority of India, was reappointed last year
- A WADA report for 2013 had placed India third in the world in terms of doping offences. Now that reports of another athlete, the shot putter Inderjeet Singh, testing positive have emerged, the sense of *déjà vu* is heavy

2. The crisis of Indian democracy

<http://www.thehindu.com/opinion/lead/the-crisis-of-indian-democracy/article8902619.ece?homepage=true>)

Topic: Participation in Democracy

Category: Polity

Key points:

- While India's economy has received periodic attention, mostly during critical moments defined by food shortages and foreign exchange outages, the workings of its democracy have received next to none. This reflects complacency
- Interestingly, the neglect is evident in every angle from which the country has been approached, applying to observers located both within and without its society. This condition is related to the failings of its democracy, which in one dimension has remained more or less unchanged since 1947. This dimension is that the majority of the population has been left with weak capabilities
- **Capabilities are what enable individuals to pursue the lives that they value.** This, Nobel laureate Amartya Sen has suggested, is true freedom and should therefore be the focus of all developmental effort. The idea is foundational in that it vaults over narrow economic or political definitions of development. It is irrelevant to it whether we have more or less of the state or the market or whether we insert 'socialist' and 'secular' into the Constitution so long as large sections of our people are unfree in the sense that they cannot lead lives that they value
- He had seen Indian Independence as an opportunity to build a "prosperous, democratic and progressive nation and to create social, economic and political institutions which will ensure justice and fullness of life to every man and woman". B.R. Ambedkar, with legal acumen and a practical bent of mind, had defined democracy as a means to bring about a significant change in the living conditions of the depressed without resorting to bloodshed. These ambitious programmes and the hard work they would have entailed fell by the wayside in the practices of India's political class and in the discourse of its intellectuals
- Whatever may have been the vision of India's founding fathers, Indian democracy has not lived up to their expectations. As a matter of fact, it has done far worse
- In the past year it appears to have added heightened violence towards the marginalised to its sedentary character. The incident of four Dalit youth being beaten in full public view in Gujarat is only the most recent instance of this. Parliament reportedly heard accusations and defences the next day but it is not yet clear what impact it will have and how civil society will respond. No one could have missed the irony of the Prime Minister earlier this month travelling by train in South Africa where about a century ago M.K. Gandhi was thrown out of a first class carriage because of the colour of his skin
- The scenes from India come a full century later. And the Dalit youths had, going by public sources, only skinned a dead cow, a task to which Indian society historically confined them. By assaulting them for undertaking it, not only has their dignity been denied but their livelihood snatched away. In any civilised society the perpetrators of this crime would not just be grasped by the long arm of the law but publicly shamed

- Gujarat is of course only one of the sites of violence against Dalits. It is important to recognise that it has been widespread across northern India and not absent from the south either, with Tamil Nadu featuring prominently. It is also important to recognise that acts of violence against Dalits are not of recent origin. Their oppression is systemic and deeply rooted in India. Parties with leadership drawn from the middle castes have long ruled Tamil Nadu, Bihar and Uttar Pradesh, among India's most populous States, all of which have witnessed violence against the Dalits for some time. When in power, middle caste-based parties have replaced their criticism of the top of the caste pyramid with suppression of those at its bottom
- So what can we do now? For those outside the corridors of power the task is to shape the discourse on Indian democracy. Its goal must now be redirected towards human development while ensuring the security of all vulnerable groups. This need not in any way conflict with growing a strong economy. In fact, a strong economy, including a vigorous market, is one element in furthering development as the expansion of freedoms. Opposition to the market, which has in certain contexts come equally from the Right and the Left in India, misses this point entirely. Restriction of private enterprise does nothing to empower the marginalised in a society. Their empowerment can come about only via direct public action to build their capabilities
- In fact, a genuine commitment to socialism should have helped here. Karl Marx had defended communism as the principle "from each according to his ability, to each according to his needs". Instead, socialism as the official ideology of the Indian state for close to three decades got trapped into expanding a public sector producing goods regardless of outcome and independent of its consequences for the historically outcast
- The state prided itself in being interventionist in the economy and laissez faire in the social sphere. The task, envisaged by Nehru, of creating the institutions necessary to support individual freedom, did not materialise. The historically outcast were left to fend for themselves, a stance morally equivalent to allowing the devil to take the hindmost
- The chickens have finally come to home to roost. India today hosts the world's largest number of the poorly educated and prone to poor health, a development disaster in spite of being the world's third-largest economy in purchasing power terms. One need only occasionally travel third class on the Indian Railways in most parts of the country, which, recall, Gandhi did, to comprehend the scale of the deprivation and estimate how close public policy today comes to addressing it. **As a quarter century has been spent focussing on India's economic architecture in the name of 'economic reforms', it would be profitable to now devote the next decade to mounting an assault on human deprivation. The development of the capabilities of India's women and Dalits, by**

virtue of their being the most deprived, would merit the first draft of attention and resources thus expended

- For a democracy to be complete, however, something more than just focus on the individual, however deserving they may be, is necessary as members of a democracy must engage with one another lest we remain equal but separated. Here public goods come into the reckoning. Public policy should engineer spaces where Indians meet on the basis of a participatory parity. Widespread public services from schools and hospitals to parks and crematoria are one way to bring individuals together as they struggle from birth to death in this country. Repeated interaction in public spaces would make us realise our common humanity and enable us to see any residual identity for what it really is
- There has been far too little effort in Indian public policy to create spaces where citizens may interact freely and peacefully. Many other countries have done so. For instance, the provision of public housing in 'capitalist' Singapore comes with the proviso that it should be shared between people of all 'races', namely Chinese, Indian and Malay
- The incidents of assault on Dalits in Gujarat, rape of women across the country and intimidation of Muslims in Uttar Pradesh bring home to us the presence of terrorism among us
- In its inability to contain these forces, India's democracy can be seen to be flailing. Bertrand Russell had remarked that we can never guarantee our own security if we cannot assure that of others. Tired of oppression the Dalits have finally risen in what was once the land of Gandhi

3. Reforms are here to stay (C. Rangarajan is former Chairman of the Economic Advisory Council to the Prime Minister and former Governor, Reserve Bank of India)

<http://www.thehindu.com/opinion/op-ed/c-rangarajan-writes-reforms-are-here-to-stay/article8902538.ece?homepage=true>

Topic: Reforms

Category: Economy

Key points:

- Mid-1991 saw a new dawn in the economic history of India. The country then faced a severe economic crisis, triggered largely by an acute balance of payments problem. The response to the crisis was to put in place a set of policies aimed at stabilisation and structural reform. While the stabilisation policies were aimed at correcting weaknesses that had developed on the fiscal and balance of payment fronts, the structural reforms were meant to remove rigidities that had entered various segments of the Indian

economy and to make the system more competitive and efficient. Thus the crisis was turned into an opportunity to effect some fundamental changes in the content and approach to economic policy

- The break with the past came in three important directions
- The first was to dismantle the complex regime of licences, permits and controls that dictated almost every facet of production and distribution. Barriers to entry and growth were dismantled
- The second change in direction was to reverse the strong bias towards state ownership of means of production and proliferation of public sector enterprises in almost every sphere of economic activity. Areas once reserved exclusively for the state were thrown open to private enterprise
- The third change in direction was to abandon the inward-looking trade policy. By embracing international trade, India signalled it was boldly abandoning its export pessimism and was accepting the challenge and opportunity of integrating into the world economy
- On the genesis of reforms, some interesting questions have been raised. First, several people have been curious to know the role of P.V. Narasimha Rao in the reform process. Was he an ardent advocate or a reluctant reformer? Second, were the reforms of 1991 a continuation of a process that had already begun in the 1980s or did they truly constitute a break? Third, since the leaders and bureaucrats involved in the reform process were themselves part of the earlier control regime, what compelled them to change their approach? How much of the change was influenced by the International Monetary Fund (IMF) and other multilateral institutions?
- Manmohan Singh as Finance Minister spearheaded the new policy. He articulated the need for change and provided not only the broad framework but also the details of the reforms. It was, however, Rao as Prime Minister who provided the valuable political support and shield which were very much needed. It must be noted that as Prime Minister, he also held the Industry portfolio which was directly responsible for initiating changes that led to the dismantling of various types of controls and licences relating to the industrial sector. This was indeed a key element of the reform programme
- The Eighth Five Year Plan, in the writing of which I had a role, spelt out in some detail the rationale for reforms. Rao, as Chairman of the Planning Commission, had read the draft and approved it fully. However, as a matter of strategy, he couched the reforms in a language which would appeal to the 'old guard' of his own party. There is no doubt that reforms could not have moved forward without his solid support and conviction
- The 1980s saw some important changes in economic policy. A number of committees were set up which recommended changes for improving the functioning of the economy. But most of these recommendations were still within the framework of an

overall system of controls. What was attempted was only a relaxation of controls such as raising the threshold for licensing. They were largely incremental in nature. **On the other hand, the reforms of 1991 moved away from the control regime and offered a consistent set of measures covering various segments of the economy in line with the new approach**

- What changed the mindset of the people who initiated the reforms was the enormity of the crisis of 1991. India's foreign exchange resources had fallen to a level equivalent to only three weeks of imports. The possibility of 'default' loomed large. It became obvious that 'business as usual' would no longer work. We had to move fast and make fundamental changes in our economic policy. It was true that at the time we were negotiating with the IMF and other multilateral institutions. Obviously they had their own bias. They were in favour of a competitive economy with minimal controls. But the decision we took to introduce reforms was entirely our own. The credit goes fully to our leadership
- In the first three years after reforms were launched, there was a flurry of activity. **Reforms covered all key sectors such as industries, external trade, foreign investment, exchange rate system, banking, capital market and fiscal and monetary policies.** The impact was quick. Growth started picking up. The balance of payments situation improved and confidence in the economy was restored. It was good that successive governments have adhered to the reform path. The pace of reform has, however, varied over time. Nevertheless, what stands out is that growth since the reforms has been faster. Between 2005-06 and 2010-11, the average annual growth rate was 8.8 per cent. While the decline in growth rate seen in the last few years needs careful analysis, reforms have to be an integral part of any programme aimed at accelerating growth
- On the progress of reforms itself, two questions from two opposite angles have been raised. First, how far have we come in fulfilling the original goal of liberalisation? How much more needs to be done? The second question is, how much of the benefit of growth has gone to the lower deciles of the population? Has there been a perceptible impact on the vulnerable and weaker groups?
- As reforms progressed, more and more sectors of the economy were brought within the ambit of liberalisation. However, there are still some segments which are subject to controls reminiscent of the pre-1991 period. **A good example is the sugar industry. Agriculture too as a sector needs special attention. Reforms of the agricultural marketing system are overdue. The country is yet to emerge as a single market. Administrative reforms need to be pursued with urgency. Thus the scope for future reforms is still wide**
- Despite faster growth, India still ranks low in the Human Development Index even though the country is classified as a medium human development country. There is,

however, evidence that poverty is coming down. Whatever level of private consumption expenditure is used as the cut-off, the poverty ratio is falling. Having said this, one must recognise that the poverty ratio is still high and we are lagging behind in meeting the Millennium Development Goals on several dimensions. **Growth does help in reducing poverty because of both the percolation effect and the ability to raise more resources on the part of the government to provide for increased social sector expenditures.**

Therefore, a twofold strategy is needed: letting the economy grow fast, and focussing on targeted programmes to help the poor and disadvantaged

- Thus the emphasis on efficiency does not mean ignoring concerns relating to equity. As the role of government as a producer of marketable goods and services goes down, its role as a regulator and provider of public goods and services increases. In fact, even in the provision of public goods, different combinations are possible. Public-private participation can combine the efficiency of the private sector with larger public policy concerns
- Reforms have come to stay. There is a fair measure of agreement across political parties on the need for reforms. However, individual measures may run into problems. This is inevitable in a democracy when conflicting political pressures are at play. Persuasion and consensus-building are qualities which political parties in power must nurture and cultivate. Reforms are the first important step towards raising the growth rate. But as our experience over the last few years shows, reforms alone are not enough. They must be supplemented by a proactive government which is focused on development and not distracted by other considerations

4. Of curbs to free speech

<http://www.thehindu.com/opinion/op-ed/of-curbs-to-free-speech/article8902537.ece?homepage=true>

Topic: Free speech

Category: Polity

Key points:

- July 6 this year marked the 115th birth anniversary of Syama Prasad Mookerjee. A Minister in Jawaharlal Nehru's Cabinet, Mookerjee had resigned to form the Bharatiya Jana Sangh, to which the Bharatiya Janata Party traces its origins. However, a little known fact about him went unnoticed. Mookerjee was one of the primary targets of the first amendment to the Constitution, by which the words "friendly relations with foreign States" were introduced as an exception to the right to free speech

- In 1949-50, there were large-scale communal riots in East Pakistan (now Bangladesh), which led to a huge exodus of Hindus into West Bengal. **In the wake of these riots, the Prime Ministers of India and Pakistan, Nehru and Liaquat Ali Khan, signed an agreement known as the Nehru-Liaquat Pact or Delhi Pact aimed at securing peace and ensuring that both countries would protect their respective minorities. Clause (C)(8) of the pact required the governments of both countries to prohibit propaganda inciting war between the two countries.** However, it was felt that this clause in the treaty could not be enforced under Indian law
- In March 1950, about a month before the pact was signed, Nehru wrote to Sardar Vallabhbhai Patel alarmed by the fact that Mookerjee's Hindu Mahasabha was speaking about "Akhand Bharat" (or unified India), which was "a direct incentive to conflict". Nehru was worried that war with Pakistan was "openly (being) talked about". Patel responded by telling Nehru that the Constitution was getting in the government's way. In a letter to Nehru, he wrote: "We are now faced with a Constitution which guarantees fundamental rights — right of association, right of free movement, free expression and personal liberty — which further circumscribe the action that we can take."
- In April 1950, two days before the pact was signed, Mookerjee resigned from the Cabinet, telling Nehru that the policy he was following towards Pakistan was sure to fail, that time alone would prove this. Thereafter, it seems Mookerjee openly started making speeches calling for war between India and Pakistan. Pakistan's Foreign Minister Zafrulla Khan took exception to the speeches
- Patel sent a telegram to Khan, explaining that the "constitutional position... affects activities of individuals as well as of press and inextricably binds us."
- In June 1950, Nehru wrote to Patel and said that the "chief culprit" against the smooth working of the pact was "Hindu Mahasabha propaganda", "the Calcutta Press as well as Syama Prasad Mookerjee". It was in this context that Patel wrote a telling letter in July 1950 to Nehru, where he said that the Supreme Court's "Cross Roads and Organiser cases" (Romesh Thapar v. State of Madras AIR 1950 SC 124 and Brij Bhushan v. State of Delhi AIR 1950 SC 129) had knocked the bottom out of "most of our penal laws for the control and regulation of the Press." In Romesh Thapar, the Supreme Court had invalidated a ban imposed by the Madras government on a communist publication, Cross Roads, which had been critical of Nehru's foreign policy. In Brij Bhushan, the court had similarly struck down a prior restraint imposed by the Delhi government on a Rashtriya Swayamsevak Sangh publication. "My own feeling is that very soon we shall have to sit down and consider constitutional amendments," Patel wrote to Nehru
- At the time, Article 19(2) of the Constitution contained very limited exceptions to the right to free speech. Broadly, these were defamation, obscenity, contempt of court and the security of state. In June 1951, India's provisional unicameral Parliament passed the

Constitution (First Amendment) Act, 1951. Among other things, it introduced three new exceptions to the right to free speech. **Now, citizens did not have the right to speak freely if their words imperilled “public order”, incited the commission of an offence, or affected “friendly relations with foreign States”**

- The “friendly relations with foreign States” restriction seems to have been targeted at Mookerjee and his like. In a speech in Parliament, Nehru said: “If an individual does something which might result in war, it is a very serious matter. No State, in the name of freedom, can submit to actions which may result in wholesale war and destruction.” On the other hand, Mookerjee, in his speech in Parliament against the First Amendment, said that Partition was a mistake and that it should be undone someday, even by force. He said that he did not know whether the “friendly relations with foreign States” exception related to “the demand which is being made in certain quarters about a possible reunion of India and Pakistan”
- The official explanation for the insertion of “friendly relations with foreign States”, adopted by B.R. Ambedkar in his speech in support of the Bill, was that it was intended merely to prevent the defamation of foreign state heads. However, the anxious correspondence exchanged between Nehru and Patel in 1950 makes it abundantly clear that Mookerjee’s calls for the forcible reunification of India and Pakistan were the chief targets of the insertion. Interestingly, since 1951, this exception to the right to free speech has seldom been used

The Indian Express

PIB

1. India - US to collaborate for first time in R&D in traditional systems of medicine for various diseases

For the first time India has successfully engaged USA in the field of Traditional Medicine. An India-US workshop on Traditional Medicine with special focus on cancer was organized on 3-4 March, 2016 at New Delhi. A US team comprising of experts from National Cancer Institute (NCI) took part in the two day exhaustive deliberations that have resulted into significant leads.

2. CSIR laboratories develop an anti-diabetic herbal formulation

Council for Scientific and Industrial Research (CSIR), through its constituent laboratories jointly developed scientifically validated herbal product NBRMAP-DB as anti-diabetic, hypoglycemic formulation with hepato-protective and anti-oxidant properties. The product has shown

consistent growth right from the initial promotional phase since Oct, 2015 with the total sales turnover being Rupees 25 crores and about approximately a million diabetic patients benefited

3. Centre Approves 93 Seed Hubs Under National Food Security Mission With an Outlay of Rs.13981.08 Lakh

93 seed hubs against a target of 150 at Indian Council of Agriculture Research Institutes (ICAR), State Agriculture Universities (SAUs), Krishi Vigyan Kendras (KVKs) have been approved under National Food Security Mission (NFSM) with an outlay of Rs.13981.08 lakh.

15% of the allocation for pulses component of NFSM is earmarked for production of quality seed of pulses seeds through states. An incentive of Rs.25/- per kg is being provided for pulses seed production. 7.85 lakhs seed minikits of newer varieties of pulses have been targeted for distribution to the farmers free of cost during 2016-17. For enhancing the production of breeder seed of pulses, an amount of Rs.2039 lakh has been approved for 12 ICAR institutes and SAUs. Cluster frontline demonstrations of pulses in 31000 ha have been allocated to 534 KVKs for the year 2016-17. The strengthening of production units of bio-fertilizers and bio-control agents has been planned.

4. Subsidies to Farmers under Various Schemes

The Government is providing subsidies to farmers under various schemes for improving the infrastructure, marketing facilities and promotional services.

Under Agricultural Marketing Infrastructure (AMI) sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM), subsidy is being provided @ 25% to 33.33% to eligible beneficiaries for creation of storage infrastructure.

Under Rashtriya Krishi Vikas Yojana (RKVY) scheme, funds are released to the State Governments as 100% grant on the basis of projects approved in the State Level Sanctioning Committee (SLSC) meeting headed by the Chief Secretary of the State.

Under National Horticulture Mission (NHM) scheme for development of Horticulture, assistance is being provided for development of Post-Harvest Management (PHM) and Marketing infrastructure. The component of market Infrastructure includes rural primary markets, wholesale markets and terminal market complexes.

Under National Food Security Mission (NFSM), financial assistance is being provided to the farmers for farm machineries for improving the infrastructure.

Under Bringing Green Revolution to Eastern India scheme (BGREI), assistance is being provided for activities that help in enhanced procurement, creation of storage facilities, marketing and value addition. Assistance is being provided 50% of the project cost for individual beneficiary and 100% for community assets.

At present, there is no proposal under consideration to withdraw the provision of subsidy in respect of above mentioned schemes.

5. National Agricultural Research System is One of the Largest in the World

The Department of Agricultural Research and Education (DARE) coordinates and promotes agricultural research & education in the country. DARE provides the necessary government linkages for the Indian Council of Agricultural Research (ICAR), the premier research organisation for co-ordinating, guiding and managing research, education and extension in agriculture including horticulture, fisheries and animal sciences in the entire country. **With 102 research institutes and 73 agricultural universities spread across the country, the National Agricultural Research System (NARS) is one of the largest in the world.** While the ICAR Institutes have the **Departments of Extension, the Agricultural Universities have the directorates of extension to identify, test and refine the transferable agricultural technologies and other related information emanating from research** as well as to establish effective liaison among various departments and other stakeholders both the public and private for their transfer.

To ensure effective transfer of the technologies and scientific information related to the farm sector to the farmers, line departments and other end users at the district level, **the Indian Council of Agricultural Research (ICAR) has established a network of 645 Krishi Vigyan Kendras (KVKs) in the country.** The KVKs are mandated to conduct frontline extension through the assessment and demonstration of technologies/products and its dissemination through number of extension programmes including training of farmers through specific training programmes developed by KVKs on improved technologies related to agriculture and allied fields, benefiting the farmers in terms of increased crop production as well as farm income.

To coordinate, monitor and implement the activities by KVKs in their respective zone, 11 Agricultural Technology Application Research Institutes (ATARIs) have been setup at zonal level. At state level, the responsibility of coordination and monitoring is with Directors of Extension of State Agricultural Universities in coordination with ATARI. For effective monitoring of mandated activities of KVKs, a local monitoring committee at State Agricultural University level is formed. The Quarterly review of KVKs is done by Vice-Chancellor of respective SAUs to

monitor the technical, administrative, financial and developmental activities. KVKs conduct one Scientific Advisory Committee meeting every year to monitor the progress of technical, administrative, financial and developmental activities.

The KVKs function in close harmony and partnership with all developmental agencies/organizations, farmers and other stakeholders. **KVKs also provide technological backstopping to 'Agriculture Technology Management Agencies' (ATMA), a scheme funded by the Department of Agriculture Cooperation and Farmers Welfare (DAC&FW) and other agencies at the district level.** A district level Joint Action Plan for enhancing interface between scientists, extension functionaries and farmers is prepared through a joint meeting of KVK and ATMA officials under the chairmanship of the District Collector. A quarterly interface meeting, involving all line departments of the district, is held by all KVKs to monitor the implementation of the Joint Action Plan and to share new information and technologies for wider dissemination in the district.

The Indian Council of Agricultural Research also maintains effective linkages with other key programs of the Government of India like RKVY, MNREGA and NHM and other extension activities including those related to public sector, farmers' organizations, NGOs, Commodity Boards and private sector. ICAR contributes through technology backstopping in the National Rabi and Kharif conferences organized every year in which extension agencies from all the states also participate.

Besides, **the Agricultural Technology Information Centres (ATIC) are also established at various ICAR Institutes and Agricultural Universities which function as "single window" support system linking various units of a research institution with intermediary users and end users (farmers).** They provide advisories, inputs and diagnostic services for soil and water testing, plant and livestock health as well as provide information through published literature and communication materials as well as audio-visual aids.

6. Government has launched number of web and mobile based applications for dissemination of information on agricultural related activities, free of cost, for the benefit of farmers and other stakeholders.

Some major mobile applications developed by Government are as under:

(i) Kisan Suvidha: This app has a simple interface and provides information on five critical parameters- weather, input dealers, market price, plant protection and expert advisories.

(ii) Pusha Krishi: This app provides information on latest technologies to farmers.

(iii) Crop Insurance: - Farmer can learn of insurance premium, notified area etc. on the mobile.

(iv): Agri Market: - Farmer can learn of the prices of various crops in the mandis near him.

(v): India Weather:- This app provides current weather and 4 days weather forecast across the country for more than 300 cities.

The major Web portals developed by Government are as under:-

(i) Farmers' Portal: Farmers' Portal is a one stop shop for farmers where a farmer can get information on a range of topics including seeds, fertilizer, pesticides, credit, good practices, dealer network, and availability of inputs, beneficiary list and Agromet advisories.

(ii) mKisan Portal: This is a unified platform from where officials and scientists can send targeted text and voice based advisories to the farmers on a host of issues related to agriculture and allied sectors.

(iii) Crop Insurance Portal: To provide complete information related to Crop Insurance scheme being implemented in the country.

(iv) Participatory Guarantee System of India (PGS) Portal. This is a portal for encouraging participatory approach to certification of organic farming in the country.

These mobile apps and portal are available in the public domain. The web portal and the mobile apps are centrally developed by Government, through the services of NIC and in-house team.

7. BRICS Policy Planning Dialogue (July 25-26, 2016)

The BRICS Policy Planning Dialogue was successfully concluded on 26 July 2016 in Patna.

The discussions held in Patna would contribute towards India's objective as Chair of BRICS for 2016 to further consolidate Intra-BRICS cooperation by adopting a five-pronged approach –

(i) institution building to further deepen and sustain BRICS cooperation;

- (ii) implementation of the decisions of previous Summits including Hon'ble PM's announcements at the Fortaleza and Ufa Summits;**
- (iii) integrating synergies among the existing cooperation mechanisms;**
- (iv) innovation, i.e., new cooperation mechanisms; and**
- (v) continuity, i.e., continuation of mutually agreed existing BRICS cooperation mechanisms.**

The Financial Express:

1. Stunted growth: India needs to tackle poor access to sanitation for over half the population if it wants to curb stunting

[\(http://www.financialexpress.com/fe-columnist/stunted-growth-india-needs-to-tackle-poor-access-to-sanitation-for-over-half-the-population-if-it-wants-to-curb-stunting/329948/\)](http://www.financialexpress.com/fe-columnist/stunted-growth-india-needs-to-tackle-poor-access-to-sanitation-for-over-half-the-population-if-it-wants-to-curb-stunting/329948/)

Topic: Health

Category: Governance

Key points:

- That India has the highest number of children who suffer from stunting—a form of malnutrition in which the ideal physical and cognitive development is impaired irreversibly during the first 1,000 days of a person's life—is shameful for a nation that aspires to become a top economy, banking on its demographic dividend
- Globally, 159 million children under the age of five—or one in every four children in the age group—suffer from stunting, of which 48 million are from India, as per a report by Water Aid
- While malnourishment is one of the primary causes of malnutrition, malabsorption of nutrients—often brought about by diseases such as diarrhoea and intestinal worms—are also responsible for stunting
- Given how nearly half of all poor child nutrition cases can be linked to diarrhoea, worm infestation and other diseases that spread through poor hygiene and sanitation— a quarter of all stunting cases are linked to chronic diarrhoea, 88% of which, in turn are linked to poor sanitation practices—eliminating the scourge of open defecation becomes a must for India
- The Lancet estimates that interventions to address malnutrition such as nutrient supplements and encouraging breastfeeding can only reduce stunting in worst-affected

countries by 20%, even when 90% of the target population is covered. This means that the maximum gain in reducing stunting can only come from improving sanitation and hygiene standards

- Even though India has made impressive progress in bringing down stunting—it fell from 48% in 2006 to 39% in 2014—there is still a lot of ground to be covered, given more than half of the country's population doesn't have access to proper sanitation

2. Educating India, changing India

[\(http://www.financialexpress.com/fe-columnist/educating-india-changing-india/329950/\)](http://www.financialexpress.com/fe-columnist/educating-india-changing-india/329950/)

Topic: Education

Category: Governance

Key points:

- Change in India is a complex process of introducing new ideas, dealing with multiple interest groups, and trying to reshape institutions through which activities take place. **Nowhere is the need for change more urgent than in the education sector, because the lack of adequate human capital may be the biggest constraint that India faces in seeking faster economic growth.** Of course, thinking about education leads to concerns about health and nutrition, physical infrastructure and so on, but let us put those aside for the moment
- What is interesting is how much we have learned in the last decade about the process of education in India. Clearly, the institutional mechanisms work well as screening devices, as well as imparting certain basic skills to a slice of the population. The best products of the system do very well in globally competitive environments, but like many other aspects of Indian life, there is a steep fall off in skills going below the top, much more than the natural distribution of human abilities might predict. As is now clearly understood, national efforts like the Sarva Shiksha Abhiyan (SSA) improved access and enrolment numbers, but not necessarily learning outcomes
- A well-known problem is that of teacher absence, or of teacher incentives in general. Teaching aides may have better incentives, and seem to help, but the deeper problem is one of pedagogical methods. There is a need to change the classroom learning process (as well as documenting deficiencies in traditional delivery mechanisms), with measurable positive results. It has also pioneered supplemental approaches such as expanding access to after-school tuition, or in-school remedial education to help learning laggards catch up before they fall permanently behind
- Look at recent studies. A paper documented an experiment seeking to establish whether enabling more students to afford after-school tuition improved learning

outcomes—it did not—and another paper that measured whether using adaptive learning software for mathematics improved learning outcomes; it did. These were specific additions to our knowledge, based on careful research. A panel on skill development highlighted the breadth of India’s skilling challenge - where and how one should start, beyond simply listing all the needed skills across industries, sectors and jobs

- What kinds of changes might be cost-effective, improve learning outcomes simultaneously with access, and be implementable without having to battle entrenched interests and getting swallowed in existing institutional dysfunction?
- Yamini Aiyar, Vincy Davis and Ambrish Dongre conducted a lengthy detailed qualitative study of frontline education administration in Bihar, with over 100 interviews. What emerged was a picture of “organisational design of the education administration which privileges a top-down, rule-based hierarchy that leaves local administrators little by way of authority” and creates “a narrative of powerlessness.” What led to positive change in some locations? This happened when “district leaders encouraged active dialogue and problem-solving” with frontline administrators, instead of “expressing leadership through hierarchy and demands for compliance. **This work suggests that marginal changes may never be sustainable, but instead the harder task of modifying institutional structures and attitudes within organisations has to be undertaken for large-scale improvements in education access and outcomes**
- We have seen the germ of this story in case studies where local control of schools in India has led to improved teacher accountability and performance. We can also get a sense of why SSA ultimately did not improve learning outcomes. The study’s authors emphasise changing work culture and management practices, but this may also require decentralising the education bureaucracy, so that it permits local improvements, and focuses on providing support rather than enforcing hierarchical compliance. Of course, this is the change needed within every classroom in India. Children in school do better with **tailored support than with blanket rules**. So do young adults in university or other training venues. And so do government officials, whether in the education bureaucracy or in any other one of India’s many bureaucratic structures. Beginning this change may therefore be the key to effecting real change in India

3. Cities at Crossroads: A looming crisis

Topic: Cities

Category: Governance

Key points:

- India's water crisis is even more serious than its energy crisis though this is not generally realised. For energy, alternative sources such as solar and wind energy are becoming more cost-effective. For water, the only major alternative available is desalination and it is far too expensive
- Until about a decade ago, water was seen as a key requirement for the agricultural sector, and the focus was on the need to invest in infrastructure for irrigation, which would reduce the dependence of our farmers on rains and also meet the rural drinking needs. The Green Revolution accentuated the need for secure water for the high yielding varieties of food grains. However, inadequate investments and poor planning and maintenance of the irrigation infrastructure meant that canal irrigation was much less effective than planned. Farmers turned to groundwater with zeal, and they could do this because groundwater extraction was unregulated
- Free or cheap electricity also meant that farmers turned to tube wells and electric pumps as preferred instruments for lifting water from underground. About 80% of the addition to the net irrigated area in India since 1970 has come from groundwater. Since water is not economically priced, it is used inefficiently through flood irrigation. For the same reason, water-intensive crops are grown in areas where water is highly scarce, e.g., rice in Punjab and sugarcane in Maharashtra, thereby contributing further to the decline in water tables
- Over the past decade or so, unplanned urbanisation has highlighted the water problems facing urban India: declining water tables and a serious challenge of water pollution. Urbanisation has been gathering momentum with India's rapid growth. While only a third or so of India's population is urban, the share of urban GDP in the total is close to two-thirds. India's urban population is projected to increase to 600 million and urban share of GDP to 75% by 2031. It is not clear how the resulting increase in urban water demand will be met. **Releasing water from agriculture by improving efficiency in water use will certainly help, since agriculture accounts for 80% of the total use of water in the country. Recycling wastewater is another potential source of augmenting water supply for urban areas**
- This requires that drinking water, sewerage and wastewater treatment, storm water drains, and also solid waste management be planned and managed in an integrated manner. These services are actually being managed in silos, in some cases by the urban local governments themselves though they are not sufficiently empowered and in other cases by parastatal institutions (metro boards) of state governments
- Even the National Missions are encouraging a fragmented approach by separating solid waste management under Swachh Bharat from the rest under Amrut, and even worse, dispensing with the requirement of a City Development Plan in which all projects must be anchored

- The result is that the state of water delivery in Indian cities is visibly highly deficient. **Only 62% of urban households have access to treated tap water and only a little over 50% are directly connected to piped network. The average connected household receives water for approximately 2 hours per day. Only 33% of the urban population is covered by a piped sewer system, while close to 40% is dependent on septic tanks, and 13% still defecate in the open**
- Storm water drains are inadequate and ill-maintained, and even natural drains which provide safe exit to storm water including flood water are either encroached or carrying sewage. Natural recharge zones are typically not taken into account in planning for urban expansion.
- Wastewater treatment has been a neglected area in India's urban water planning even though it is crucial to keep our rivers and groundwater clean and also to augment supplies by generating "used water" for gardening, flushing, etc. The capacity to treat sewage or wastewater is only 37% of the total need in the country, and the actual treatment is even less, only 30%
- The sewage treatment capacity is also sometimes redundantly utilised as in the case of Delhi where treated wastewater is discharged into drains and allowed to mix with untreated sewage flowing into the natural storm water drains, and the unholy mixture finally discharges into the river. No wonder then that the Central Pollution Control Board finds that 75% of the measurable pollution in our rivers is from municipal sewage and 25% from industrial effluents. Surveys of ground water also show high levels of microbiological contamination, clearly suggesting contamination from municipal sewage
- **The implications of polluted and unsafe water and poor sanitation are extremely serious for public health. WHO data shows that half of India's morbidity is water related, and there is ample evidence to show that water-borne diseases have been on the rise in India**
- When public policy fails to deliver, the gap gets filled by private providers creating markets for water. The solution has been similar to what happened in the case of agriculture: there is increasing but unaccounted use of groundwater by extensive digging of bore wells to meet the demand deficit. The stories of tanker mafia in Delhi are legendary. The result is an accelerated decline in water tables and also increased contamination from fluoride, arsenic, and mercury as efforts are made to dig deeper
- India is the largest user of groundwater in the world with groundwater abstraction at 251 cubic km per year, which is more than double that of China's. What is more, India's use of groundwater is much in excess of the actual recharge being carried out. The states of Punjab, Haryana, Rajasthan and Delhi fare the worst in this respect. A recent assessment by NASA showed a decline in the water table for these four states at an average rate of 4 cm per annum

- The 12th Five Year Plan had called for a paradigm shift and proposed a comprehensive programme for the mapping of India's aquifers as a prerequisite and a precursor to a National Ground Water Management Programme, and some pilot projects have been initiated
- **Ground water use in India is currently governed by the framework of British common law sanctified by the Indian Easement Act of 1882. This provides that a land owner has the absolute right to draw any amount of ground water from under the land owned by him. The attempt at legislative reform in the past focussed mostly on allocation and setting up a public regulatory authority for groundwater regulation and management such that the state government will take the final decision**
- The government of India is currently working on a national water framework bill and also a model groundwater bill which addresses the challenges of equitable access and aquifer protection, moving away from the focus on the link between land ownership and control over groundwater and treating groundwater as a common pool resource to be exploited only for public good
- State governments could adapt the bill to their specific context. This is a bold step which is long overdue. How easy it would be to enforce such a system given the weak capacity for governance at the local government level remains to be seen, though it is clear that this is the only way to go

The BusinessLine:

1. GST is also about trucks moving freely

<http://www.thehindubusinessline.com/opinion/gst-is-also-about-trucks-moving-freely/article8902444.ece>

Topic: Logistics

Category: Economy

Key points:

- The generally accepted belief is that roll out of GST would lead to elimination of delays and long queues at checkpoints at state borders. It would also lead to the simplification of the documentation required for transporting goods across India. These are important objectives given that India has notoriously high average waiting time and stoppages for trucks transporting goods
- According to a recent report published by Transport Corporation of India (TCI) and IIM-K, such delays impose transaction costs of around \$21 billion annually on India's

businesses. In addition, it increases average transit times and makes supply chains inefficient

- Enabling seamless movement of goods across India is, in fact, considered to be one of the most important aspects of GST-related reforms. It would lead to much-needed logistical efficiency in India's national supply chains. This would require detailed rule-making as well as IT-based systemic solutions acceptable to all stakeholders, especially the State administrations
- **Unlike the political and tax law related debate over GST, rules for transport related documentation and administrative procedures for checking and inspection of trucks have received relatively scant attention**
- At present, State governments maintain a plethora of forms (many but not all online) for both the consignee/consignor of goods and the transporter to file for recording the movement of goods in and out of their jurisdiction. Existing procedures also require transporter to carry hard-copies of invoice and forms along with them
- This system can easily be replaced by designing single national online documents for the consignee, consignor and transporter. The national document for consignee-consignor will require submission of the same information that is currently captured in a standard invoice. For every transaction, consignee-consignor will have to also provide a corresponding invoice number reference from his books of accounts.
- This would comply with the legal requirement of the GST model law that transport can only happen after invoicing of goods. Provisions for special types of transactions (for example, imports, repair and return or stock-transfers) or special types of goods (for example, exhibition goods or documents) need to be made. The online system would generate a unique transaction ID for every transaction
- The transporter would create an online electronic waybill (e-waybill) by simply quoting the transaction IDs generated by consignee-consignor and adding the registration number of the vehicle that would be transporting the shipments quoted in the e-waybill
- Each e-waybill will be assigned a unique ID, and all the transporter would need to have with him is this number, which he would quote to any official en-route who wishes to establish the bona-fides of goods being carried
- The GST Network or GSTN should be able to provide this IT architecture, with adequate server capacity. Not only will this make the documentation simple and transparent, it would do away with the need for the government to chase paper-trails (of invoice copies and multiple documents) when it requires to do due diligence and post audits
- In a truly integrated India, with one national GST, checkpoints at State borders need to be completely eliminated. In order to ensure compliance with tax laws, the government can put in place a system of randomised checks by mobile flying squads

- However, there is concern that such mobile flying squads can become a source of harassment for transporters due to over-zealous or unscrupulous officers. Officers have been given substantive powers under the draft GST law for stoppage and seizure of vehicles which can be potentially abused
- Thus, a comprehensive system of checks and balances needs to build it. The following specific suggestions for the administration of such mobile check-posts can be considered:
 - All stoppages made by mobile squads would need to be logged in to the system online with specific reason for stoppage. In order to facilitate this, codes for all the reasons a vehicle is stopped should be created;
 - Any stop made for a) greater than 15 minutes, b) for asking for any other information other than contained in e-declaration, or c) actual physical verification of goods, would have to be logged in as an exception, with reason why such exception was made;
 - Any physical verification of actual shipments would be done under digital camera surveillance, the recording of which would kept in a database for 24 hrs, with the option of downloading of recording for the registered transporter and consignee whose vehicle/shipment was stopped;
 - Physical verification of shipment, when undertaken, should be done in a location not further than five kilometres from the place where truck was actually intercepted;
 - Number of stops on specific routes and instances of actual non-compliance found by such stops to be maintained in database;
 - Annual report, reporting stoppage data, sorted by different sections of route, to be published based on the database maintained by the government
 - Finally, a system of registered transporters should be encouraged. Transporters with a good compliance record could be provided a higher level of facilitation and enable authorities to develop a better risk management system targeting less compliant players for higher number of checks
 - Without such comprehensive IT backed documentation, procedural, and administrative reforms, and adequate checks and balances, the benefits of GST would be incomplete, as would the dream of seamless movement of goods and efficient supply-chains in India

The Economic Times:

1. Move ahead on GST with an open mind

[\(http://blogs.economictimes.indiatimes.com/et-editorials/move-ahead-on-gst-with-an-open-mind/\)](http://blogs.economictimes.indiatimes.com/et-editorials/move-ahead-on-gst-with-an-open-mind/)

Topic: Taxation

Category: Economy

Key points:

- The Centre is reportedly looking at ways to bring petroleum products under the ambit of the goods and services tax (GST). This is most welcome. Ideally, GST should subsume all indirect taxes of the Centre and the states. The GST Constitution Amendment Bill envisages petro-products being brought under GST at a future date. However, excluding petro-products is irrational and raises the tax rate on other products. The Centre's undertaking to compensate states for any revenue loss should remove objections to excluding any item from GST on grounds of revenue loss. Today, tax paid on petroleum products cannot be availed as input credit, and that, in turn, causes economic distortion
- India will have a dual GST, with the Centre and states having concurrent powers to tax value added. States will earn huge revenues as they will collect tax on services, which account for more than half of GDP. States also have a blanket assurance of being compensated for revenues losses arising from transition to GST. Should they, then, continue to have the share of central taxes on services they currently have?
- Ideally, the Centre and the states should share a common tax base for value addition in goods and services and collect their own taxes. That would still leave personal and corporate income tax, and customs duties to be collected by the Centre and shared with the states. It is worth exploring a role for the Inter-State Council to take a view on any disputes that the GST council of the Centre and the states is unable to resolve
- The success of GST will hinge on the efficiency of the administrative machinery for levy and collection of the tax. The Centre now charges and collects excise duties on goods and service tax, while states charge and collect value added tax on goods. The model GST Act proposes two separate administrators. One option could be to allow the Centre to collect all service tax and give the states their share, while states can collect tax on goods, and give the Centre its share. Both central- and state-level tax personnel can share the information on the GST Network

Quick Bits and News from States

1. Show 'utmost respect' for law of seas: India on SCS row

<http://www.thehindu.com/news/international/show-utmost-respect-for-law-of-seas-india-on-scs-row/article8901956.ece?w=alauto>

"As a State Party to UNCLOS, India urges all parties to show utmost respect for the UNCLOS, which establishes the international legal order of the seas and oceans," the Minister of State for

External Affairs told the 14th ASEAN—India Foreign Ministers’ Meeting in Vientiane, Laos, referring to the tribunal’s July 12 rejection of Beijing’s claim over the strategic waters.

2. Be proactive in monitoring panels: BJP MPs told

<http://www.thehindu.com/news/national/be-proactive-in-monitoring-panels-bjp-mps-told/article8902722.ece?w=alauto>)

MPs have been asked to ensure their participation in the newly-announced District Infrastructure Scheme Advisory Committees (DISHA), set up to monitor Centrally Sponsored Schemes (CSS) under the aegis of the Rural Development Ministry. The project is headed by local members of Parliament.

3. Despite pings, no breakthrough yet, says Parrikar

<http://www.thehindu.com/news/national/despite-pings-no-breakthrough-yet-says-parrikar/article8902688.ece?homepage=true>)


Several pings have been picked up over the Bay of Bengal during the search for the missing An-32 but there is no breakthrough yet, the Defence Minister Manohar Parrikar said.

A WAKE-UP CALL

The AN-32 is not the first Indian military aircraft to disappear mysteriously

Feb 7, 1968 IAF's AN-12 vanished on its way to Leh with 102 personnel on board	March 25, 1986 IAF AN-32 goes missing near Jamnagar	June 25, 1990 A MIG-21 goes off the radar in Bhuj	April 20, 2002 A MIG-21 goes missing from Tezpur
May 19, 2004 A Mig-27 goes missing near Bagdogra airport	Oct. 18, 2011 A Mig-29 aircraft goes missing in Lahaul Spiti	June 8, 2015 Dornier crashes off Tamil Nadu. Wreckage found after 36 days	March 24, 2015 Dornier plunges into sea 25 nautical miles off Goa

ACCIDENTS INVOLVING AN-32 (REVERSE CHRONOLOGY)

September 20, 2014 AN-32 with 11 on board crash-lands at the Chandigarh Airport	June 9, 2009 An AN-32 crashes in Arunachal Pradesh killing 13 on board	April 1, 1992 Two AN-32 aircraft collide while flying in formation over Khanna, Punjab		
	March 7, 1999 An-32 crashes near the Indira Gandhi International Airport in New Delhi	March 26, 1992 An AN-32 aircraft crashes in the hills near Jorhat in Assam	1989 AN-32 of ARC blows up over Delhi while on way to Orissa	1991-92 AN-32 crashes near Thiruvananthapuram, Kerala
	March 25, 1986: AN-32, on its way to Jamnagar from Muscat disappears in Arabian Sea. The wreckage was never recovered		March 22, 1986: AN-32 crashes in Jammu and Kashmir	

4. Mass attack bid foiled in Bangladesh, 9 militants killed

<http://www.thehindu.com/news/international/mass-attack-bid-foiled-in-bangladesh-9-militants-killed/article8902052.ece?w=alauto>

Police on Tuesday foiled another 'mass attack' bid in Bangladesh, reeling under a wave of deadly terror assaults, by killing nine Islamist militants during a pre-dawn raid at their hideout here. The militants, aged between 20 and 25 and suspected to be members of Jamatul Mujahideen Bangladesh (JMB), opened fire on police during the operation.

5. Images reveal child abuse in Oz prison

<http://www.thehindu.com/news/international/images-reveal-child-abuse-in-oz-prison/article8902673.ece?w=alauto>

Australian PM announced a royal commission hours after the airing of shocking footage showing the treatment of the children at the Don Dale detention facility outside Darwin in the Northern Territory. Indigenous youths make up 96 per cent of the young prison population in the Northern Territory, and Indigenous people are overwhelmingly represented in the NT prison system across the board. Indigenous people make up 30 per cent of the overall population of the NT.

6. Mexico finds water tunnel network under tomb of Pakal

<http://www.thehindu.com/news/mexico-finds-water-tunnel-network-under-tomb-of-pakal/article8902639.ece?w=alauto>

Archaeologists at **the Mayan ruin site** of Palenque said on Monday they have discovered an underground water tunnel built under the Temple of Inscriptions, which houses the tomb of an ancient ruler named Pakal.

Researchers believe the tomb and pyramid were purposely built atop a spring between AD 683 and 702. The tunnel led water from under the funeral chamber out into the broad esplanade (path near a river) in front of the temple, thus giving Pakal's spirit a path to the underworld.

7. Day after protest, Madras HC says rules for lawyers on hold

<http://www.thehindu.com/news/national/day-after-protest-madras-hc-says-rules-for-lawyers-on-hold/article8902699.ece?homepage=true?w=alstates>

A day after more than 3,000 lawyers from across the State attempted to lay siege to the Madras High Court seeking withdrawal of the amended Advocate Rules, the First Bench of Chief Justice S.K. Kaul and Justice R. Mahadevan by an interim order reiterated the judiciary's position that implementation of the new Rules was kept in abeyance for all practical purposes.

8. Govt okays additional investment in houses for urban poor

<http://www.thehindubusinessline.com/economy/policy/govt-okays-additional-investment-in-houses-for-urban-poor/article8902606.ece>

The Centre has approved an additional investment of ₹16,641 crore for affordable housing for construction of nearly 2.44 lakh houses for urban poor under the Pradhan Mantri Awas Yojana (Urban). In a statement, the Ministry of Housing and Urban Poverty Alleviation said that this was done during the first four months of this financial year and will benefit the urban poor in 11 States.

“With these approvals, a total investment of ₹51,568 crore has so far been approved for construction of 9,27,991 houses for Economically Weaker Sections (EWS) in urban areas in 20 States under PMAY (Urban) which was launched in June last year,” the official statement said.

9. Australia announces \$250,000 grant for Confluence Festival of India

http://economictimes.indiatimes.com/articleshow/53409543.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Aiming to deepen its cultural ties with India, Australia has announced a grant of 250,000 Australian dollars for supporting the 'Confluence Festival of India', the first of its kind and the biggest such event ever to be held in the country.

The 10-week-long festival will be held across seven cities - MELBOURNE, Sydney, Perth, Canberra, Alice Springs, Adelaide and Brisbane from August this year.

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

1. The Child Labour (Prohibition and Regulation) Act, 1986
2. NITI Aayog

3. The Lokpal and Lokayukta Act
4. FCRA
5. AFSPA
6. Antrix
7. National Medical Commission
8. World Anti-Doping Agency
9. NEP-1991
10. Shyama Prasad Mookherjee
11. RKVY
12. Sarva Shiksha Abhiyan

Practice Questions:

Question1: Which of the following would be possible advantages if DNA is used to store data?

1. Durability

2. Compactness

3. DNA storage would avoid the problem of having to repeatedly copy stored information into new formats as the technology for reading it becomes outmoded

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

Ans d

Question 2: Which of the following offices come under the jurisdiction of Lokpal under the Lokpal and Lokayuktas Act, 2013?

1. Members of Parliament

2. Any person who is or has been in-charge (director / manager/ secretary) of anybody / society set up by central act or any other body financed / controlled by central government

3. Group C officers

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

Ans d

Question 3: Which of the following states are covered under Bringing Green Revolution in Eastern India Scheme?

1.Andhra Pradesh

2.Orissa

3.Bihar

4.Assam

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

Ans d

Question 4: Which of the following statements is/are correct about the Child Labour (Prohibition and Regulation) Amendment Bill, 2012?

- 1. According to the amendment, children below the age of 14, cannot be employed anywhere, except in non-hazardous family enterprises or the entertainment industry(except the circus)**
- 2. A new definition of adolescent has also been introduced in the amendment and employment of adolescents (14 to 18 years of age) has also been prohibited in hazardous occupations and processes**
- 3. The proposal also provides for the setting up of a Child and Adolescent Labour Rehabilitation Fund for one or more districts for rehabilitation of children or adolescents rescued**

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

Ans d

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

- 1. Shyama Prasad Mukherjee was a member of the first cabinet of India(of the interim government)**
- 2. Mukherjee founded the Bharatiya Jana Sangh in 1951 became its first President**

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

Ans c

Useful News Articles

28-7-2016

A. GS1 Related

1. Magsaysay award for Wilson, T.M. Krishna

(http://www.thehindu.com/news/national/tm-krishna-and-bezwada-wilson-win-magsaysay-award-2016/article8905330.ece?ref=topnavwidget&utm_source=topnavdd&utm_medium=topnavdropdownwidget&utm_campaign=topnavdropdown)

Topic: Ramon Magsaysay Award

Category: Awards

Key points:

- Bezwada Wilson, a renowned campaigner against manual scavenging, and Carnatic singer T.M. Krishna from Chennai were named for the prestigious Magsaysay Award on Wednesday
- Born into a Dalit family in Karnataka, Mr. Wilson, 50, is the national convener of the Safai Karmachari Andolan
- Under the category 'Emergent Leadership,' Mr. Krishna was chosen for the award for bringing "social inclusiveness in culture."The award committee hailed him for "showing that music can indeed be a deeply transformative force in personal lives and society itself."
- Krishna was born into a Brahmin family in Chennai and was trained right from the tender age of six in the refined Carnatic music

B. GS2 Related

1. GST: Two major hurdles cleared

(<http://www.thehindu.com/business/cabinet-drops-1-additional-tax-from-gst-bill/article8907527.ece?homepage=true>)

Topic: Legislation

Category: Polity

Key points:

- Paving the way for a possibly smoother passage of the GST Constitutional Amendment Bill in the Rajya Sabha, the Union Cabinet on Wednesday approved two key changes to the Bill that effectively address the concerns of state governments and most of the Opposition
- **The Cabinet removed from the Bill the contentious provision for a one per cent additional tax levy by manufacturing States and introduced a guarantee of 100 per cent compensation to States for five years to make good any revenue loss incurred by them due to the introduction of the Goods and Services Tax**
- This decision follows a crucial meeting of **the Empowered Committee of State Finance Ministers with the Union Finance Minister** on Tuesday
- However, there was as yet no consensus on whether the GST rate should be included in the Bill, one of the major demands of the Congress, and one of the main reasons why the Bill is still stuck in the Upper House of Parliament

2. Lok Sabha nod for Lokpal Act amendment

<http://www.thehindu.com/news/national/lokpal-and-lokayuktas-amendment-bill-introduced-in-lok-sabha/article8906613.ece?w=alauto>

Topic: Accountability

Category: Governance

Key points:

- The Lok Sabha on Wednesday approved an amendment to the Lokpal and Lokayukta Act, 2013, to allow extension of the time given to public servants and trustees and board members of Non-Governmental Organisations (NGO) receiving government funds of more than Rs. 1 crore or foreign funding of more than Rs 10 lakh to declare their assets and those of their spouses
- “Amendments to bills can be moved under three condition: one, when cleared by the Union Cabinet; second, the Prime Minister invokes rule 12 of the transaction of business and takes a suo motu decision, and a post facto approval is then sought from the Union Cabinet; or an empowered group of ministers meet and clear it, again with post facto approval of the Cabinet,” said a senior Minister. “In this case, the Prime Minister seems to have taken the call,” said the Minister
- Senior Ministers of the government made it clear that the amendment was for providing immediate relief to public servants facing the July 31 deadline
- The provision would be examined closely by a parliamentary standing Committee, which will submit its report before the next session of Parliament

3. Lok Sabha passes Bill to check benami transactions

<http://www.thehindu.com/news/national/lok-sabha-passes-bill-to-check-benami-transactions/article8907377.ece?w=spa>

Topic: Legislation

Category: Governance

Key points:

- Seeking to check black money, Lok Sabha today passed a comprehensive Benami Transactions Amendment Bill, with the Finance Minister assuring that genuine religious trusts will be kept out of the purview of the legislation
- The legislation is predominately an anti-black money measure and its purpose is to seize benami property and prosecute those indulging in such activities
- “If there is a genuine property which belongs to a church or a mosque or a gurdwara or a temple, section 58 says that the government has the power to exempt it,” the minister said

5. India asks Myanmar to act against NSCN-K leaders

<http://www.thehindu.com/news/national/india-asks-myanmar-to-act-against-nscnk-leaders/article8908006.ece?w=alauto>

Topic: India and Myanmar

Category: India's Neighbourhood

Key points:

- India has asked Myanmar to act against four top leaders of the National Socialist Council of Nagaland-Khaplang (NSCN-K), including its chief S.S. Khaplang, accused of the ambush on an army convoy in Manipur in June last year in which 18 soldiers were killed
- After the Manipur ambush, the army's special forces launched an attack on insurgent camps 20 km inside Myanmar last year and were believed to have killed at least 20 militants
- “We gave a list of insurgent camps as well as the names of the terrorists operating from Myanmar and have asked them [Myanmar] to take action against them. There is no extradition treaty with Myanmar, so other options will have to be explored,” a senior official said

- The NSCN-K has a ceasefire agreement with the Myanmar government. Mr. Khaplang, a Naga from Myanmar, was undergoing treatment at a hospital in Yangon till a few months ago. He is learnt to have shifted to his base in Taga, considered a haven for anti-India insurgent groups, in north-western Myanmar

6. India wants market access for organic products in Japan

<http://www.thehindu.com/business/Industry/india-wants-market-access-for-organic-products-in-japan/article8907629.ece?w=alauto>

Topic: India and Japan

Category: International Relations

Key points:

- India will demand more market access in Japan for its pharmaceuticals as well as marine and organic products, in a meeting slated for Thursday to help boost bilateral trade and investment ties, official sources said
- Japan, meanwhile, has asked India to remove curbs on steel imports (including Minimum Import Price and safeguard duty) and to do away with the Minimum Alternate Tax (MAT) on Special Economic Zones (SEZs). The imposition of 18.5 per cent MAT on SEZ developers and units in the FY'12 Budget was a major factor that led to a slowdown in investments into SEZs
- Tokyo wants India to ensure “specific timelines for introduction” of the special incentives proposed by many Indian state governments to Japanese Industrial Townships (JIT)
- The India-Japan Joint Committee will meet on Thursday. The panel was established following the inking of the bilateral Comprehensive Economic Partnership Agreement (CEPA) in 2011. The committee can review the CEPA and suggest amendments to the pact to facilitate an increase in bilateral trade and investment
- India-Japan trade had shrunk by 6.4 per cent to \$14.5 billion in FY'16, with India's exports falling by 13.2 per cent to \$4.7 billion and Japan's exports contracting 2.8 per cent to \$9.8 billion. During April 2000-March 2016, Japanese Foreign Direct Investment into India was worth \$20.96 billion (or 7 per cent of overall FDI inflows of \$288.5 billion during the period)

C.GS3 Related

1. Supercomputer to forecast monsoon with dynamical model

<http://www.thehindu.com/news/national/new-monsoon-forecast-model-may-be-in-place-next-year/article8906506.ece?w=alauto>

Topic: Monsoon Forecasting

Category: S & T

Key points:

- Next year, India's annual summer monsoon forecast may be made by a supercomputer running a dynamical model. The dynamical model, called the Coupled Forecast System version 2, has so far achieved only 60 per cent accuracy in forecasting the monsoon
- The dynamical model, being tested at the Indian Institute of Tropical Meteorology, (IITM) Pune for a decade was "ready for operational purposes next year." A dynamical monsoon model works by simulating the weather on powerful computers and extrapolating it over particular timeframes. The statistical models would still be in use next year
- The IMD, as of now primarily relies on an ensemble model, a statistical technique that uses an average of six meteorological values correlated to the monsoon such as sea surface temperatures in the Pacific, and North Atlantic sea level pressure. These values are derived from century-old meteorological data linked to the historical performance of the monsoon

2. Bacteria producing powerful antibiotic right under your nose

<http://www.thehindu.com/sci-tech/health/bacteria-producing-powerful-antibiotic-right-under-your-nose/article8907638.ece?homepage=true>

Topic: Biology

Category: S & T

Key points:

- A novel antibiotic — lugdunin — produced by a bacterium found inside the human nose has been found to kill the bacterium *Staphylococcus aureus*, including drug-resistant forms such as the methicillin-resistant *S. aureus* (MRSA). The study found *S. aureus* does not develop resistance against the novel antibiotic
- The findings could aid the development of new therapies for hard-to-treat bacterial infections. The results were published on July 28 in the journal *Nature*
- The novel compound represents the first known example of a new class of peptide antibiotics

3. 'GDP growth for FY17 may accelerate to 7.9 per cent'

(<http://www.thehindu.com/business/Economy/gdp-growth-for-fy17-may-accelerate-to-79-per-cent/article8907627.ece?w=alauto>)

Topic: GDP

Category: Economy

Key points:

- India's GDP growth could rise to 7.9 per cent because of good monsoon so far, with agriculture expected to grow by 4 per cent and consumer price inflation likely to be restricted to 5 per cent in 2016-2017, rating agency Crisil said
- Although the rainfall levels this year have been better than normal, the rainfall has not been well-distributed, leaving some places with surplus rainfall and others deficient, according to the report
- Crisil has developed a Deficient Rainfall Impact Parameter (DRIP) index, which measures the impact of rainfall levels on each crop across geographic regions

4. 44 killed in Islamic State attack on Kurdish city

(<http://www.thehindu.com/news/international/31-dead-in-double-bomb-blast-in-syrian-kurdish-city-state-tv/article8906650.ece>)

Topic: Terrorism

Category: Security

Key points:

- A massive bomb blast claimed by the Islamic State (IS) killed at least 44 people and wounded dozens on Wednesday in the Kurdish-majority Syrian city of Qamishli
- Kurdish fighters, backed by the U.S.-led coalition forces, have been a key force battling the jihadists in north and northeastern Syria and are the main component in the Syrian Democratic Forces alliance currently seeking to oust IS from Manbij(Aleppo). Qamishli is under the shared control of the Syrian regime and Kurdish authorities, who have declared zones of "autonomous administration" across parts of north and northeast Syria

D.GS4 Related

1. A Bihar school feels the taste of justice

<http://www.thehindu.com/news/national/a-bihar-school-feels-the-taste-of-justice/article8907755.ece?w=alauto>

Topic: Case Study

Category: Ethics

Key points:

- A 36-year-old Dalit woman, Urmila Devi who lost her husband a couple of years ago, was dismissed from her job as a government school cook in Bihar's Aurangabad district, apparently a case of caste and gender bias
- The District Magistrate on hearing her plea decided to verify the incident the very next day and made the 45-km trip to Batura Middle School in Rafiganj block. During the visit, he found many discrepancies in the registers. The principal, who could not answer his queries, was suspended
- The officer ordered Education Department officials to reinstate Ms. Devi and requested her to cook food in the school kitchen as she used to. Soon, the magistrate was sitting cross-legged on the verandah and relishing the meal with students, even as awestruck villagers watched

E. Important Editorials:

The Hindu

1. Irom Sharmila's next stand

<http://www.thehindu.com/opinion/editorial/irom-sharmilas-next-stand/article8907608.ece?homepage=true>

Topic: Federal Relations

Category: Polity

Key points:

- Irom Chanu Sharmila's announcement that she would end her hunger strike on August 9 has taken almost everyone by surprise. Hers has been a powerful act of peaceful resistance that effectively undermined the government's legalistic, obfuscatory defence of the Armed Forces (Special Powers) Act, exposing its corrosive effect on democracy and humanity

- Days after 10 persons were killed, allegedly by the Assam Rifles, near Imphal in November 2000, Ms. Sharmila began a fast seeking the revocation of the Act, which gives immunity to security forces in “disturbed areas”. Manipur was brought under the Disturbed Areas Act in 1980, and in the purported effort to combat insurgent groups, there were frequent cases of suspected extrajudicial killings that stoked anger and helplessness
- Ms. Sharmila’s forced nutrition through a pipe, and confinement in Imphal’s Jawaharlal Nehru Hospital on charges of attempting suicide, have been the backdrop to continued protests in Manipur. In 2004, for example, 12 women led an agitation against the killing and suspected rape of a young woman, Thangjam Manorama, by the Assam Rifles by stripping themselves at Imphal’s Kangla Fort and proclaiming, “We are all Manorama’s mothers.”
- In Manipuri society, the “mothers” are a courageous constant, organising the daily commerce of life and standing up defiantly to oppression. In this tapestry of protest against injustice, Ms. Sharmila acquired a place that quickly seemed timeless. The government has given in incrementally — for instance, withdrawing the Assam Rifles from Kangla and AFSPA from segments in Imphal. But overall, AFSPA remained in force, with Ms. Sharmila its constant conscientious objector. By ending the fast, she ironically managed to bring the issue back to the headlines
- For years now, another narrative has played out: she has given periodic signals that she wants to reclaim her life. For instance, by seeking her right to vote, or by indicating that she was in love and would like to marry once the objective of her fast had been achieved. Her statement that she would stand for Assembly elections is a culmination of this
- This too is a form of resistance, against being branded forever as the face of a cause and thereby denied a personal life. Perhaps she has done all she could by the fast. Certainly, it is too much to ask an individual to put her own life in abeyance. The cause remains
- This month the Supreme Court gave hope that crimes committed under the cover of AFSPA could be investigated and justice won for 1,528 deaths in Manipur. Yet Manipur’s people must wonder, what headline-grabbing protests must they come up with to end apathy to their neglect

2. Bogeys on the Universal Health Coverage train

<http://www.thehindu.com/opinion/columns/bogeys-on-the-universal-health-coverage-train/article8907621.ece?homepage=true>

Topic: Health

Category: Governance

Key points:

- The commitment to achieve Universal Health Coverage (UHC) by 2030 is a mandate set by the Sustainable Development Goals (SDG) of the UN and signed up to by India in September 2015. It is now clear that the National Health Mission (NHM) and a revamped Rashtriya Swasthya Bima Yojana (RSBY) — soon to be renamed the Rashtriya Swasthya Suraksha Yojana (RSSY) — are the two tracks on which this train will be moved by the Central government. The States will attach their own additional compartments to this national express as it traverses their territories, but may run some independent 'locals' as well
- Even from the SDG dateline, it is clear that UHC will not be achieved immediately. **The World Health Organisation (WHO) describes UHC as a state where the health needs of all citizens are met without any of them experiencing financial hardship. It depicts UHC as a cube, with three dimensions: population coverage (what proportion of people and which sections are covered); service coverage (what is the package of health services that is covered) and cost coverage (what proportion of the health-care cost is incurred as out-of-pocket spending and how much is met by the government or employer).** WHO acknowledges that the cube will be filled progressively, as resources for UHC increase in different health systems. Hence, the need for prioritisation, within and across each of these dimensions
- There will be a dynamic tension between the perspectives of those engaged predominantly with each of these dimensions. Politicians are likely to look at population coverage as the key priority — wanting to 'protect' (and please) as many citizens (voters) as possible in the shortest time frame. They will advocate from the platform of equity. Health-care professionals (especially influential clinicians) are prone to recommend as many clinical services as possible, especially expensive high-end technologies. They will argue from the pulpit of quality health care. Economists will argue for reduction of poverty-inducing personal expenditure, while limiting the cost to the public exchequer. They will expound from the lectern of socially responsive and fiscally prudent public financing
- How does one reconcile these seemingly complementary, but also potentially conflicting, priorities to get the UHC train moving?
- Some advocate the process of 'progressive universalisation', in which **a limited package of clearly identified essential health services is available to all** without financial hardship (cost covered through tax funding or government-subsidised social insurance).

Other services are provided to the poor at government-subsidised low cost but the non-poor will have to pay full cost or purchase private insurance cover

- **Others suggest a large package of health services to be provided free of cost to the poor, with government funding, while the non-poor will have to pay for all services at the beginning of the UHC process.** This approach of ‘pro-poor’ universalisation appears to champion the poor but is flawed in many respects
 - First, it is not truly universal because it only targets the ‘poor’. It ignores the fact that targeted social sector programmes fail because influential sections of society have no stake in the success, sustainability, scalability, quality and integrity of such programmes which end up as false promises. Such an approach also fails to recognise the financial vulnerability of a large fraction of the ‘non-poor’ to health care-related impoverishment
 - If we are to adopt the approach of progressive universalisation, prioritising the poor but not excluding the non-poor from the essential package that UHC begins with, there is a need to carefully select the services that go into that package. The criteria for inclusion and exclusion need to be transparent, explicit and rational. Rich countries, that can afford to cover a wide range of services, adopt a ‘negative list’ of services specifically excluded from the package. Low- and middle-income countries, with less resources, begin with a list of services specifically included in the package and progressively expand it as more resources accrue
 - Criteria should include: **disease burden (whether it is a major health problem in a country or State); expected size of health impact of the intervention (based on effectiveness estimated in research studies and then modelled for a standard population); cost-effectiveness (value for money) compared to other interventions; affordability (total budgetary impact); degree of financial risk protection (impact on out-of-pocket and catastrophic health expenditures and health care-related poverty); equity (attention to vulnerable groups); feasibility (technical and legal constraints); health system readiness (resourced, responsive); scope (scalability, sustainability) and acceptability (alignment amongst stakeholders and public acceptance)**
 - Unfortunately, technocratic approaches to the development of an essential package, in many countries, have been dominated by cost-effectiveness as the principal criterion. What is cost-effective in a specific health condition may not have a large population health impact, nor may it be affordable if large-scale application demands a big chunk of the health budget. Also cost-effectiveness must always be balanced with respect for equity, lest some vulnerable groups get excluded from the benefits of UHC. Further, a short-term perspective must be avoided. Otherwise, the medium- and long-term gains of health promotion, disease prevention and primary health care services will be ignored. Their co-benefits for other sectors (like education and environment) and inter-

generational benefits (through better health for the progeny) are also outside the count of conventional economic analyses

- **In order to ensure that all relevant criteria are appropriately integrated into the choice pathway for package development, wide-ranging consultations are needed, involving a large array of stakeholders. Community perspectives and civil society engagement are as important as the expertise of economists and health-care providers.** This public health agenda, which will radically reconfigure our health system, should not be derailed by the populism of electoral politics, personal preferences of prominent medical professionals or the parsimony of public financing. It needs an all-of-society consensus and commitment, developed through participatory leadership

3. Bridging the digital divide

<http://www.thehindu.com/opinion/op-ed/bridging-the-digital-divide/article8907625.ece?homepage=true>

Topic: ICT

Category: Economy

Key points:

- One of the parameters of assessing societal development of a country is the extent to which there has been penetration of information and communications technology (ICT) through the Internet, mobile phone subscriptions or through the degree of press freedom given to the journalists, news organisations and citizens of a country
- Access to ICT also gains relevance in the newly adopted Sustainable Development Goals (SDGs) for 2030 of the United Nations, with greater relevance for the least developed countries to be able to provide universal and affordable access to the Internet to its people
- Though ICT has promoted development across various dimensions of society from connecting individuals to spreading across businesses, and governments, there exists a digital divide in its accessibility between the high income and low income countries, with high income countries typically showing greater penetration of digital technology as compared to less developed countries. While in high income countries such as Finland, Norway, Denmark, Netherlands and Sweden, over 90 per cent of the population is using the Internet, in lower income countries such as Afghanistan, Sub-Saharan African countries such as Central African Republic, Ethiopia, Tanzania, and Malawi, less than 10 per cent of the population uses it. Similarly, with regard to the extent of mobile penetration, Sub-Saharan Africa has the lowest mobile penetration of 73 per cent,

compared to 98 per cent penetration in high income countries (World Development Report 2016)

- Given a high degree of correlation between the economic progress of a country and its access to ICT, there are countries which have over-performed relative to their economic peers in providing digital technology. One such country worth mentioning here is Costa Rica, which is the world's top over-performer, known for its communication technology and also press freedom
- Similarly, there are countries which have underperformed among their income peers on access to information and communication. For instance, Cuba, which has the lowest number of mobile phone subscriptions and lowest press freedom index, has been the most underperforming country on access to information and communication. Further, two of the world's most populated countries — India and China — are also among the few underperformers on access to ICT
- **India, which has been appreciated globally for providing IT services, faces a huge digital divide, having a relatively low percentage of population with access to the Internet. In 2014, it had only about 18 people per 100 using the Internet (World Bank Data). China on the other hand has a very weak press freedom index, resulting in its overall low performance on access to ICT. Apart from the digital divide existing between countries, there also exists a gap in adoption of digital technology across different demographic groups within the country**
- The World Development Report 2016 highlights such differences in accessibility to the Internet in Africa, where gaps arise out of differences in factors such as income, location, gender and age. For instance, greater access to the Internet is seen in the top 60 per cent of the population based on income distribution compared to the bottom 40 per cent. Further, women use less digital technology compared to men, and gaps are even greater between the youth (20 per cent) and the matured population (8 per cent)
- To be able to promote greater social progress in the world, it is imperative to increase access to information and communication technology universally. With the world presently scoring 62.99 on a scale of 100 in access to ICT, higher overall social progress could be achieved by overcoming the digital divides that exist between the countries regardless of their level of economic progress
- **One of the ways to bring about greater penetration of digital technology in society is to make it more affordable.** This could be realised through support from multilateral organisations to the underperforming countries by helping them build their communication infrastructure. Moreover, promoting greater market competition in Internet provision and encouraging public-private partnerships in building ICT infrastructure could increase the affordability of digital technology and thereby improve access to it

- **Further, digital divides could be bridged to an extent by bringing greater awareness among citizens about the use of digital technology which could help in reducing information inequality in society**
- While increasing penetration of digital technology by bridging the existing digital divides is associated with greater social progress of a country, it is also essential to build up the **corresponding human capital necessary for making optimal use of the technology**. ICT can benefit the economy through increasing productivity gains only if people having access to the technology also have the requisite skills for making optimal use of it

The Indian Express

1. Institutionalising Federalism

[\(http://indianexpress.com/article/opinion/columns/strengthen-centre-state-relation-inter-state-council-important-2939294/\)](http://indianexpress.com/article/opinion/columns/strengthen-centre-state-relation-inter-state-council-important-2939294/)

Topic: Federal Relations

Category: Polity

Key points:

- The eleventh meeting of the Inter-State Council (ISC) held on July 16, 2016, after a gap of 10 years came as a bolt from the blue
- While convening the ISC meeting, the PM described the forum as the most significant platform to strengthen Centre-state and inter-state relations and discuss policies. A federal system needs interactions between the various levels of government, namely, the union, state and local. Therefore, the need for an inter-governmental mechanism is obvious in this system. The framers of early federal constitutions, swayed by the classical notion of dual sovereignty, did not visualise the need for inter-governmental forums
- However, the architects of India's Constitution saw the need for inter-governmental forums in the working of the federal system. There was a consensus during the Constituent Assembly debates on establishing such a forum. In spite of the legal status bestowed upon the ISC under Article 263, it was not set up until the Janata Dal-led National Front Government headed by V.P Singh accepted the recommendation of the Sarkaria Commission and established the ISC by a presidential ordinance on May 28, 1990.
- The establishment of the ISC was necessitated by the changes in the Indian party system and the institutional transformations associated with it. This body was set up as an instrument for cooperation, coordination and evolution of common policies. Under

Article 263 of the Constitution, the ISC is mandated to ensure better Centre-state cooperation and resolve Centre-state or inter-state issues. However, it has been largely underutilised. In its first meeting in October 1990, then PM V.P. Singh agreed to institutionalise the procedure for regular consultation between the states and the Centre. The ISC had then proposed to meet thrice a year, but in 26 years, it has met only 11 times

- The reasons for this failure to emerge as an active inter-governmental forum can be discussed in terms of two phases. First, in the first four decades of the Indian federation during which the ISC was not formally set up, the Congress was dominant at the national and state levels. Therefore, issues were discussed across the table at party forums. During this phase, the ISC was also sidelined because economic planning necessitated the creation of **the National Development Council (NDC)** which worked as a functional substitute for the Inter-State Council. Second, in the multi-party coalition phase since 1989, the importance of the ISC was further reduced as some state parties were represented in the federal coalition government at the Centre and the Union cabinet itself became a kind of inter-governmental forum
- The return of the single-party majority government at the Centre in 2014 has necessitated the strengthening of inter-governmental mechanisms for the harmonious working of the federal structure. In this milieu, there is a great need to empower institutions like ISC and make them more interactive, inclusive, transparent and accountable. The ISC can work as an effective forum of cooperative federalism
- **The ISC needs to be given all the powers contemplated in the Constitution. Clause A of Article 263, which gave the council the power to investigate issues of inter-state conflict, was dropped in the presidential ordinance establishing the ISC. It should provide greater opportunities to civil society institutions and the corporate sector to make their representations**
- **Moreover, the ISC and NITI Aayog should be merged into one constitutional forum to improve the institutional participation of state governments in inter-governmental affairs. It will enhance the institutional status of the NITI Aayog by being attached to a constitutional body i.e. the ISC**
- **Further, to make the ISC a truly federal rather than a central body, its secretariat should be shifted from the Union Home Ministry to the Rajya Sabha secretariat so that it would be under the direction of a neutral federal functionary, the vice-president of India rather than Union home minister**

2. Whose forests are these anyway?

[\(http://indianexpress.com/article/opinion/columns/campa-bil-monsoon-session-compensatory-afforestation-fund-bill-forest-rights-act-2939306/\)](http://indianexpress.com/article/opinion/columns/campa-bil-monsoon-session-compensatory-afforestation-fund-bill-forest-rights-act-2939306/)

Topic: Legislation

Category: Polity

Key points:

- A recent controversial bill that outlines a framework for the utilisation of compensatory afforestation funds is being strongly contested and challenged by civil society actors. It raises important questions that are fundamentally connected to forests: Whose are they and who should be compensated for their loss
- The Compensatory Afforestation, Management and Planning Authority (CAMPA) has over the years accumulated a staggering Rs 41,000 crore as recompense for forest land having been diverted for non-forestry purposes. The amount is calculated on the Net Present Value (NPV) of the diverted forest and the cost of afforestation; it ranges between Rs 5-11 lakh per hectare depending on the type and condition of a forest
- The current bill does not take into account any of the criticism voiced against an earlier version, proposed under the previous government in 2013; it continues to ignore the Forest Rights Act. Instead of using the CAMPA funds to empower local communities to carry out afforestation, forest enrichment activities and ecological restoration, the Bill places its faith in the colonial-era forest bureaucracy
- In considering the use of these funds, it makes sense to ask: Whose forests are these anyway? Who suffers when forests are diverted for non-forestry purposes and what is the best means of ensuring meaningful compensation of this loss — both ecologically and socially. As is common knowledge, India inherited a colonial forest governance infrastructure that unilaterally treats forests as state property. The state takeover of forest land has been deeply contested and it was only in 2006, that a nationwide mobilisation demanding local rights over forests led to the Forest Rights Act (FRA)
- The FRA provides for individual and community rights over forests and provides a framework for communities to govern them. According to a recent study by Rights and Resources Initiative (RRI), almost half of India's forests are likely to come under the jurisdiction of gram sabhas; thus, any efforts to regenerate or afforest these lands will require their consent and support
- In view of this, an amendment to the proposed bill was introduced in the Rajya Sabha to include the provision of gram sabha consent for any afforestation activity. The Ministry of Environment and Forests (MOEF), however, wants to push the CAMPA Bill in its current form, bypassing the authority of gram sabhas and the legal and moral rights of local communities over forests
- The emphasis is on using these funds for plantation drives through the forest department despite there being clear evidence that much of these efforts fail. Official records show that 19.4 million hectares has been afforested by the forest department

over the last decade but forest cover has barely increased, reflecting the failure of the centralised forest bureaucracy to undertake ecological greening. Even the ecological value of whatever survives is highly dubious, as monocultures and mixed plantations can't be substitutes for natural forests

- Instead of entrusting the Rs 41,000 crore to the forest bureaucracy, we need to use these funds to further strengthen local rights and empower communities to restore forests and degraded lands. For example in Odisha, more than 10,000 villages have protected and regenerated local forests with no external funds
- India has a large number of such examples of communities taking up ecological restoration at low costs. These efforts can be greatly strengthened through securing local rights over forests and providing support to community efforts to conserve them. The decision over where, what and how to plant and regenerate degraded lands, instead of being in the hands of a distant, inefficient bureaucracy, needs to be in the hands of local communities, who have the capacity to undertake adaptive management and maintain close oversight. Innovative systems of incentives and direct payments can be designed using remote sensing
- Evidence from around the world shows that farmers and local communities are far more efficient and effective at protecting landscapes as compared to centralised bureaucracies, and that secure rights lead to better stewardship of land and forests. In China, over 100 million hectares of forests has been handed over to communities and the government has invested over \$50 billion, incentivising farmers and communities to conserve forests. Even in India, farmers have taken up forestry with great enthusiasm and 85-90 per cent of the country's industrial wood supply is now sourced from them
- Using CAMPA funds to support community-based afforestation will also lead to major positive social and ecological outcomes. It will ensure a flow of Rs 4,000-5,000 crore to some of the poorest communities, as wage labour every year, with positive spin-offs in terms of improved incomes, poverty alleviation, food security and nutrition as well as better ecological outcomes in terms of eco-restoration, biodiversity conservation and carbon sequestration
- Both legally and morally, forests are local commons — and it is the tribals and forest dwellers who suffer the most when they are lost. **Even though both the Kanchan Chopra Committee and the IIFM Committee on Forest Net Present Value clearly mention that communities must be compensated for the loss of forests, the CAF bill is totally silent about their rights and compensation.** One can only describe this as a retrogressive resource grab by a ministry and the colonial-era bureaucracy, which pays no heed to the law of the land and the moral claims of the most vulnerable Indians. The political leadership in the country needs to see through this resource grab and stand by its forests and forest people

PIB

1. Cabinet approves Revised Cost Estimate for NATRIP Project

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the revised cost estimate for Rs. 3727.30 crore for the National Automotive Testing and R&D Infrastructure Project (NATRIP). This approval ensures completion of the projects under NATRIP which is an important Initiative by the Government of India for the establishment of the global test centres in India. This will address the R&D requirements of the automotive industry, full-fledged testing and homologation centres.

2. Satellite System Supplies

A one day conference on “Enabling Spacecraft Systems Realisation through Industries (ESSRI 2016)” was held on June 23, 2016 at ISRO Satellite Centre (ISAC), Bangalore. About 500 delegates from 103 industries have participated.

The conference was intended to enhance the participation of suppliers/ Industries in various aspects of satellite technology including production activities. During the conference, various opportunities for industries in satellite technology were discussed. The delegates were also informed about Expression of Interest (EoI) floated by ISRO seeking industry participation in Assembly, Integration and Testing (AIT) of standardized ISRO satellites.

3. Restructuring North Eastern Council

The Ministry of Development of North Eastern Region has constituted a Committee in February, 2016 to examine the role and functions of North Eastern Council. The Committee is required to consult the State Governments in the North East in preparation of its report, which would, inter-alia, cover the issue of up-gradation and restructuring of the North Eastern Council.

4. Automotive Mission Plan, 2016-26

The Automotive Mission Plan [AMP 2026] envisages creation of 65 million jobs.

The salient features of the Automotive Mission Plan 2016-26 [AMP 2026] are:-

- i) The Indian Automotive industry to be a top job creator – 65 million additional jobs.
- ii) The Indian Automotive industry to be the prime mover of Manufacturing sector and “Make in India” Programme.
- iii) The Indian Automotive industry to aim at increasing exports of vehicles by 5 times and components by 7.5 times.
- iv) For success of AMP 2026, there is a need of coordinated and stable policy regime for the automotive sector.

v) Specific interventions are envisaged to sustain and improve manufacturing competitiveness and to address challenges of environment and safety.

5. Study on Conditions of Muslim Population in the Country

Pursuant to the receipt of Sachar Committee Report and under the Prime Minister's New 15 Point Programme, with an objective to enhance opportunities for education, ensure an equitable share for minorities in economic activities and employment, enhanced credit support for self-employment, recruitment to State and Central Government jobs, skill development of minorities, measure for special development initiatives, protection and management of Waqf Properties, etc. the Government has already undertaken various schemes/initiatives for the welfare of six notified minorities, including Muslims

6. Anil Kakodkar Committee Report on Railway Safety

High Level Safety Review Committee was constituted by the Ministry of Railways on 16.09.2011 under the chairmanship of Dr. Anil Kakodkar. The Committee submitted its report on 17.02.2012.

The Committee had made 106 recommendations covering various aspects viz. General Safety Matters, Organizational Structure, Empowerment at Working Level, Safety Related Works and Issues, Filling up of vacancies in critical safety categories and Manpower Planning Issues, Plugging the shortage of critical Safety Spares, External Interferences – Removal of Encroachment and Sabotage, Upgradation of Signaling, Telecommunication and Train Protection System, Upgradation of Rolling Stock, Track, Bridges, Elimination of Level Crossings, Human Resource Development with emphasis on Education and Training Institutes on Indian Railways, Eco-system and Safety Architectures on Indian Railways.

Of the 106 recommendations, 68 recommendations have been fully accepted, 19 partially accepted and 19 not accepted by the Ministry of Railways. So far, 22 recommendations of the Committee have been implemented. 20 recommendations are in final stages of implementation.

7. Setting Up Of Rail Development Authority

Ministry of Railways brought out for public consultation a concept paper on setting up of Rail Development Authority of India which envisages an independent Authority housed outside Ministry of Railways for functions such as tariff determination, ensuring fair play and level playing field for private investments, setting efficiency and performance standards and dissemination of information.

The Financial Express:

1. How to make payments banks work

(<http://www.financialexpress.com/fe-columnist/how-to-make-payments-banks-work/331142/>)

Topic: Financial Inclusion

Category: Economy

Key points:

- Payments banks are a global phenomenon; many countries have adopted and evolved this approach. The fintech revolution is accelerating this model. But a number of academic reports hold that one cannot drive revenues by just managing one side of the balance-sheet in a bank. Hence, payments banks are ill-conceived and non-viable, thanks to issues such as the requirement of minimum regulatory capital, cost of establishing the business, restrictive rules, the underlying economics, etc
- **This is the liabilities side of the balance-sheet, with the licence permitting a payments bank to only take deposits, and mandating that investment be made only in certain securities. The spreads are inadequate to drive Return on Equity (RoE)**
- For the stakeholder, the question would be: What is the gap between revenue and expense and how to address it?
- Is the banking model in a standstill? Will the rules framed today hold for next two decades? Will models and regulation be calibrated with time? With the implicit model of financial inclusion and some financial literacy, is there not scope for adding other categories of products, driven by segment needs?
- When RBI launched this initiative under Raghuram Rajan's leadership, it knew it had to launch a bank to take India forward and address the maladies of the system, namely universal reach, to bring cash in circulation into the system and to migrate from cash to digital economy. This would empower all with access to the banking system and financial services, and improve access to pensions, welfare payouts, e-commerce, etc, bringing about wider participation for all in the economic system
- Small countries in Africa and the rest of the world have addressed these needs. What about India?
- RBI should have launched a pilot phase with 10-15 self-contained tests across a few districts in the country. The central bank could have suggested incumbents to complete the tests with samples of 5,000 registered customers, conducting transactions that could be monitored. The model could have been fine-tuned and evolved from that point

- **Let us shift our attention to M-Pesa, the much-touted ‘use-case’ adopted by Kenya for its under-banked population. M-Pesa is a fully-managed and monitored service with funds deposited in several commercial banks, under the governance of the Central Bank of Kenya. The money held and supplied is accounted for as part of M1—savings and deposits. All transactions are monitored for money laundering and other regulatory needs. They are also fully stress-tested for compliance. But this was an evolutionary journey. The system was not perfect from day-1.**
- Consumer literacy is one of the key themes for this segment, especially for credit. So, credit has remained outside the spectrum. Even for established institutions in western markets, unsecured credit lending, for sub-prime candidates, has been a difficult proposition
- Fintech, along with crowd-sourcing and P2P lending, may lead to the emergence of new categories of lending
- **A three-factor identity management and authentication model was put in place in Africa to address fraud and other issues in 2007-08. We are now in 2016. Even by banking standards, the model was more than adequate**
- Financial inclusion, while directly not achievable under this platform, enabled the ‘reach’ factor and, in the process, inclusion was indirectly accomplished. This is evident from the adoption numbers
- M-Pesa, though, met its limitation in South Africa. A study reveals that the needs of the market were different. When one carefully looks at the Indian construct, there are many similarities to this model, but it is not identical
- **The key takeaway from the use-case is that the system was tested and refined, and it subsequently evolved to allow participants to contribute and learn from their journey.** The transaction fees for remittances and other payments also provided adequate revenue. The spreads were razor-thin. Even systemic risks were assessed—due to deposits being held in commercial banks. The Central Bank of Kenya has tailored the licensing and regulation aspects, meeting the needs of the local model
- India should have developed its own version—and then tested, refined and assessed revenue models from transactions. It should have modelled for profitability and regulatory capital requirements and then scaled it. The first phase could have been just deposits, remittances, bill payments, benefit transfers, etc
- A billion Aadhaar numbers, Unified Payment Interface (UPI), world-class IT capabilities are all added incentives. A business model could perhaps evolve using UPI. There is still time to get back on the track. The government is launching the Post Bank. Few licensed players are also launching similar services. This is a good first set of actions

The BusinessLine:

1. Know your inflation

<http://www.thehindubusinessline.com/opinion/editorial/know-your-inflation/article8907440.ece>

Topic: Inflation

Category: Economy

Key points:

- The Reserve Bank of India Governor cannot be faulted for repeatedly saying that a retail inflation level of 5.7 per cent is a serious matter that calls for policy attention. What's worse, there are reasons to believe that this figure is understated because services inflation is not adequately captured
- It is worth noting that the RBI shifted from wholesale prices to consumer prices as its guidepost for monetary policy not only to get a real feel of inflation for the aam aadmi but also because the former did not include services in its basket
- Now, it is apparent that rising costs of education, healthcare, transportation, entertainment, among others, do not fully show up in the CPI. For instance, it can be safely assumed that an annual inflation rate of 4.7 per cent and 5.4 per cent in the case of health and education, respectively, is understated
- Medical and education expenses — owing to their largely privatised nature, the widening supply-demand gap, and the information asymmetry between producers and consumers — are rising by at least 10-15 per cent a year. It hardly helps that just 12-13 per cent of our population is covered for these ever-rising health expenses
- Accurate data on services inflation is crucial for understanding relative price movements and inter-sectoral terms of trade — particularly since services account for over half the GDP
- A situation of adverse terms of trade against agriculture (farmgate food prices rising less than the rest) would lead to a divergence between the living standards of rural and urban populations, with political repercussions
- The Department of Industrial Policy and Promotion is working on a 'Business Service Price Index' which will be merged with the WPI. Indices are compiled and "published on an experimental basis" for railways, banking, postal services, telecom; this will also be drawn up for air, road, ports and insurance. There are challenges in data gathering in the case of fragmented sectors such as roads. The Centre must work in close coordination with private research bodies to this end. With respect to insurance, it is

harder to calculate price rise when hybrid products — insurance and investment plan rolled into one — are involved

- Allowing free play of competitive forces is the best way to keep prices under check, and the telecom sector is a fine example of that
- However, it is important to have sectoral regulators to check malpractices such as cartelisation and mis-selling. Such regulators need better data on prices, production and quality of service to act in the consumer's interest
- Vulnerable, poorly informed consumers are taken for a ride in the health and education sectors because they are devoid of effective regulation. Such information gaps also work against suppliers of services, a majority of whom are actually individuals operating in the informal sector. A market economy with information deficiencies and inadequate institutions hurts both the consumers and the state. It can lead to serious socio-political fallouts

2. A hybrid route to renewable power

<http://www.thehindubusinessline.com/opinion/a-hybrid-route-to-renewable-power/article8907435.ece>

Topic: Energy Sector

Category: Economy

Key points:

- India aspires to achieve an ambitious target of 175GW of renewable energy by 2022. A large share of this goal — 100GW — is expected to come from solar energy and a relatively smaller share from bio-energy, which is contributing 10GW
- Today, the market is dominated by the photovoltaic (PV) technology, which has an installed capacity of almost 7000 MW. Also worth noticing is the fact that the price of solar PV fell from ₹17 to ₹5 per unit (1 unit = 1 kWh) in the past few years, while the price of solar thermal has remained above ₹10/kWh
- As solar energy is available only a few hours in a day, it is desirable to store it, to be able to dispatch power when required. However, battery storage is expensive and unviable for long-term use, as batteries need to be replaced at least every five years. Hence, PV with battery storage, using current technologies, looks unviable as a long-term solution for dispatchable and reliable power
- Solar thermal, which concentrates sun's rays to produce heat (steam), is used to drive turbines. This heat energy can be stored and used to generate electricity when there is no sunlight; this makes it cost-effective in comparison with battery storage

- Worldwide, most solar thermal power plants have incorporated thermal storage. Solar thermal with storage facility can be used to overcome intermittency and provide steady power to grids; however, the inclusion of thermal storage increases the capital cost further
- In India, solar thermal technology had limited success in the initial phase of the National Solar Mission owing to challenges in terms of financial closure, sourcing of critical components of the power plant, etc., and this led to a substantial delay in their commissioning. This also resulted in a reduction of the allotted target in the subsequent phases
- Also, the capital cost of solar PV reduced from ₹12.5 crore/MW to ₹5.8 crore/MW, whereas that of solar thermal remained at ₹12 crore/MW. This led to the dominance of PV in the Indian market. Hence, solar thermal has not been able to compete with solar PV
- On the other hand, biomass-based technologies are relatively mature here, with investment and generation costs of about ₹6.5 crore/MW and ₹4.5/unit, respectively. However, biomass plants are also not able to progress due to various reasons such as availability (lack of a well-established supply chain) and variations in costs of biomass
- Considering India must have a mix of both thermal and PV technologies to achieve 100GW, and also to bring down the cost of solar thermal, one of the options is to have thermal storage or to hybridise solar thermal power plants with biomass
- Biomass is predominantly used by combustion and gasification technologies to generate power. It is estimated that 120-150 million tonne of surplus biomass is available in India annually, which has a potential of generating 18GW
- However, the typical capital cost for setting up a biomass-based plant is about ₹6.5 crore/MW, while the benchmark cost of biomass-based power is ₹4.5/kWh. Hence, biomass-based standalone power plants have not been popular in India
- Both solar thermal and biomass technologies work on the same principle. The heat generated is used to produce steam, which is in turn fed into a turbine to generate electricity. **Thus, a hybrid of a solar thermal plant and a biomass plant is a viable option.** For example, based on the Central Electricity Regulatory Commission guidelines, the capital cost of a 3MW hybrid plant is about ₹30 crore, whereas the cost of a standalone solar thermal plant is about ₹45 crore and that of a biomass-based plant of equal capacity would be about ₹20 crore. The capital cost of a hybrid plant reduces due to the use of common equipment (turbine generator set, cooling systems, etc.)
- Though a biomass plant costs less compared to a hybrid one, the latter scores on operational parameters. Operating costs of a biomass plant increase with the rise in fuel requirements. Biomass prices also fluctuate typically between ₹3-6 per kg, or even more

- The availability of biomass and supply chain is also a major issue. Hybrid plants also score because they require considerably lower quantity of biomass as it is used in combination with solar radiation
- A comparison of the tariffs of the power generated from a standalone solar thermal and a hybrid system shows that the costs range from ₹14-16/kWh and ₹8/kWh, respectively. These estimates are based on a normal eight-hour operation considering only solar hours. If the plant runs 24 hours, the cost comes down to ₹5.4/ kWh
- Hybridisation will increase the capacity utilisation factor of a plant threefold, as it will generate electricity from biomass in the absence of sunlight. This will make the plant financially viable.
- Also, biomass-based power can help overcome the intermittency without adding thermal storage. A standalone biomass-based power plant requires a continuous supply of biomass in large quantities. Hybridisation with solar thermal will reduce the biomass requirement, and in the case of a temporary shortage of biomass, power production will be curtailed but the plant will remain functional throughout the year
- However, the hybridisation model has some issues. Securing a continuous supply of biomass still remains a hurdle because there is no provision for a long-term purchase agreement between biomass suppliers and power producers, which makes the price of biomass unpredictable. Another issue is the configuration of plants (i.e., solar and biomass contribution) that can produce electricity at the lowest cost. Regulatory issues such as monitoring the contribution of each source in power generation remain a point of contention
- A 3MW hybrid is being implemented in Bihar as a demonstration project by CSTEP along with Indian and European partners. Currently, there is no regulatory and policy framework in India to address or promote hybridised renewable energy plants
- The learnings from the operations of this power plant will lead to a better understanding of the technical challenges associated with hybrid systems, and can lead to better policy frameworks and tariff pricing mechanisms

The Economic Times:

1. Link civil service pay to performance; do more

[\(http://blogs.economictimes.indiatimes.com/et-editorials/link-civil-service-pay-to-performance-do-more/\)](http://blogs.economictimes.indiatimes.com/et-editorials/link-civil-service-pay-to-performance-do-more/)

Topic: Accountability

Category: Governance

Key points:

- The government has decided to make annual increments for civil servants conditional on their performance. This is sound in principle, provided there is a rigorous and credible mechanism to evaluate performance. Today, a civil servant's confidential report (CR) is an open book and rare is the official who does not get a favourable rating. If the current system of performance evaluation continues, linking increments to performance would mean little — everyone would get their increments. But the solution is not to keep CR under wraps. An employee has the right to know how she has been rated and must have faith in the fairness of the process. This is the key
- The current system in the government penalises mistakes without a symmetric system of overtly rewarding achievement. This must change. What should count is not if a civil servant made a mistake but if she energetically and creatively applied herself to her job and produced results
- A strategy of sitting on one's haunches except when standing up, with alacrity, to greet one's superiors works well to avoid making mistakes. It serves little, however, to serve the people, the essential job of a civil servant. And this assessment of whether a civil servant discharged herself well or not must be performed in a manner that inspires confidence. Has any such system been put in place, before deciding to link increments to performance? Not really
- And reform has to go beyond linking pay to performance. Beyond a level, length of service should cease to determine promotions. There must be open recruitment to all senior posts, career civil servants, regardless of cadre or branch, and others being eligible. The competent young must rise fast, and the deadwood, removed. A new, credible system of assessment that rewards achievement and shows the door to non-performers is the need. With that, even higher pay rises would be fully in order

Quick Bits and News from States

1. Farewell Philae: Earth severs link with silent comet probe

(<http://www.thehindu.com/sci-tech/science/farewell-philae-earth-severs-link-with-silent-comet-probe/article8907652.ece?homepage=true>)

Earth bid a final farewell to robot lab Philae on Wednesday, severing communications after a year-long silence from the pioneering probe hurtling through space on a comet, 67P/Churyumov-Gerasimenko.

Writing an extraordinary chapter in space history, the washing machine-sized craft was the first to land on a comet — primeval rubble from the formation of the Solar System.

After more than 12 months without news, it was decided to preserve all remaining energy available to Philae's orbiting mothership Rosetta, the European Space Agency (ESA) announced in a blog entitled: "Farewell, silent Philae". Rosetta will remain in orbit around the comet for another two months.

2. Chinese troops are active on Uttarakhand border: Rawat

<http://www.thehindu.com/news/national/chinese-incursion-in-uttarakhands-chamoli-district-says-chief-minister-harish-rawat/article8906683.ece?homepage=true>

Stating that Chinese troops were "active" in the Bara Hoti area of Chamoli district, the Uttarakhand Chief Minister on Wednesday confirmed that the People's Liberation Army (PLA) had transgressed the area earlier this month. Officials said the Chinese helicopter could have carried out aerial photography of Bara Hoti.



This Google Maps image locates Chamoli district of Uttarakhand.

3. Govt. scraps separate JV norms for DPSUs

<http://www.thehindu.com/news/national/govt-scraps-separate-jv-norms-for-dpsus/article8908007.ece?w=alauto>)

The guidelines which were notified in February, 2012 will not be required for separate JVs by the DPSUs and the guidelines issued by the Department of Public Enterprises (DPE) and the

Ministry of Finance (MoF) from time to time, which are uniformly applicable to all the Central Public Sector Enterprises (CPSEs) will be applicable for the DPSUs to set up JV companies now. In the statement on Wednesday, the government noted that the decision came in the backdrop of the issues which emerged in the operationalisation of the JV guidelines of DPSUs. Now, with primacy being accorded to indigenous manufacturing/Make in India, it is felt that having multiple sets of guidelines may lead to ambiguity and incongruity.

4. States are best suited to decide on remission, says Tamil Nadu

<http://www.thehindu.com/news/national/rajiv-gandhi-killers-remission-case-tn-moves-sc/article8906313.ece?homepage=true?w=alstates>

In Constitutional Bench judgment had said the word 'consultation' in Section 435 of the Criminal Procedure Code, dealing with remission, actually meant 'concurrence.' The court had ruled that consultation with the Centre in such heinous cases should not be an "empty formality" as national interest is at stake. In its review petition, the State government argued that it need only to consult the Centre on the question of granting remission to life term convicts like in the case of Rajiv's killers. It contended that the term 'consultation' used in Section 435 did not imply getting the concurrence of the Centre as decided by the Constitution Bench on December 3, 2015.

5. Rameswaram included under AMRUT as tribute to Kalam:

Centre<http://www.thehindu.com/news/national/tamil-nadu/kalam-death-anniversary-rameswaram-included-under-amrut/article8907133.ece?homepage=true?w=alstates>

Commemorating the first death anniversary of former president Dr A. P. J. Abdul Kalam, his life-size statue was unveiled here today, while the Centre also announced inclusion of his hometown Rameswaram under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) as a tribute to the 'People's President'

6. Cabinet gives nod for 15% foreign investment limit in bourses

<http://www.thehindu.com/business/Economy/cabinet-gives-nod-for-15-foreign-investment-limit-in-bourses/article8907628.ece?w=alauto>

The Union Cabinet on Wednesday approved a proposal allowing foreign stock exchanges, depositories, banking companies, insurance companies and commodity derivative exchanges to own as much as 15 per cent shareholding in Indian Stock Exchanges.

The Cabinet also gave its nod permitting foreign portfolio investors to acquire shares through initial allotment, besides the secondary market, in the stock exchanges, according to an official release. The Cabinet also approved a Bilateral Investment Treaty (BIT) with Cambodia. The pact

seeks to promote and protect investments from either country in the territory of the other with the aim of increasing bilateral investment flows.

7. Fed keeps key interest rate unchanged but sees fewer risks

<http://www.thehindu.com/business/Economy/fed-keeps-key-interest-rate-steady-but-sees-fewer-risks/article8907699.ece?w=alauto>

The Federal Reserve kept interest rates unchanged on Wednesday, while noting that near-term risks to the economy have diminished.

The Fed said that the U.S. job market has rebounded, with strong job gains in June after a slump in May. But it said in a statement after its latest policy meeting that it still plans to monitor global economic threats and financial developments to ensure that they don't slow the economy.

8. 'A type of Culex mosquito can also transmit Zika'

<http://www.thehindu.com/sci-tech/health/a-type-of-culex-mosquito-can-also-transmit-zika/article8891415.ece?homepage=true>

Brazilian scientists have identified another type of Zika-transmitting mosquito.

The public Brazilian laboratory Fundacion Oswaldo Cruz (Fiocruz) announced that researchers found the presence of the *Culex quinquefasciatus* mosquito infected by the Zika virus in three out of 80 groups of mosquitoes analysed up until now. Up until now, transmission of the virus was only known through the *Aedes aegypti* mosquito, the same insect that spreads dengue and chikungunya.

9. South Africa to host BRICS office

<http://www.thehindu.com/news/international/brics-regional-office-set-to-boost-south-africas-clout/article8907382.ece>

South Africa is set to reinforce its position as a regional economic hub, as it prepares to open a regional office, which would channel funding drawn from the New Development Bank (NDB) of the Brazil-Russia-China-India-South Africa (BRICS) grouping.

The Africa Regional Office (ARO) is expected to open in Johannesburg by the year-end

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

1. Magsaysay Award
2. GST
3. The Lokpal and Lokayukta Act
4. The Benami Transactions (Amendment) Bill
5. NSCN
6. AFSPA
7. IS
8. Inter-state council
9. North Eastern Council
10. Anil Kakodkar Committee Report
11. Philae
12. Solar Thermal Plant
13. Biomass Plant

Practice Questions:

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

- The Ramon **Magsaysay Award** is an annual **award** established to perpetuate former Philippine President Ramon **Magsaysay's** example of integrity in governance, courageous service to the people, and pragmatic idealism within a democratic society
- Carnatic musician TM Krishna and social activist Bezwada Wilson are among the winners of 2016 Ramon Magsaysay award

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

Ans. C

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

- Inter State council is a constitutional body set up in 1990 on the recommendation of Sarkaria Commission
- The North Eastern Council is a statutory body to advise the Central Government as to the action to be taken on any matter in which the North Eastern States have a common interest

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

Ans. C

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

- *Philae* is a robotic lander that accompanied the *Rosetta* spacecraft until it landed on a comet more than ten years after departing Earth
- *Philae*'s mission was to land successfully on the surface of a comet, attach itself, and transmit data about the comet's composition

- 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 the Benami Transactions (Prohibition) Amendment Bill, 2015?

- The Bill seeks to establish four authorities to conduct inquiries or investigations regarding benami transactions: (i) Initiating Officer, (ii) Approving Authority, (iii) Administrator and (iv) Adjudicating Authority.
- The Bill also seeks to establish an Appellate Tribunal to hear appeals against any orders passed by the Adjudicating Authority

- 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 correct?

- A photovoltaic system is an arrangement of several components, including solar panels to absorb and convert sunlight into electricity
- Solar thermal energy (STE) is a form of energy and a technology for harnessing solar energy to generate thermal energy that can be used to turn steam turbines to generate electricity

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

Ans. C

Useful News Articles

29-7-2016

A. GS1 Related

B. GS2 Related

1. Give development vision for 15 years, PM tells NITI Aayog

<http://www.thehindu.com/news/national/give-development-vision-for-15-years-pm-tells-niti-aayog/article8912468.ece?homepage=true>

Topic: Policy

Category: Governance

Key points:

- Prime Minister Narendra Modi on Thursday said the time for incremental change was over and the requirement was for transformational change. The *niyat*(intentions) of policymakers is even more important than the *niti* (policies) itself, he said, addressing the NITI Aayog
- The Prime Minister asked the Aayog to create a vision document and road map for India's development for the next 15 years
- He mentioned land, the country's mineral wealth, and vast untapped solar energy potential and said India had made sub-optimal use so far of its vast coastline. "Focussed skill development is vital, as India has the potential to fulfil the global requirement of human resources in the future," he said. He also stressed on the need to develop India's tourism potential. Partnerships with States for promoting development and boosting exports were need of the hour, he said

2. Green light for Afforestation Fund Bill

<http://www.thehindu.com/news/national/compensatory-and-afforestation-fund-bill-2016-passed-in-rajya-sabha/article8911844.ece?w=spa>

Topic: Legislation

Category: Polity

Key points:

- The Rajya Sabha on Thursday unanimously passed the contentious Compensatory and Afforestation Fund (CAF) Bill, 2016 that allows States to access nearly Rs. 42,000 crore and channel into afforestation projects. While several parties had sought amendments over the weeks to the text of the Bill, none of them was formally moved
- The Bill, which establishes the National Compensatory Afforestation Fund and a State Compensatory Afforestation Fund under each State, was passed after the Environment Minister assured the House that all objections raised — such as the provisions of the Bill vesting greater powers in the forest bureaucracy than on resident tribals; the possible violation of tribal rights, and gram panchayats not having the final say in deciding what kind of forests could be grown — would be addressed within the Rules of the Bill. Any deficiencies could be dealt with in future after a lapse of 1 year, he added

3. Aadhaar-linked benefits: Opposition forces RS adjournment

(<http://www.thehindu.com/news/national/parliament-proceedings-opposition-forces-rajya-sabha-adjournment-protesting-aadhaarlinked-benefits/article8910848.ece?w=spa>)

Topic: Deliberation

Category: Legislature

Key points:

- A united opposition on Thursday disrupted Rajya Sabha proceedings protesting against making Aadhaar card mandatory for availing government benefits like subsidised LPG, PDS supplies and pensions, forcing its adjournment thrice since morning
- An MP said that the Centre has issued instructions to state governments to stop ration card benefits, pensions and subsidised LPG to those not having Aadhaar card
- As much as 40 per cent of the population do not have Aadhaar card and the move will hit the poor hard, he said

C.GS3 Related

1. Centre carefully monitoring Jammu and Kashmir package

(<http://www.thehindu.com/news/national/other-states/centre-carefully-monitoring-jammu-and-kashmir-package/article8912433.ece?w=alauto>)

Topic: Development

Category: Economy

Key points:

- The Centre has directed 18 ministries overseeing various projects, which are part of a Rs.80,000 crore package for Jammu and Kashmir (J&K), to set a timeline for implementing them. The package was announced by Prime Minister Narendra Modi last November. At a review meeting with these ministries and officials from the state government, the Union Finance Secretary approved a matrix for the timeline
- “A detailed matrix has been made and now it has been decided that the J&K Division in the Home Ministry will regularly monitor these”
- It was also decided at the meeting that the state governments will either submit utilisation certificates or make specific proposals providing elaborate information to the administrative ministries, including the Food Processing Ministry, Agriculture Ministry, so that projects can be finalised
- The Centre has already released about Rs.2,000 crore for flood relief

D.GS4 Related

E. Important Editorials:

The Hindu

1. Setback at The Hague

<http://www.thehindu.com/opinion/editorial/setback-at-the-hague/article8912373.ece?homepage=true>

Topic: ICT

Category: Governance

Key points:

- The verdict against Antrix Corporation, the commercial arm of the Indian Space Research Organisation, by the Permanent Court of Arbitration tribunal in The Hague is yet another example of how its dispute with Devas Multimedia has been mishandled by the Centre from day one
- As a sovereign state, India has the right to cancel agreements and licences given to private entities if it concludes that there are irregularities or gaps in the manner in which they were inked. The Supreme Court’s verdict in the 2G spectrum and coal block allocation scams highlights this in no uncertain terms
- That the agreement between Antrix and Devas over use of spectrum and lease of transponders was flawed has been reiterated by several independent agencies. For

instance, the report of the High Powered Review Committee comprising B.K. Chaturvedi, Member, Planning Commission, and Professor Roddam Narasimha, Member, Space Commission — appointed on February 10, 2011 — reflects several concerns. The Cabinet Committee on Security, based on an internal inquiry, faulted the deal on technical, commercial, managerial and financial grounds. A one-man committee appointed by the Department of Space also found loopholes in the drafting of the contract

- Despite such documentary evidence in support of scrapping the deal, it is baffling how India's legal hawks failed to defend its position effectively. A reading of the final award of the International Court of Arbitration (International Chamber of Commerce) given in September 2015 reveals that Antrix may have conceded too much ground to Devas Multimedia by failing to nominate an arbitrator or have a say in fixing the terms of reference for the arbitral tribunal
- The ICC ruling, which ordered Antrix to pay \$672 million to Devas, reveals Antrix did not even send its nomination for the three-member arbitration tribunal to the ICC. Rather, it chose to petition the Supreme Court to start separate arbitration against Devas, a plea that failed. Antrix wrote to the court raising concerns about the appointment of one of the members on the panel but did not pursue the matter; no further challenge was made despite the ICC asking it to file an appeal under relevant rules. On several other occasions Antrix did not turn up for the initial proceedings, including a preliminary conference that was held to discuss draft terms of reference
- It is also not clear why the Centre used the force majeure clause in the agreement to cancel the deal. Instead, the findings of the various committees could have been used to establish that facts related to the deal were misrepresented and not fully disclosed to the entire chain of decision-makers. The Centre can still make changes to its legal strategy when Devas comes after it to enforce the arbitration award
(A **Force Majeure clause** (French for "superior **force**") is a contract provision that allows a party to suspend or terminate the performance of its obligations when certain circumstances beyond their control arise, making performance inadvisable, commercially impracticable, illegal, or impossible)

2. Green bonds can finance the future

(<http://www.thehindu.com/opinion/columns/green-bonds-can-finance-the-future/article8912398.ece?homepage=true>)

Topic: Environment

Category: Economics

Key points:

- The Indian government has set an ambitious target of generating 100GW of energy from solar energy sources and 60GW from wind energy sources by 2022. As of March 31, 2016, the corresponding figures stood at 6.76GW and 26.7GW respectively. Unfortunately, renewable energy is more capital-intensive than coal, and financing this push will require \$160 billion of capital, \$120 billion as debt, and \$40 billion as equity
- Currently, most renewable projects are financed by bank commercial loans at 11-12 per cent interest per annum. The Indian banking sector is currently going through a balance sheet adjustment; banks are unlikely to be able to expand their balance sheets to be able to finance the additional requirements of the renewable sector. **Green bonds may be able to fill this gap**
- A green bond is a fixed income instrument for the purpose of raising debt capital through markets. It certifies that the proceeds will be used exclusively for specific “green” purposes. The Green Bond Principles are voluntary guidelines issued by the International Capital Market Association which states the procedure for certifying a green bond. These encompass the use of proceeds, the evaluation procedure, the management of proceeds, and financial reporting. These guidelines are lacking in specifics, leading to a lack of consensus on what classifies as a green bond
- Green bonds can provide a long-term source of debt capital for renewable infrastructure projects. Since the cost of debt availed for projects is higher than the yield for investment-grade bonds, it may be possible to reduce cost of capital for green infrastructure financed or refinanced by bonds. **While green bonds can facilitate the flow of capital to low carbon infrastructure investments, the demand for such investment is driven by low-carbon policy mandates. An enabling policy context is therefore vital for the success of green bonds**
- There are many ways by which the government currently provides subsidies for green projects. The first is through **accelerated depreciation provisions, whereby capital expenditure is allowed to be depreciated by 80 per cent** in the first year and the remaining in the following five years(For tax purposes, accelerated depreciation provides a way of deferring corporate income taxes by reducing taxable income in current years, in exchange for increased taxable income in future years. This is a valuable tax incentive that encourages businesses to purchase new assets)
- Feed-in tariffs are long-term contracts with discoms to purchase power from a renewable project, usually at higher rates. **A viability gap funding is a capital grant from the government that bridges the gap between project cost under the prevailing electricity rate and the price quoted by the developer**
- Under a **generation-based incentive**, the government provides Rs. 0.5/kWh (kilowatt hour) supplied to the grid, subject to a cumulative maximum of Rs.10 million/MW. The incentive must be drawn over a minimum of four years and a maximum of 10 years

- Under **renewable purchase obligations**, the National Action Plan on Climate Change (NAPCC) has set an ambitious RPO target of 15 per cent by 2020
- Green bonds would enable investor diversification, mitigate risks since the repayment is tied to the issuer only, build a community of green investors, and enable refinancing bank loans at a lower cost. Assets under management by signatories to the UN-supported Principles for Responsible Investment (PRI) are around \$60 trillion so far, and an increasing number of institutional investors and financial institutions globally are publicly pledging to increase their green bond holdings
- Since February 2015, some banks and companies too have raised funds via green bonds. Currently, there is no pricing advantage for banks in issuing green bonds and likewise to the borrowers whose projects were invested in
- Green bonds have been around for a decade but regulation and investment in them is still minuscule compared to the total market for debt mainly on account of lack of green bond standards, low credit rating of potential issuers, and higher cost of issuance. Considering that fossil fuels have enjoyed huge subsidies throughout their history (namely, subsidised diesel, kerosene and gas) and have contributed to environmental degradation and global warming, it is apt that clean energy initiatives get equitable treatment. **In order to develop a green bond market, the government essentially needs to increase the funds available for investment in green projects, by providing for specific tax incentives and development of long-term finance markets in general**
- Some of the key actionable steps would be changing Insurance Regulatory and Development Authority norms for size of investment for insurance companies, creating mandates for provident funds to invest in infrastructure and environmentally sustainable projects, increasing the priority sector lending limit for bank loans under solar energy from a meagre Rs.15 crore, standardising the definition of green to be able to target government efforts in the direction, and mobilising retail savings by way of tax exemption on the lines of Section 80CCF
- Though the market is nascent, broad guidelines are coming to the fore. As the market matures, investors will require that green bond issuers report on status of deployment and environmental outcomes of the investments. For the green bond market to have long-term credibility, investors and governments would need evidence that the projects funded have in fact delivered the intended environmental benefits
- The Indian government can lead the global push towards green by taking three steps to reduce our races' carbon footprint: **standardise "green" bonds as a way to finance environmentally sustainable projects, provide incentives to investing in projects funded by a carbon tax on polluting sources of energy and, finally, increase funds channelled towards investing in environmentally sustainable projects**

The Indian Express

1. Lokpal law and shelving of kin assets' clause: Why, what now

[\(http://indianexpress.com/article/explained/lokpal-bill-narendra-modi-lok-sabha-pm-narendra-modi-govt-lokpal-and-lokayuktas-act-ngo-2941254/\)](http://indianexpress.com/article/explained/lokpal-bill-narendra-modi-lok-sabha-pm-narendra-modi-govt-lokpal-and-lokayuktas-act-ngo-2941254/)

Topic: Accountability

Category: Governance

Key points:

- With industry lobby groups, bureaucrats and even Parliamentarians pressuring the government to review Section 44 of the Lokpal and Lokayuktas Act, 2013, Prime Minister Narendra Modi invoked Section 12 of The Government of India (Transaction of Business) Rules — the provision that gives him powers to take an emergency decision, to be approved by the Cabinet ex post facto — to bring in an amendment to the Act. This amendment Bill was not listed in Wednesday's business, but was circulated to MPs just before its introduction in Lok Sabha. Section 44 deals with the declaration of assets and liabilities of “public servants” — defined as a range of persons including the Prime Minister, Ministers, MPs, and officials of the government or of any organisation, trust or NGO that gets Rs 10 lakh as foreign aid or Rs 1 crore as government aid
- The declaration, in respect of the public servant, his/her spouse and dependent children, was to have been filed “with the competent authority, on or before the 31st July of every year”. The amendment passed by voice vote on Wednesday said the form and manner of declaration would be laid out in the future — in effect, the deadline for declaring assets and liabilities was extended indefinitely, and declarations will now have to be made only after the government comes up with fresh amendments to the Act. Meanwhile, the Parliamentary Standing committee on Personnel, Public Grievances, Law and Justice, which had studied the Bill, will assess it again, suggest changes to Section 44, and submit its report by the next session of Parliament. The panel is expected to define “public servant” further
- Why are civil society activists opposed to this section, and why has industry body CII felt constrained to express concern over it?
- Industry lobby groups and trusts, as well as the NGOs that are either aided by the government or get money under FCRA want the definition of “public servant” revised. Under Section 14 (i) (h) of the Lokpal Act, “public servant” includes “any person who is or has been a director, manager, secretary or other officer of every other society or association of persons or trust (whether registered under any law for the time being in force or not) in receipt of any donation from any foreign source under the Foreign

Contribution (Regulation) Act, 2010 in excess of ten lakh rupees in a year or such higher amount as the Central Government may, by notification, specify”

- The CII argued that “unnecessary intervention” by the government would create disruptions in the working of trusts, societies, charitable and non-profit organisations. In a representation to the government, CII said a large number of these bodies, as well as hospitals and educational institutions, are served by philanthropists and professionals, and “the provision of intimating asset details will discourage senior philanthropists and social workers from participating in social development services”. It also said that the expression “wholly or partly financed by the Government” in Section 14 (i) (g) was ambiguous. NGOs and civil society groups have expressed apprehension that the insistence on declaration of assets and liabilities is a way to harass them and shackle their activities, and said that describing them as “public servants” is a “joke”
- And what is the position taken by the political parties?
- A group of MPs requested that the deadline be extended beyond July 31, presented the fears and apprehensions of the NGOs and other stakeholders, and argued that this could deprive many NGOs from receiving guidance from credible and experienced trustees. They pointed out that in any case, all NGOs have detailed disclosure requirements, including public disclosure of audited annual accounts and annual filings to I-T authorities. The leaders told the PM that while the government should take strong action against NGOs that were corrupt, painting all NGOs with the same brush would weaken the entire voluntary sector. Moving the amendment on Wednesday, the government said the Lokpal Act had been passed after long debates, and parties must now discuss the amendments to it in detail. Besides, the PM had promised he would consult all parties.
- So what happens in this matter now?
- The amendment Bill, passed on Wednesday by Lok Sabha, was approved by Rajya Sabha too on Thursday. Now, once the Standing Committee on Personnel, Public Grievances, Law and Justice submits its report by the next session of Parliament, the government will draft a new amendment Bill and bring it to Parliament again. The Bill will be debated in both Houses, and will have to be passed by both

2. A law against children

[\(http://indianexpress.com/article/opinion/columns/child-labour-bill-unequal-childhood-family-workers-free-education-2941209/\)](http://indianexpress.com/article/opinion/columns/child-labour-bill-unequal-childhood-family-workers-free-education-2941209/)

Topic: Child Labour

Category: Legislation

Key points:

- Of the many injustices that have scarred India, the most unconscionable are those of unequal childhoods. The law in the country has permitted children to be confined to work instead of being in schools and at carefree play. India's child labour law, until the recent amendments passed by Parliament, barred child work until 14 years only in officially designated hazardous employment. There was no bar on the employment of children between 14 and 18 years
- On the face of it, two major amendments to India's child labour law seem welcome. These amendments prohibit all work, hazardous or otherwise, for children under 14, who now also enjoy the constitutional right to free and compulsory education. And for adolescents between 14 and 18 years, whose labour was entirely lawful until now, the law prohibits their employment in work scheduled as hazardous
- Yet on closer scrutiny, we discover the same pattern as many other pronouncements of this government vis a vis the poor: The reality of what is being offered is the reverse of what appears on paper. **The ban on hazardous adolescent work is accompanied by changes in the schedule of hazardous work in the statute, bringing these down from 83 prohibited activities to only three. Apart from mining and explosives, the law only prohibits processes deemed hazardous under the Factories Act 1948. In other words, the amended law prohibits only that child work which is considered hazardous for adult workers, without recognising the specific vulnerabilities of children**
- **More damaging is the caveat in the amended law that permits even children under 14 years to now work in non-hazardous "family enterprises" after school hours and during vacations. The family is defined to include not just the child's parents and siblings, but also siblings of the child's parents. And a family enterprise includes any work, profession or business in which any family member works along with other persons**
- In effect, this proviso accomplishes the very opposite of what it claims to do. Instead of ending child labour, it actually makes lawful once again a large part of child work that was earlier unlawful. **It is estimated that around 80 per cent of child labour is in work with family members. This is in farms, forests, home-based work such as bidi rolling, carpet weaving, making of bangles and handicrafts, home-based assembly tasks, domestic work, eateries, roadside garages, and street vending. Child rights activists had fought long and hard to compel governments to include many of these occupations in the statutory list of hazardous occupations. But by the double whammy of legalising child participation in non-hazardous "family enterprise" work and drastically trimming the list of hazardous occupations, in effect the government has again legalised the bulk of child work**
- Reopening the flood gates for child labour by these amendments is part of a larger package of weakening labour protections for enhancing labour market flexibility to

facilitate higher corporate investments. The quarter century of economic reforms has witnessed the steady dismantling of factory floor manufacture by organised adult workers into a preference for unorganised migrant, adolescent and child workers and contractual and home-based production systems

- Home-based work absolves the owners and managers of global supply chains from any legal obligations of fair wages, healthy work conditions and social protection to the actual end-line workers who labour in isolated home-based units. Economist Archana Prasad points to the surge of home based work from 23.3 million (1999-2000) to 37.4 million workers in 2011-2012
- Of this, 16 million were women home-based workers. Nearly 32 per cent of total women workers outside agriculture are home-based workers. Around 73 per cent of these women engage in home-based manufacture, in sectors such as apparel, tobacco products and textiles. Once work is undertaken within the four walls of a home, children routinely (but up to now unlawfully) assist their mothers for long hours to complete and maximise their “piece-work” orders. What these amendments accomplish is to render this child labour lawful
- The argument that has long held sway is that child labour, however unfortunate, is inevitable as long as households remained poor. Only after parents escape poverty will their children be able to enter school. What these claims ignore is that the reverse is far more true
- **That child labour is indeed a major cause of persisting poverty. That if a child is trapped in labour instead of being able to attend fully to her schooling, she will never be able to escape the poverty of her parents. The child of a sanitation worker, rag-picker, domestic worker or casual labourer is likely to be trapped in the professions of her parents unless she is able to access quality education.** And also, for every child in work is an adult denied the same work, an adult who could have ensured that her children could be in school
- We may argue that working with one’s hands is integral to a full education. But in that case, the opportunities and the obligation to work must surely lie with children of privilege as much as it does with children of disadvantage?
- Children enrolled in schools but rising from disadvantage face many barriers. They may be poorly nourished; be first-generation learners; have no place for study in their homes; and be unable to afford tutors. It is they who would be further disadvantaged by this amendment
- Those who defend this amendment applaud the opportunity it would provide for children to learn the trades of their parents. This argument is a thinly disguised defence of caste, because it is only the caste system that envisages the “natural” transition of children into the professions of their parents. Why should the child of a potter learn to

be a potter, and not a poet; the child of a sanitation worker not a doctor; and the child of a leather tanner not a philosopher? These amendments are one more spur to India's ancient tradition of unequal childhoods

3. Nothing Private About It

[\(http://indianexpress.com/article/opinion/columns/private-member-bill-andhra-pradesh-special-status-monsoon-session-parliament-2941193/\)](http://indianexpress.com/article/opinion/columns/private-member-bill-andhra-pradesh-special-status-monsoon-session-parliament-2941193/)

Topic: private member bill

Category: Legislation

Key points:

- The Power to make law is the most important power of Parliament. Either the government or a member of Parliament can initiate legislation for making law. Any MP who is not a minister is a private member and he or she can submit a legislative proposal for enacting it as law. Discussion on a private member's bill rarely gets disrupted as it did on July 22, 2016 when the private member's bill concerning special status for Andhra Pradesh was caught up in a pandemonium
- There was a demand from a section of the house on July 26 and 27 that the bill be taken up for voting. Rule 24 of the Rules of Procedure and Conduct of Business of Rajya Sabha mandates that unless the chairman otherwise directs, not less than two-and-a-half hours of a sitting on Friday shall be allotted for transaction of private members' business. The bill is now scheduled to be discussed in the house on August 5
- Out of 14 private members' bills enacted so far since the commencement of Parliament in 1952, five were introduced in the Rajya Sabha and became law of the land. These are: The Ancient and Historical Monuments and Archaeological Sites and Remains (Declaration of National Importance, Second Amendment) Bill, 1954; the Hindu Marriage (Amendment) Bill, 1956; the Indian Marine Insurance Bill, 1959; the Orphanages and other Charitable Homes (Supervision and Control) Bill, 1959; and the Indian Penal Code (Amendment) Bill, 1963. The importance of private members' legislations cannot be understood just by their sheer quantity or in terms of the number of such legislations becoming acts of Parliament. The real value can be measured from the ripples they cause and their impact on the government and the public at large
- The then nominated Rajya Sabha MP Rukmini Devi Arundale's stirring speech on her private member's bill for preventing cruelty against animals moved Prime Minister Jawaharlal Nehru, who assured her of a comprehensive law and she, thereafter, withdrew it. In 1954, Lilavati Munshi's private members' resolution against screening of undesirable films was adopted by the Rajya Sabha and the government, therefore,

amended the Cinematograph Act and imposed censorship on films. In the 1970s, the Rajya Sabha adopted Banka Behary Das's resolution for abolition of privy purses and privileges of princely rulers and it was historic in every sense of the term. In 2015, Tiruchi Siva's private member's bill on the rights of transgenders was passed by the Rajya Sabha 37 years after the house last passed a private member's bill

- Unruly scenes do disrupt the private member's business. On May 7, 2010, the chairman, Rajya Sabha, in his valedictory remarks observed that private members' business suffered the most on account of disruptions of proceedings of the House. Private members' resolutions are like "... mirrors with high reflectance value" and these are taken seriously even though very few are adopted by the house. Therefore, MPs are in the forefront to initiate private members' resolutions and bills on numerous issues and press for discussion and voting
- The historic role played by private members in initiating legislations and resolutions influenced the thinking of the government and propelled it to bring comprehensive legislations on the subject. Former President R. Venkataraman, as chairman, Rajya Sabha, in his speech on the "The Role of a Private Member of Parliament" delivered in the Harold Laski Institute of Political Science in 1986 cherished his role as a private member more than any other role he played in public life. Private members' resolutions were moved on abolition of capital punishment in the Rajya Sabha in 1958 and 1961 by Prithviraj Kapoor and Savitry Devi Nigam respectively and the latest such resolution of D. Raja is pending in the
- In the 1950s, Rajya Sabha MP Seeta Paramananda was repeatedly requested by ministers to withdraw her private member's bills and resolutions and she sarcastically observed that the time allotted for Friday for private members' business should be rechristened as "government assurance day for comprehensive legislation". Introduction of more private members' bills augurs well for our democracy. These are healthy indicators of constructive and deliberative legislative behaviour which are categorical imperatives for parliamentary democracy

Must Read: **Every 4th person categorised as 'beggar' in India is Muslim**

[\(http://indianexpress.com/article/explained/muslims-polpulation-in-india-muslims-beggar-unemployment-census-data-muslim-economic-survey-2941228/\)](http://indianexpress.com/article/explained/muslims-polpulation-in-india-muslims-beggar-unemployment-census-data-muslim-economic-survey-2941228/)

1. Regulatory Clearance to Light Water Reactors

Unit 2 of Kudankulam Nuclear Power Project (1000 MW) Light Water Reactor (LWR) with technical cooperation with Russia attained first criticality at 20:56 hours on July 10, 2016. The Prototype Fast Breeder Reactor (PFBR) being constructed by Bharatiya Nabhikiya Vidyut Nigam Limited (BHAVINI), a Public Sector Undertaking of Department of Atomic Energy, is at an advanced stage of commissioning. Activities prior to first approach to criticality are being carried out after obtaining stage-wise clearances by Atomic Energy Regulatory Board (AERB). PFBR is poised for first criticality by March, 2017.

2. National Monsoon Mission

Under the National Monsoon Mission initiative, the Indian Institute of Tropical Meteorology (IITM), Pune, Indian National Centre for Ocean Information Services (INCOIS), Hyderabad and National Centre for Medium Range Weather Forecasting (NCMRWF), NOIDA have embarked upon to build a state-of-the-art coupled ocean atmospheric model for:-

(a) improved prediction of monsoon rainfall on extended range to seasonal time scale (16 days to one season) and (b) improved prediction of temperature, rainfall and extreme weather events on short to medium range time scale (up to 15 days) so that forecast skill gets quantitatively improved further for operational services of India Meteorological Department (IMD).

3. Setting up of information and facilitation centres

Following recommendations of the expert committee consisting of Shri A. N. Tiwari, former Chief Information Commissioner and Dr. M.M. Ansari, former Information Commissioner, have been accepted by the government:

- (1) The Public Authorities shall constitute **Consultative Committees** consisting of office bearers of key stakeholders on rotational basis to have a systematic and regular interaction between the officials of the Public Authorities to advise what information to be uploaded as suo motu.
- (2) '**Information and Facilitation Centres**' (IFCs) may be set up in each public authority, where public dealing is involved to educate the citizens about the information/documents available on the website of the department concerned and to provide printed publications to the citizens the categories of information that are frequently being sought under the RTI Act and provide copies of information as per RTI Rules, 2012.
- (3) In each public authority, a **committee of PIOs and First Appellate Authority (FAAs)** with rich experience of dealing with RTI applications and appeals be set up to identify the categories of information that are frequently asked by applicants. Such information must be disclosed in the public domain to make it more user friendly and should also be reviewed at regular intervals.

(4) Information that is proactively disclosed must be properly categorized and organised in such a manner that it facilitates easy retrieval. Information on the website must be organised in a searchable and retrievable database to enable people to access the records. The Nodal Officer of each Public authority be made responsible for this.

(5) Website, and other medium and publication of each public authority, relating to Section 4 compliance must carry the date (where appropriate for each bit of information) on which the information was uploaded/printed.

(6) The task of undertaking transparency audits may be given to the respective Training Institutes under each Ministry/Department/Public Authority and across the States and Union Territories.

4. National Smart Grid Mission to Upgrade India's Power Grid

New Program Will Train Utility Personnel on Innovative Smart Grid Components and Applications

India's National Smart Grid Mission (NSGM) with the help of USAID launched its first in a series of training programs aimed at building the capacity and skills of utility personnel to develop India's Smart Grid infrastructure. This training will help the Government of India achieve its target of having 10 percent of personnel from 14 of India's state utilities trained in Smart Grid functions.

The Financial Express:

1. Reservations in India: How low can the bar be?

(<http://www.financialexpress.com/fe-columnist/reservations-in-india-how-low-can-the-bar-be/332302/>)

Topic: Reservation

Category: Polity

Key points:

- On many occasions, sadly, the Supreme Court has gone along with the political class in pushing the reservations' envelope even further than that laid out in the famous Indra Sawhney case of 1992 which maintained a strict ceiling of 50% for reservations and also restricted this to certain levels of education—later, this got extended to even specialities and super-specialities like surgery

- In 1997, in Post-Graduate Institute of Medical Education and Research versus KL Narasimhan, the SC said that even if a reserved category candidate was applying for a super-speciality and the qualifying marks were lowered (from, let's say, 80% in the general category to 70% for the reserved category), it didn't really matter since the reserved category doctor had passed the same graduate or post-graduate exam anyway. In case the import of the judgement is not clear, here's a quote which should clarify things: "Securing marks is not the sure proof of higher proficiency, efficiency or excellence ... In that behalf, it is common knowledge that marks would be secured in diverse modes ... They are awarded in internal examination on the basis of caste, creed, colour, religion, etc."!
- It was in a similar spirit that, when it was found that just three SC candidates qualified for the viva voce for 119 posts of Civil Judge (Junior Division) in Haryana—22 posts were reserved for SCs who needed 45% to qualify—a writ petition was filed asking for the qualifying marks to be lowered. The petitioner cited the SC ruling in Ram Bhagat Singh and another vs State of Haryana and another, 1997 to argue that 'unless the percentage fixed for qualifying marks is such that it is attainable by the Scheduled Caste and Scheduled Tribe candidate, the principle of ensuring equal opportunity cannot be achieved'
- It is to the credit of the Punjab and Haryana High Court that it rejected the petition saying 'in the matter of appointment to Judicial Services, efficiency and quality are non-negotiable'. Fortunately, when the matter reached the SC, it too dismissed the petition. With the political class trying to extend the remit of reservations even further, this is not the last battle on the matter, but every bit of help from the judiciary counts

The Business Line:

1. Canary in the coal mine

<http://www.thehindubusinessline.com/opinion/editorial/canary-in-the-coal-mine/article8912215.ece>

Topic: optimum use of natural resources

Category: Governance

Key points:

- The Centre has done a good job in moving swiftly to auction coal blocks that had been cancelled by the Supreme Court in September 2014 and even the Comptroller and Auditor General (CAG) has acknowledged that. But the electronic auctioning process, although mostly transparent and fair, was not without flaws

- The CAG has observed a few systemic and procedural issues, which if addressed, can further improve the electronic auction mechanism
- Principally, the CAG **found inconsistencies and inaccuracies on the part of the Central Mine Planning and Design Institute Ltd in following government-prescribed assumptions, and various errors in computation of intrinsic values of the coal mines.** That can be interpreted as rigging the system and compromising the objectivity of an auction system. **These inconsistencies and inaccuracies resulted in “under-determination of upfront amounts in 15 coal mines, under-determination of floor prices in six non-regulated sector coal mines and revised fixed rates in all nine power sector coal mines”**, the CAG noted in its report. The monetary loss as a result of undervaluation of 15 mines is estimated at ₹382 crore. This amount pales in comparison with the over ₹1 lakh crore in potential revenue realised by the auctions
- The CAG has also raised concerns about **multiple bids from the same corporate group**, which potentially reduces competition. This concern has already been remedied by the Centre for subsequent rounds of auctions
- The flaws of the auction process notwithstanding, it is a far superior method of allocating natural resources compared to the earlier practice of making such allocations through decisions of a screening committee. The primary drawback of the method is that competitive bidding can push up cost of acquisition of natural resources for private sector players and thereby push up prices of products and services offered by successful bidders
- Correcting flaws in a system or a process should be an ongoing exercise towards perfecting it. In the case of coal auctions, it is noteworthy that the Centre had corrected some of the flaws much before the CAG report was finalized
- However, for an auction system to be flawless and objective from beginning to end, it is also necessary **to ensure that the eligibility conditions are as fair as possible. There have been plenty of instances in the government where eligibility conditions were framed in a manner to prevent participation of some potential bidders or to favour some specific bidders.** Care must be taken that future auction methods for natural resources are not built on faulty foundations

The Economic Times:

1. Get benami property law up and running

[\(http://blogs.economictimes.indiatimes.com/et-editorials/get-benami-property-law-up-and-running/\)](http://blogs.economictimes.indiatimes.com/et-editorials/get-benami-property-law-up-and-running/)

Topic: Legislation

Category: Polity

Key points:

- The Centre should swiftly notify the law and rules to unearth property registered in the name of third parties by owners who remain anonymous. Lok Sabha has cleared amendments to the three-decade-old legislation on benami property
- Such property is an obvious instrument to generate and hide black money. Nevertheless, the Benami Transactions (Prohibition) Act 1988 has not been operationalised as rules have not been framed to empower an authority to acquire benami property. The dither by successive governments is inexcusable
- The amendments establish adjudicating authorities and an Appellate Tribunal to deal with benami transactions. It excludes from the ambit of benami transactions transfer of property via power of attorney. This makes sense. Land is a state subject. However, the Centre has not accepted the standing committee's recommendation to vest rights and titles with the state government whenever benami property is confiscated. All the rights and titles will vest with the central government
- Unclear titles to land lead to fraud in land transactions. Who owns a piece of land should be clear. State governments already capture electronic records of land ownership, similar to holding of securities in an electronic form. The need is also to ensure guaranteed titles to property holders. It makes sense for India to adopt the Torrens system where the ownership of land is directly registered by the state. Clear government-guaranteed titles will curb sham realty deals
- The law should be supported by larger institutional reform to reduce the artificial scarcity of urban land and stop off-the-book funding of political parties. They should be mandated to show the source of income for their spending. Benami property deals will vanish when every rupee is accounted for

Quick Bits and News from States

1. Missing An-32: Focus shifts to underwater search operations

<http://www.thehindu.com/news/national/missing-an32-focus-shifts-to-underwater-search-operations/article8912533.ece?homepage=true>

After six days of intense aerial and surface scanning for the missing An-32 aircraft, the search and rescue operations are now shifting significantly under water, with additional deployment of specialised vehicles that can go deep into the sea.

INS Nirupak, with autonomous underwater vehicle and camera, joined the search on Wednesday. Assistance has also been sought from the Geological Survey of India for the deployment of its Oceanographic research vessel, *Samundra Ratnakar*, for sub surface search. In addition, the National Institute of Ocean Technology research vessel, *Sagar Nidhi*, is expected to reach the search area in a few days for conducting sea bed profiling.

2. Indefatigable chronicler of the oppressed (Obituary: Mahasweta Devi)

<http://www.thehindu.com/books/mahasweta-devi-indefatigable-chronicler-of-the-oppressed/article8912250.ece?homepage=true>

A deeply political writer and social activist, Mahasweta Devi fiercely championed the rights of the marginalised and the dispossessed. Women, tribal people, Dalits, landless farmers, migrant labour, prostitutes, young idealists — she firmly stood by them. And among all those she campaigned for, she was most vocal as a crusader for tribal rights.

Awards: Padma Vibhushan, Jnanpith, Magsaysay and Sahitya Akademi awards among numerous others

Works: *Aranyer Adhikar*, *Stanyadayini*, *Shishu*, *Draupadi*

3. Abu Jundal found guilty in Aurangabad arms haul case

<http://www.thehindu.com/news/national/other-states/aurangabad-arms-haul-case/article8910696.ece?w=alauto>

26/11 handler Abu Jundal and others have been found guilty in 2006 Aurangabad arms haul case by the MCOCA court in Mumbai on Thursday. The MCOCA court Judge upheld the prosecution's claim that this was a conspiracy after 2002 Gujarat riots to eliminate then Gujarat CM Narendra Modi and VHP leader Praveen Togadia.

4. Indonesia executes 4 drug traffickers; fate of Gurdip Singh unknown

<http://www.thehindu.com/news/national/indonesia-executes-4-drug-traffickers-fate-of-gurdip-singh-unknown/article8913253.ece?w=alauto>

Indonesia executed four drug traffickers on Friday and said it had not yet decided on when 10 others convicted of drug crimes, including Gurdip Singh, would be put to death

5. Indo-Pak. talks likely during Rajnath visit

<http://www.thehindu.com/news/national/rajnath-to-raise-pakistan-support-to-terror-at-islamabad-saarc-meeting/article8911516.ece?w=alauto>

Union Home Minister Rajnath Singh is expected to hold bilateral talks with his Pakistani counterpart, Chaudhry Nisar Ali Khan, during his visit to Islamabad next week, a top Home Ministry official has confirmed.

Though Ministry of External Affairs has denied the possibility, officials said the agenda points for the meeting were being finalised and are likely to include talks on Kashmir unrest, arrest of Lashkar-e-Taiba terrorists and the pending visit of the NIA team to Pakistan. Our participation is in the context of our 'neighbourhood first' policy and our commitment to regional cooperation within the SAARC framework. I would once again emphasise that he is going for a multilateral event," said MEA

6. China denies its troops crossed into Indian side of LAC

<http://www.thehindu.com/news/international/china-denies-its-troops-crossed-into-indian-side-of-lac/article8912123.ece?w=alauto>

China on Thursday denied that its troops had crossed into the Indian side of the Line of Actual Control (LAC) in Uttarakhand. It also declined to comment on reports about the improvement of infrastructure and India's enhanced military profile in Ladakh.

7. Centre plans to ease pains of e-pharmacy business

<http://www.thehindu.com/business/Industry/centre-plans-to-ease-pains-of-epharmacy-business/article8912434.ece?w=alauto>

The Centre will consider next week a proposal for drawing up separate guidelines for the sale of medicines online to help establish a legal framework for e-pharmacy businesses.

The matter was taken up at the Centre's first interaction with start-up founders on Thursday, the Commerce and Industry Minister said. She said e-pharmacy-related issues will also be discussed in the Parliament.

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

Compensation and Afforestation Fund Bill

AADHAR

The Lokpal and Lokayuktas Act, 2013

The Child Labour (Prohibition and Regulation) Amendment Bill

Private member's bill

Sachar Committee Report

Fast Breeder Reactor

Light water Reactor

The RTI Act

Indira Sawhney & Ors v. Union of India, 1993 case

CAG

The Benami Transactions (Prohibition) Amendment Bill

Tags

Compensation and Afforestation Fund Bill

AADHAR

The Lokpal and Lokayuktas Act, 2013

The Child Labour (Prohibition and Regulation) Amendment Bill

Private member's bill

Sachar Committee Report

Fast Breeder Reactor

Light water Reactor

The RTI Act

Indira Sawhney & Ors v. Union of India, 1993 case

CAG

The Benami Transactions (Prohibition) Amendment Bill

Mahashweta Devi

Practice Questions:

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

- The Sachar Committee highlighted and presented its suggestions on how to remove impediments preventing Indian Muslims from fully participating in the economic, political, and social mainstream of Indian life
 - The Sachar Committee concluded that the conditions facing Indian Muslims was below that of Scheduled Castes and Scheduled Tribes
- a) 1 only
b) 2 only
c) Both 1 and 2
d) Neither 1 nor 2

Ans. C

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

- The "private member" in the Private Member's Bill is any member of parliament (MP) who is not a member of the ruling party or coalition
 - A private member's bill affects only an individual citizen or group
- a) 1 only
b) 2 only
c) Both 1 and 2
d) Neither 1 nor 2

Ans. D

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

- A breeder reactor is a nuclear reactor that generates more fissile material than it consumes
 - The Prototype Fast Breeder Reactor (PFBR) is a 500 MWe fast breeder nuclear reactor presently being constructed at the Madras Atomic Power Station in Kalpakkam
- 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 the RTI Act, 2005?

- Each authority covered by the RTI Act must appoint their Public Information Officer (PIO)
 - The Central Information Commission (CIC) acts upon complaints from those individuals who have not been able to submit information requests to a Central Public Information Officer or State Public Information Officer
- 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 correct?

- Mother of 1084 and Aranyer Adhikar are notable works of Mahashweta Devi
- Mahashweta Devi worked for the upliftment of the Denotified Tribes India

a) 1 only

b) 2 only

c) Both 1 and 2

d) Neither 1 nor 2

Ans. C

Useful News Articles

30-7-2016

A. GS1 Related

B. GS2 Related

1. With Congress on board, GST Bill may be passed next week

www.thehindu.com/news/national/with-congress-on-board-gst-bill-may-be-passed-next-week/article8918235.ece?homepage=true

Topic: Legislation

Category: Polity

Key points:

- The GST Bill, approved by the Lok Sabha in May 2015, got stuck in the Rajya Sabha, where the ruling BJP does not have a majority. The Constitution (122nd Amendment) Bill, 2014, will be taken up for consideration and passage, said the Minister of State for Parliamentary Affairs on Friday, in a statement on government business for the week, starting August 1, in the Upper House
- The stalemate ended after no less than seven rounds of discussions, the last of which lasted nearly an hour. After this, the Congress gave up its demand for including in the Constitution a cap of 18% on the GST rate and the government agreed to address its concerns for an independent mechanism for dispute resolution
- "We have agreed in favour of "legal ring-fencing" of the GST tax rates, which will not be specified in the Constitution, but the central GST law, the States' GST laws and the Inter-State GST laws," a Congress MP said. The three legislations will be moved after the Constitution Amendment Bill clears Parliament and its ratification by at least half the States. The GST rates will be determined eventually by the proposed GST Council
- The second Congress demand was for an independent dispute resolution mechanism headed by a High Court judge, and not the GST Council proposed by the Centre.
- The MP said the government gave a commitment to strengthen the Bill's provision on the Council

2. Apex court refuses plea for Governor's rule in J&K

<http://www.thehindu.com/news/national/apex-court-refuses-plea-for-governors-rule-in-jk/article8918251.ece?homepage=true>

Topic: Federal Relations

Category: Polity

Key points:

- The Supreme Court on Friday refused to entertain a plea for Governor's rule in the strife-ridden State of Jammu and Kashmir, observing that "these are difficult situations which change every few hours and cannot be judicially managed."
- The Bench was hearing a petition by Jammu and Kashmir National Panthers Party leader and senior advocate Bhim Singh, seeking a direction to the Governor to impose gubernatorial rule under Section 92 of the Constitution of Jammu and Kashmir owing to the "failure" of the constitutional machinery in the State
- Meanwhile, fresh violence, including attacks on Army camps, on Friday left 65 people injured in Kashmir as protesters defied curfew and restrictions in 10 districts on a day when separatists had called for a protest march towards the Jamia Masjid here

3. China will next bolster Pakistan Navy: Expert

<http://www.thehindu.com/news/international/china-will-next-bolster-pakistan-navy-expert/article8918224.ece?w=alauto>

Topic: India and China

Category: India's Neighbourhood

Key points:

- China's military cooperation with Pakistan will involve bolstering the Pakistani navy next, an expert on China-Pakistan relations said on Friday, pointing to Pakistan's planned acquisition of eight submarines from China as one of the "biggest and most significant" markers of their relationship

- In October 2015, Pakistan had announced its decision to acquire eight Type 41 Yuan-class diesel-electric submarines, half of which may be built in Pakistan while the other half would be made in China and transferred

4. China, Russia to highlight military ties with SCS drills

<http://www.thehindu.com/news/international/china-russia-to-highlight-military-ties-with-scs-drills/article8917096.ece?w=alauto>

Topic: China

Category: India's Neighbourhood

Key points:

- China and Russia are underscoring their military partnership, by holding a joint naval exercise in the South China Sea (SCS), following a ruling, by an international tribunal at The Hague, which did not go in Beijing's favour
- The drill will "enhance the capabilities of the two navies to jointly deal with maritime security threats," China said
- On June 26, Chinese President Xi Jinping and Russian President Vladimir Putin signed a joint statement in Beijing which aims to reinforce global strategic stability. Experts believe that the military drill in the SCS in September is an action based on that statement

C.GS3 Related

1. India relies mainly on buses for transportation, but they are being marginalised

<http://www.thehindu.com/data/india-relies-mainly-on-buses-for-transportation-but-they-are-being-marginalised/article8916992.ece?homepage=true>

Topic: Data

Category: Economy

Key points:

- The survey on 'Household Expenditure on Services and Durable Goods' conducted between July 1, 2014 and June 30, 2015 has provided valuable information on transport preferences of people. A total of 7,969 villages and 6,048 urban blocks were surveyed
- Buses (and trams) account for the bulk of the spending on travel in India, a sample survey conducted by the National Sample Survey Organization (NSSO) has revealed; yet buses constitute only a small fraction of the total number of vehicles on the roads. Though most people in both urban and rural areas primarily rely on buses for travel, other kinds of vehicles, like two-wheelers and cars, have come to overwhelmingly dominate the transportation scene over the years
- Autorickshaws came next in terms of the spending priorities on transportation, both in rural and urban areas. Nearly half of urban households used autos compared to 38 per cent in rural areas
- Trains seemed to account for a very small fraction of expenditure, particularly in rural areas. In urban areas it accounted for about 13 per cent of the travel budget
- The modes of transport that are receding into the background are often the ones that need to be encouraged most. As a National Transport Development Policy Committee Report (NTDPC), released in 2013, observed, "rising car ownership and declining rates of walking and cycling have placed severe pressure on urban roads. Municipal bus services are often in short supply or entirely missing from urban areas where they are much needed. "

Spending on various forms of transport

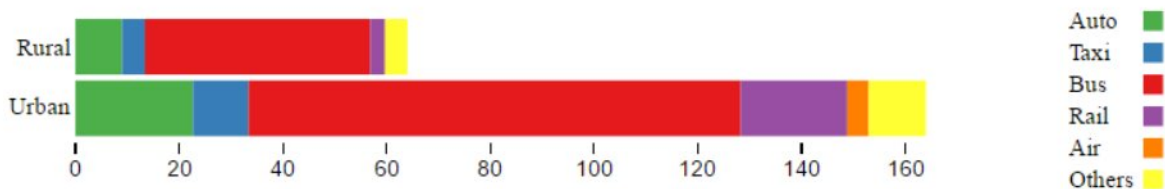


Chart: TR / Data source: NSSO

Percentage spending on various forms of transport

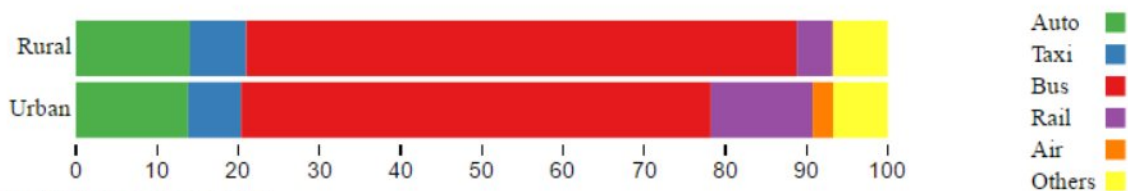


Chart: TR / Data source: NSSO

Vehicle population trends over six decades (percentage breakup)

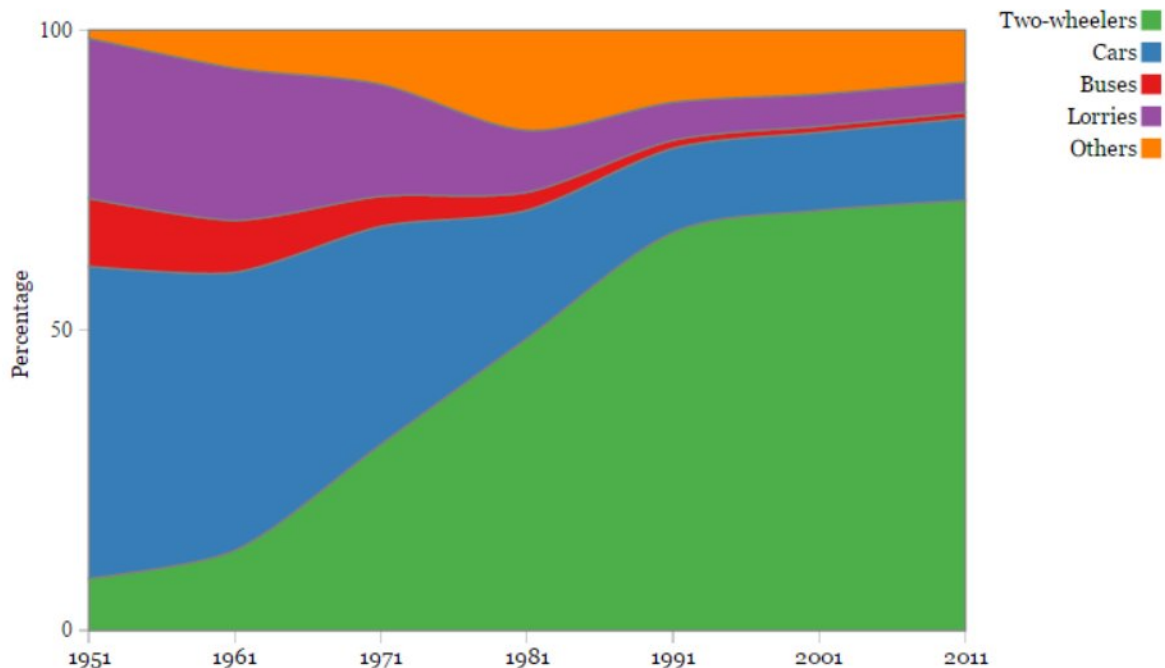


Chart: TR / Data source: Ministry of Road Transport and Highways

2. 26 dead, 22 lakh affected in Bihar floods

<http://www.thehindu.com/news/national/other-states/26-dead-22-lakh-affected-in-bihar-floods/article8918816.ece?w=alauto>

Topic: Floods

Category: Disaster Management

Key points:

- Twenty-six people have died and about 22 lakh have been affected so far in Bihar floods with many rivers, including Kosi, flowing above the danger mark
- An estimated 21.99 lakh people have been affected by flood across 10 districts — Purnia, Kishanganj, Araria, Darbhanga, Madhepura, Bhagalpur, Katihar, Saharsa, Supaul and Gopal district, the State Disaster Management Department's statement said

- Assam also continued to be ravaged by floods as an estimated 19 lakh people were affected due to heavy rainfall and swelling of rivers triggered by incessant rain in the upper catchment areas of Arunachal Pradesh and Bhutan
- Among the worst-affected districts were Lakhimpur, Golaghat, Bongaigaon, Jorhat, Dhemaji, Barpeta, and Goalpara

3. States, airlines seek sops for regional connectivity plan

<http://www.thehindu.com/business/Industry/states-airlines-seek-sops-for-regional-connectivity-plan/article8918191.ece?w=alauto>

Topic: Transport

Category: Economy

Key points:

- State governments have asked the Centre to include long-distance flights in its regional connectivity scheme, even as airlines sought subsidies to be awarded for a longer period to make the plan a success
- The suggestions came at a national-level meeting on regional connectivity scheme organised by the Union Civil Aviation Ministry with airlines, airport operators, State governments and other stakeholders
- Under the scheme, the government will provide 80 per cent of the subsidy to airlines by charging a levy on each departure from airlines operating on metro routes, while the remaining 20 per cent will come from States. In the case of north-eastern States, the government will provide 90 per cent of the subsidy amount

D.GS4 Related

E. Important Editorials:

The Hindu

1. Rebooting in Kathmandu

<http://www.thehindu.com/opinion/editorial/rebooting-in-kathmandu/article8918160.ece?homepage=true>

Topic: Nepal

Category: India's Neighbourhood

Key points:

- Eight years after they split ways, the Nepali Congress is poised to join a coalition government led by Pushpa Kamal Dahal 'Prachanda' of the Communist Party of Nepal (Maoist-Centre). The arrangement between the two parties is for Nepali Congress chief Sher Bahadur Deuba to succeed Mr. Prachanda as Prime Minister after nine months, and to retain power until the elections scheduled for 2018
- In hindsight, the lack of a power-sharing understanding between the centrist NC and the left-radical Maoists over the last eight years stymied consensus over key constitutional issues, and thereby a logical conclusion to the peace process that began in 2006. Distrust between the two parties, primarily due to one-upmanship and ideological differences, meant the inter-party bonhomie that brought about the end of the civil war in 2006, and the transition to a republic in 2008, were short-lived. The cost of this battle for power between the NC and the Maoists has been high. The renewed alliance between the two should smoothen the way forward on a number of crucial issues
- The alliance between Mr. Prachanda and Mr. Deuba, both key actors during the 2000s, could help the Truth and Reconciliation Commission complete its scrutiny of war crimes and bring about a resolution
- This process was not helped by the outgoing K.P. Oli government's penchant for politicisation. The NC and the CPN(M-C) have also shown a greater inclination to address the other knotty issue — the federalist aspirations of Madhesi, Janajati and Tharu groups. The Maoists had, after all, supported their demands for a comprehensive federal restructuring of Nepal, and the late NC leader, G.P. Koirala, championed state restructuring, included as an aim in the interim Constitution before elections to the Constituent Assembly
- As Prime Minister, Mr. Oli had, however, refused to countenance any change in the status quo on the federal question, igniting protests in the Terai. Besides, his government's recourse to jingoism and the 'China card' to ward off criticism frayed relations with India
- Mr. Prachanda and Mr. Deuba have stressed the need to rebuild ties with India

- On its part, New Delhi should absorb the lessons from the past decade. It is clear that the Indian establishment sought the isolation of Mr. Prachanda and his party in 2010, paving the way for the rise of status quoist forces and persistent instability
- A hands-off approach by India that allows the chief political actors in Nepal to sort out domestic issues while delivering promised help in post-earthquake reconstruction and economic aid would restore a healthy equilibrium to this vital bilateral relationship

2. The coast isn't clear for India's nuclear power quest

<http://www.thehindu.com/opinion/op-ed/the-coast-isnt-clear-for-indias-nuclear-power-quest/article8918162.ece?homepage=true>

Topic: Participation in democracy

Category: Polity

Key points:

- Many people in Kovvada, Andhra Pradesh feel that their livelihoods are being sacrificed for a project whose script was written in faraway United States during the inking of the India-U.S. Civil Nuclear Agreement in 2008
- Their ire was specifically directed at a government notification dated November 1, 2012, that had demarcated land for acquisition
- The fisherfolk of Kovvada may have to go in search of an alternate means of survival as the Nuclear Power Corporation of India Limited (NPCIL) looks determined to carry out its grand plan to install six nuclear reactors, each generating 1,594 megawatts (MW), or 9,564 MW of power overall. It will be the first one to take shape under the 2008 agreement
- Kovvada and its surrounding villages have a good number of people within the "exclusion" zone, the immediate vicinity of the nuclear plant up to 1.5 km from the project site, where no one is expected to live; in the next "sterilised" zone up to 5 km where no development should take place, there are 42 villages; and in the "emergency" zone up to 16 km, there are 66 villages
- They also have the fear of being exposed to radiation. No scientific criteria were adopted in site selection. Intense seismic activity was recorded by the Department of

Atomic Energy's own agencies. Four fault lines run through the region, says a former bureaucrat

- NPCIL's Kovvada project director dismisses these as exaggerated concerns. New-age reactors are compact requiring less land; the AP1000 technology of the six reactors is the latest Generation III-plus pressurised water type with improved safety, he asserts. "They are absolutely safe and automatically shut down in case of accident or an earthquake of over 7.2 magnitude. All the systems are passive. Once it is shut down, the reactor's cooling takes place on its own for a fortnight and only then would human intervention be required."
- The National Geophysical Research Institute has conducted the study and classified it as low vulnerability of Zone 2
- While Social Impact Assessment notification has been issued, interviews with multiple officials revealed that the environmental clearance for the project is yet to be sought. "A public hearing will be held once the Ministry of Environment, Forest and Climate Change clears the new set of terms of reference. NPCIL would take into account feedback from people after placing the Environment Impact Assessment report before them
- A study by the U.S.-based Institute for Energy Economics and Financial Analysis, that was released recently by the A.P.-Telangana-based voluntary organisation Human Rights Forum, warns India that GE-Hitachi and Westinghouse nuclear reactors are neither cost-effective nor power-efficient and that they have a huge risk factor. The tariffs for electricity from Kovvada will be very high, with first-year tariffs in the range of Rs.19.80 to Rs.32.77 per kilowatt hour
- There are many questions to be answered

The Indian Express

1. The limits of vengeance

[\(http://indianexpress.com/article/opinion/columns/the-limits-of-vengeance-anti-corruption-ngo-lokpal-lokayukta-2943220/\)](http://indianexpress.com/article/opinion/columns/the-limits-of-vengeance-anti-corruption-ngo-lokpal-lokayukta-2943220/)

Topic: Accountability

Category: Governance

Key points:

- Events last week revealed the institutional limitations of the anti-corruption imagination in India. India lost the arbitration in the Antrix-Devas deal. India now has to pay the penalty. There was opposition to a notification under the Lokpal and Lokayukta Act that declared all office bearers, including board members, of NGOs that receive government or foreign funding, to be public servants. This bill was the brainchild of NGOs. Parliament hurriedly passed an amendment, putting in abeyance disclosure norms for public servants
- These episodes expose fundamental contradictions of the anti-corruption movement. On the one hand, there was the need for political mobilisation against corruption. This required taking a kind of battering ram against a corrupt ancient regime. Its biggest gain was that it placed corruption on the political agenda, exposed the workings of an oppressive plutocracy (defines a society ruled or controlled by the small minority of the wealthiest citizens). But, on the other hand, the overall imagination of this movement was always marked more by what one might call vengeance institutionalism
- This vengeance institutionalism had certain features. First, it was an institutionalism that brooked no nuance. It was embedded in a larger discourse of an “us versus them” opposition that trumped any fidelity to the truth. The legacy of those days left us with a taste for generalised vigilantism. This art was perfected in the name of plutocracy. It is now being deployed under the garb of nationalism
- Vengeance institutionalism flattened the complexity of the distinctions between state, civil society and corporations. Take the issue of disclosure itself. There is one basic fact that seems to have escaped everyone’s attention — all the people you want disclosures from are in fact making them. They file income tax returns, and surely it is not too much of a stretch to believe that this information would be available in any anti-corruption investigation. All institutions have to be accountable, but the architectures of accountability have to be tailored to their fundamental identity. There also have to be distinctions: Should the norms that apply to those running for public office, those who are regular civil servants, and those who merely serve on boards of civil society organisations be the same? In the name of accountability, it is civil society that sought to erase a fundamental distinction between state and civil society, even between state and corporates
- Take another issue. It is true that sometimes spouses’ names can be used to disguise financial transactions. But can a progressive liberal constitution allow the principle that spouses should be subject to norms by virtue of the job their husband or wife holds. This is a gross violation of individuality and smacks of a deeply regressive construction of professional identities. But it is hard to have a rational discussion on these issues based on first principles

- There is a myth that NGOs are unaccountable. They are accountable in several ways, with even less protections than public servants. If NGOs take money from government they are subject to CAG audits. The FCRA regime has its own accountability structure. The state now has real time direct access to the bank account of any NGO. If this kind of surveillance does not reassure, what will?
- Vengeance institutionalism was the classic Indian response. More and more categories of crimes were criminalised, rather than dealt with under civil or administrative remedies. We create more institutions when existing ones fail. We have done little to fix judicial capacity, we have a broken criminal justice system, public prosecutors' offices are weak, even investigative capacity is patchy. And then we have inordinate faith that new institutions rather than reproducing pathologies of the old, will magically correct them
- The anti-corruption movement was correct in pointing out that the big elephant in the room was the CBI, an institution marked by unimaginable degrees of arbitrariness. This core challenge has still not been addressed. But it was, in some senses, made worse, by the one institution in which we reposed faith to solve corruption problems in India: The Supreme Court
- The court peddled the illusion that it could reform the CBI. But instead, what it did was the opposite. Even as it knew of the CBI's perfidies, it empowered the CBI even more. The court would monitor CBI investigations (as if it really can); it granted that institution even more legitimacy and power without accountability. The result is now on display in Delhi: The entire enforcement machinery of the state pitted against a democratically elected Delhi government. In fact, the ugly truth of Indian democracy is that it can be held hostage by one CBI officer. And yet the courts consistently empower it
- The political churning the anti-corruption movement produced was important. But it is arguable that it has left the basic institutional architecture of the state in a worse shape. It has created a climate where there is still a sense that institutions have more power to target honest people doing their jobs than they have to bring real culprits to book. And few of the basic institutional challenges — police reform, judicial reform, media selectivity, reinvigorating parliament as an institution of accountability, decentralisation, have been addressed
- It is time for the anti-corruption movement to go back to the drawing board, learn to make fine distinctions, learn not peddle the illusion that merely concentrating power in some institution can solve the corruption problem. The state is now hoisting civil society with its own petard. There is a need to reflect deeply on how all this came to pass

2. Dengue should be prevented and not merely tackled when the epidemic sets in

(<http://indianexpress.com/article/opinion/columns/public-health-not-healthcare-dengue-chikungunya-zika-mosquitoes-2943168/>)

Topic: Health

Category: Governance

Key points:

- *Aedes aegypti*, the mosquito that carries dengue, is also the carrier of zika — and chikungunya. Just as in case of dengue, India will offer a fertile ground for zika — the deadly virus that deforms babies when it infects pregnant women.
- Eggs laid by an infected female mosquito carry the infection. Dengue cases will be on the rise till October
- It is not as if the problem or the solutions are not known. Countries across the world, including poor ones, have attacked the *aedes aegypti*. Communication campaigns about cleanliness, insecticide-laced mosquito nets and repellents, while important, are not enough. This is particularly so in the case of dense urban communities. The adult mosquitoes fly up to 400 meters. No single household will bear the cost of cleaning all containers and treating water tanks and coolers in its vicinity. Communication is often inadequate as a strategy. For example, it is advised that all water tanks be emptied, cleaned and refilled every week. How many households, given the water situation in Delhi, will be willing to empty out their tanks every week? If your neighbour does not kill the larvae in her tank, you can be infected with dengue. If you live in a student hostel, there is little that you can do. In other words, the prevention of dengue is a public good; it has externalities
- Experts emphasise government intervention and a multi-pronged attack on the *aedes aegypti*. Fogging is not enough as it attacks adult mosquitoes and not the larvae. Everyday now, larvae will be turning into pupae and then into adults. You cannot do fogging every day, nor is it safe or economical to do so. One important line of attack is to kill the larvae before they develop into mosquitoes.
- Internationally, one of the most important interventions for dengue control has been larvicide or killing the larvae in various water bodies. Even if one imagined that somebody would do all this personally to prevent dengue, it is hard to imagine that people would allow someone to walk into their houses and put chemicals into their overhead tanks. That would not be safe as well. For instance, the dosage of temefos, a

WHO-approved larvicide that can be added to potable water, must not exceed certain levels

- Clearly government intervention is required. Community participation is required, but preventing dengue cannot be left to communities. Governments need to have a strategy after studying the pattern of the disease and examining ways of attacking it. The prevention of vector borne diseases has been a clear case of intervention in public health all over the world
- In India, prevention of dengue is left largely to households, while the government offers a cure. It offers tests and hospital beds, a strategy that is not only insensitive when compared with the benefits of a public health prevention strategy, but also costly. A number of studies across the world have shown that intervention by governments through a strategy of prevention is cheaper compared to the government paying for the costs of tests and hospitalisation
- Unfortunately, the Indian health establishment's prime focus has been on healthcare. There is an attitude of letting people get sick, and then thinking about how to setup healthcare facilities to treat them. From a public finance point of view, however, it is much better to engage in traditional public health interventions which emphasise public goods. In this case, the critical public health interventions are focused on mosquitoes
- We don't need to wait for newspaper stories about people dying of dengue in order to know that the epidemic of October is on its way. We will get a surge in October 2016. The time to act on these is now, and actions should be grounded in public health and not in healthcare. Unsystematic fogging or only cleaning riverbanks is not going to be enough. It is necessary to embark on comprehensive public health initiatives in July, instead of waiting till October and trying to deal with a surge of sick people using a creaking healthcare system
- Public health today barely accounts for 10 to 20 per cent of most state governments' expenditure on health. Healthcare accounts for 80 per cent to 90 per cent of such expenditure. From a financial point of view, however, healthcare is very inefficient when compared with public health. The effectiveness of public expenditure is dramatically superior when money is spent on well managed public health programmes as compared with spending money on well-managed healthcare. But public health requires a different set of skills. In the example of dengue, attacking mosquitoes requires the state to manage hundreds of health workers walking over every square metre of the area. Public health requires management skills to handle large forces of field workers who perform simple actions reliably. As part of the degradation of the India's state capacity in recent decades, we have become pessimistic about our abilities in public health. In despair, we have emphasised healthcare

- There are epidemics that ambush us, and there are epidemics that we can foretell. North India will have an epidemic of dengue fever in October 2016, as it does every year. The question is: Will we be able to rouse ourselves, and have public health interventions ahead of time?

PIB

1. Setting up of four Petroleum Chemical and Petrochemical Investment Regions approved

Department of Chemicals and Petrochemicals, Ministry of Chemicals and Petrochemicals is implementing the Petroleum Chemical and Petrochemical Investment Region (PCPIR) Policy to promote investments, boost manufacturing and generate employment. Substantial investments by upstream Anchor Units in the Refinery and Cracker Segments are envisioned to lead to other investments in the chemical and petrochemical downstream sectors and ancillary industries. Government of India has approved setting up of four PCPIRs in the States of Andhra Pradesh (Vishakhapatnam - Kakinada), Gujarat (Dahej), Odisha (Paradeep) and Tamil Nadu (Cuddalore - Nagapattinam). The fully operational PCPIRs envisage investment of Rs. 7.63 lakh crore and 33.85 lakh job opportunities. No other PCPIR is proposed at present.

2. Exercise Maitree 2016: Joint Indo - Thailand Military Exercise Culminates

The Indo - Thailand Military Exercise MAITREE concluded today at Krabi, Thailand. The exercise had commenced on 15 July 2016 under the aegis of the Royal Thailand Army. 90 soldiers of Indian Army and Royal Thailand Army had participated in the two week long Exercise.

3. Mission Indradhanush

During the second phase of Mission Indradhanush, 11.6 lakh sessions were organized. Indradhanush aims to increase full immunization coverage in India to at least 90% children by 2020. However, in 199 districts the improvement in immunization coverage was not satisfactory during the first and second phase and therefore these districts were included in third phase of Mission Indradhanush.

4. Projects under Ambedkar Hastshilp Vikas Yojana

Total 97 number of Cluster Development Programme related to natural fibre (including Bamboo craft) under Ambedkar Hastshilp Vikas Yojana (AHVY) have been sanctioned to different agencies during last five year from 2011-12 to 2015-16.

During last five years, 77148 artisans were mobilized and about 4572 SHGs have been formed. These artisans of SHGs have been benefited through different kind of interventions like technical training & design development programme. Out of 97 Cluster Development Programme were sanctioned, 45 such programmes have been completed during the last five year, and in rest of clusters different kind of need based intervention programmes are being sanctioned to Implementing Agencies based on the eligibility criteria and as per the terms-conditions & guidelines of the scheme.

The Financial Express:

1. Let farmers live, don't do a 'Russian scissors' on them

[\(http://www.financialexpress.com/fe-columnist/let-farmers-live-dont-do-a-russian-scissors-on-them/333356/\)](http://www.financialexpress.com/fe-columnist/let-farmers-live-dont-do-a-russian-scissors-on-them/333356/)

Topic: Agriculture

Category: Governance

Key points:

- Recalling the Russian scissors policy of the 1920s, where agriculture prices slumped while industrial ones rose dramatically, seems more than a bit odd since, in India, food inflation is rising at a faster pace than in industrial goods. Yet, if you look at what is happening to farmer incomes, it is clear the rising food prices are not a symptom of agricultural prosperity—indeed, they are a result of two years of drought and, by and large, it is traders that are reaping the benefits of the supply shortages, not the farmers
- In the old-style MSP-world, the best way to address farmer distress was to hike the Minimum Support Price of a crop and to then go and procure it from farmers. Except, that world doesn't exist—for one, hiking MSPs beyond a point is inflationary and, two, there are just 2-3 crops and a handful of states that have the requisite structure to procure crops at MSP

- The substitute for this, needless to say, is the free market, but India is far from that. While the central government claims to have set up a national agriculture portal which allows farmers to sell their produce across the country, but the reality is that farmers are not allowed to move crops across borders in most states
- Exports offer another way out since, like procurement by FCI, they also help determine the market price—if a farmer knows he can sell his wheat to FCI at a certain price, he will not sell it to an arhatiya at a price that is much lower if he can get the grain across to FCI
- In recent years, for instance, with India exporting as much as a tenth of its rice production—in terms of the marketable surplus, the proportion is much higher—and half in the case of wheat, these played a big role in determining farmer incomes. Yet, when global commodity prices were at their highs from 2007 to 2010, there was a ban on the exports of both which prevented farmers from getting the benefits of a buoyant global market
- This is precisely what has now been done in the case of potatoes where, instead of an outright ban, a minimum export price of \$360 per tonne has been put. The idea, as in the case of an outright ban, is to ensure farmers don't export potatoes which, in turn, will lower domestic inflation. While that is laughable since we exported under a lakh tonnes in the first four months of the current financial year—out of a production of over 40 million tonnes—the larger question is why farmers should not be allowed to benefit from high global food prices if miners are allowed to export steel or automobile manufacturers cars
- And, if farmers are not to be allowed to take part in global gains, surely there has to be a mechanism to protect them from downturns in prices? Wholesale prices in the Agra mandi were Rs1,147 a quintal in June, but they fell to as little as Rs398 in February—there are times when prices fall so low, farmers just dump their produce on the roads. Amazingly, for a party that wishes to double farm incomes in five years, the government still doesn't get it

2. GST Bill: Passage likely; check out the top numbers

[\(http://www.financialexpress.com/fe-columnist/gst-bill-passage-likely-check-out-the-top-numbers/333347/\)](http://www.financialexpress.com/fe-columnist/gst-bill-passage-likely-check-out-the-top-numbers/333347/)

Topic: GST

Category: Economy

Key points:

- The government has finally listed the Goods and Services Tax (GST) Bill for passage in the Rajya Sabha next week. The crucial indirect tax reform will boost economic growth. The Centre will compensate states for revenue loss in the first five years of the rollout.
- While value-added tax (VAT) was introduced in 2005, there are multiple layers of taxes under the Central and state governments and VAT rates differ between states. In fact, companies pay taxes at each stage of production and distribution which are not offset by input credit. This amplifies the tax burden and adds to the cost. GST is expected to simplify the tax structure and broaden the base as taxes levied on inputs can be offset for those on finished goods and services to remove the cascading impact
- In December last year, a GST panel led by the chief economic advisor, had recommended a revenue neutral rate of 15-15.5%, a standard rate of 17-18%, which will cover most goods and all services, and a three-tier structure that will have a lower rate of 12% for essential goods and a higher rate of 40% for luxury items. These rates look more acceptable than the Institute of Public Finance & Policy (NIPFP) model which proposed higher rates. The crucial issue now is to fix reasonable rates through stakeholders' consultation and avoid confusion and opposition to the GST at a later stage

The BusinessLine:

1. A flawed approach to managing water

(<http://www.thehindubusinessline.com/opinion/a-flawed-approach-to-managing-water/article8917950.ece>)

Topic: Water Resources

Category: Governance

Key points:

- The draft National Water Framework Bill 2016 was placed in the public domain for comments in end-May by the ministry of water resources, river development and Ganga rejuvenation
- Around the same time, the ministry also placed the Model Bill for the Conservation, Protection, Regulation and Management of Groundwater 2016 for comments in the public domain

- The draft Bills have been placed in the public domain at a time when the world is witnessing the emergence of a new paradigm in water management.
- Policy formulation in South Asia has been largely disconnected from the ongoing conceptual changes in water management. The clear disconnect between holistic science and fragmented policymaking has resulted in the domination of a reductionist engineering paradigm to manage water without regard for ecological concerns
- This disconnect is evident even in the two recent Bills mentioned here. The fact that there is virtually no link between the two Bills gives rise to a sense of unease. As such, groundwater and surface water are integral components of the global eco-hydrological cycle, and need to be seen through a holistic lens of water management and property rights
- While it is appreciated that there needs to be a separate statement on property rights related to aquifers, that statement could well have been a part of the NWFB
- Separate Bills create the impression of a fragmented approach to water management; the interactivity between surface water and groundwater, which is also acknowledged in the water balance equation, seems to have been ignored
- The draft NWFB suggests that environmental flows adequate to preserve and protect a river basin as a hydrological and ecological system shall be maintained
- However, the very science of arriving at a measure of “how much water a river needs” has been challenged globally. It is only in India that there is an over-reliance on a specified quantitative measure of the environmental water needs of a river. This precludes ecological scientific thinking that every flow regime is associated with certain ecosystem services, and merely providing a certain percentage of water to flow naturally amounts to adhering to the same reductionist arithmetic hydrology that has been the root of various problems
- Further, despite the reference to the River Basin Authority (RBA) in the NWFB, the role of the RBA seems to have been confined to creating master-plans for basins
- As a recommended institutional set-up, there is need for a basin-level authority which is democratic in nature, with greater powers, and which can initiate actions to prevent degradation of freshwater ecosystems and can initiate actions against all kinds of stakeholders including State governments for any form of violation
- This implies that the authority should be vested with adequate regulatory powers
- The very statement, “...All decisions and actions on water resources of the River Basin, including implementation of water resources projects, shall progressively conform to the River Basin Master Plan”, remains open-ended
- The moot issue here is the promotion of Integrated River Basin Management (IRBM). While today’s best practices in water resources planning entail integration of water quantity and quality management for both groundwater and surface water, there

remains a need for comprehensive understanding of how the natural environment and the resident population of a basin are impacted by various levels of interventions in the rivers or by adoption of new policies

- This is best done in a participative way, involving all the major stakeholder groups
- A balance needs to be achieved between the level of economic development and the consequent impact on the natural resource base of a river basin as agreed upon by the stakeholders. This participatory and comprehensive approach is what is generally referred to as IRBM
- At a watershed/basin level, different water-users co-exist and therefore any decision towards sustainable resource management will need collective action. The NWFB needs to encourage, facilitate and promote multi-stakeholder interaction and collaboration between diverse stakeholders at the watershed, sub-basin and basin levels. This is another missing dimension in the draft
- The other important concern arises is the pricing of water. While the draft makes very important recommendations regarding “differential” and “full cost pricing”, there needs to be a mention that the pricing instrument should be designed to not merely cover O&M costs
- The pricing should reflect the scarcity value of water, not merely of its economic use but also the scarcity value of the ecosystem services
- This implies that users may cover part of the ‘environmental costs’ that their use of water entails
- Further, the composition and role of the statutory Water Regulatory Authority is not clearly define
- It is not clear how such an authority will operate: Is it under the aegis of the RBA? Or should it exist as a separate structure?
- Therefore, there are issues galore. The very erudite drafting committee will surely understand the ecological core of the argument and hopefully address them accordingly in the final version

The Economic Times:

1. Complete the national market for power sector for better allocation

[\(http://blogs.economictimes.indiatimes.com/et-editorials/complete-the-national-market-for-power-sector/\)](http://blogs.economictimes.indiatimes.com/et-editorials/complete-the-national-market-for-power-sector/)

Topic: Power sector

Category: Governance

Key points:

- A more complete national market would better allocate resources and funds for the long-vexed power sector. The power ministry's website, which tracks hourly real-time electricity prices and availability, routinely shows both surplus and shortfall of power nationally. It suggests much potential for a better, more complete market for power with clear-cut norms and attendant charges for wheeling supply cross-country
- The Centre seeks to amend the Electricity Act, 2003, with transparent provision for 'open access' to line capacity, so that multiple suppliers can gainfully compete for custom. It would better match available power capacity with actual demand and thus expand the market for mutual gains. But, in tandem, we need to have in place forward-looking norms on monetising power subsidy, cross-subsidy and related standby charges for state power utilities, so as to strengthen the market
- Instead of populism and giveaways, we clearly need viable and competitive power tariffs. Limited subventions for domestic and agricultural usage need to be transparently budgeted and provided for by the state, complete with sound metering
- In parallel, the well-heeled who consume more power do need to be charged a limited cross-subsidy to draw quality power from the grid. The bigger users, say, with requirement of 1 MW or more, should be able to exercise their option for open access and competitive tariffs from another power supplier but they would need to pay a stipulated recurring fee to their current utility as standby charge to cover the sunk costs of the latter
- Concurrently, a thriving market for power would also require sound norms for reasonable wheeling charges across states. Transparent, regular publication of data on the finances of electricity boards should be made mandatory, as well

Quick Bits and News from States

1. Deadline for assets declaration extended

<http://www.thehindu.com/news/national/deadline-for-assets-declaration-extended/article8918256.ece?homepage=true>

Pending the Parliamentary Committee's decision on the definition of a 'Public Servant' as defined by Section 44 of the Lokpal and Lokayuktas Act, the Union government has extended the deadline for filing of assets by public servants to December 31.

2. Govt. vows action against vigilantes

<http://www.thehindu.com/news/national/govt-vows-action-against-vigilantes/article8918262.ece?homepage=true>

Opposition parties on Friday staged a walkout from the Lok Sabha over recent incidents of atrocities against Dalits, most recently against two Muslim women who were thrashed by cow vigilantes on suspicion of carrying beef in Madhya Pradesh, even as home minister Rajnath Singh promised swift action against the culprits.

2. India seeks U.S. satellite help to find missing An-32

<http://www.thehindu.com/news/national/india-seeks-us-satellite-help-to-find-missing-an32/article8918562.ece?homepage=true>

India has sought the assistance of U.S. satellites to augment its search efforts for the missing Indian Air Force An-32 transport aircraft, the Defence Minister said, ruling out the possibility of sabotage.

3. No special status for A.P., but we will give support: Jaitley

<http://www.thehindu.com/news/national/parliament-proceedings-govt-noncommittal-on-special-status-for-andhra-pradesh-even-as-tdp-demands/article8917723.ece?w=spa>

After facing tough questions from the Opposition in Parliament over the implementation of the Andhra Pradesh Reorganisation Act, the government said on Friday that it would not grant special status to the State.

At a short-duration discussion in the Rajya Sabha on whether the government was interested in implementing the Act, which led to the creation of Telangana, as promised by the former Prime

Minister, the Finance Minister said that instead of allotting it a special constitutional entitlement, the government would “handhold” Andhra Pradesh until it became economically stable.

4. Army to finalise SOP for disposing defective ammunition

<http://www.thehindu.com/news/national/parliament-proceedings-defence-minister-manohar-parrikar-speaks-during-the-question-hour-in-lok-sabha/article8917094.ece?w=spa>

Army will finalise the Standard Operating Procedures (SOP) for disposal of defective ammunition within a fixed timeframe, the Defence Minister told Lok Sabha on Friday against the backdrop of a fire at an ammunition depot in Maharashtra that killed 19 people.

He said the government has approved various measures based on the recommendations by the Court of Inquiry on the fire incident at Central Ammunition Depot (COD), Pulgaon, Maharashtra on May 31 and subsequent deliberations with stakeholders.

5. Army begins takeover of Adarsh building

<http://www.thehindu.com/news/national/army-begins-takeover-of-adarsh-building/article8918560.ece?w=alauto>

The Union Government on Friday started the process of taking over the controversy-ridden Adarsh Society in Colaba, as per Supreme Court orders. In July this year, the apex court has issued orders asking the Defence Ministry to secure the high rise.

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

National Agricultural Market

GST Bill

Art 370

SCS Disputes

Kosi

Brahmaputra

CBI

Dengue

Exercise Maitree

Mission Indradhanush

Tags

The Model Bill for the Conservation, Protection, Regulation and Management of Groundwater 2016

The National Water Framework Bill, 2016

The Electricity Act, 2003

National Agricultural Market

GST Bill

Art 370

SCS Disputes

Kosi

Brahmaputra

CBI

Dengue

Exercise Maitree

Practice Questions:

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

1. Under the Indo-US civil nuclear agreement of 2008, India agreed to place all its civil nuclear facilities under International Atomic Energy Agency in exchange, U.S agreed to work toward full civil nuclear cooperation with India
- 2.The Kowada Nuclear Power Plant would be the first project to be undertaken under the agreement

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

Ans c

Question 2: Which of the following is/are tributaries of Brahmaputra?

1.**Lohit**

2.**Dibang**

3. **Subansiri**

4.**Teesta**

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

Ans d

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

1. Dengue fever is transmitted by the bite of an Aedes mosquito infected with a dengue virus
2. A vaccine for dengue fever has been approved in a few countries, but it is not yet commercially available

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

Question 4: Which of the following country is involved in the Maitree joint combat exercises with India?

- a.Thailand
- b.Russia
- c.South Korea
- d.Malaysia

Ans a

Question 5: Selection committee for appointing CBI director constituted under The Lokpal and Lokayuktas Act, 2013 may consist of which of the following ex officio members?

- 1.Central Vigilance Commissioner
- 2.Prime minister
- 3.Union Home minister
- 4.Chief Justice of India

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

Useful News Articles

31-7-2016

A.GS1 Related

B. GS2 Related

1. Sushma springs to the aid of workers in Jeddah

(<http://www.thehindu.com/news/national/sushma-steps-in-to-help-800-indians-starving-in-jeddah/article8921818.ece>)

Category: International Relations

Topic: Indian Diaspora

Key points:

- A Saudi infrastructure company, Saudi Oger Ltd in Jeddah, laid off many Indian workers.
- The Government of India has moved to help these hundreds of Indian workers who have been laid off by organising food and monitoring their welfare.
- Ms. Swaraj has deputed Ministers of State, Gen. (Retd.) V.K. Singh and M.J. Akbar, to talk to officials in the Kingdom of Saudi Arabia (KSA) and Kuwait to resolve the situation.
- The 800 Indians at Saudi Oger were laid off as part of major cutbacks by the Lebanese-owned company that used to be among West Asia's most successful construction companies.
- In the past two years, the fall in oil prices and declining Saudi economy have hurt the company's fortunes. Many employees say they haven't been paid wages since last December.
- Indian Consulate officials are providing immediate humanitarian assistance in terms of food and medicine to stranded Indian workers, and at the same time meeting with the Ministry of Labour in the Saudi government to take up their concerns.
- Although, The Kingdom of Saudi Arabia (KSA) has seen a steady GDP of 5 per cent from 2005-2015, the GDP could drop to less than 2 per cent in 2016.

2. New body for hill country Tamils

(<http://www.thehindu.com/news/international/new-body-for-hill-country-tamils/article8922113.ece>)

Category: International Relations

Topic: Effect of policies and politics of developing countries on India's interests

Key points:

- Nearly one million people are residing in the estates and the plantation sector, as a whole, provides direct and indirect employment to 1.5 million people.
- Around 40 per cent of the residents of the estates belong to the category of non workers. The plantation sector -- tea and rubber -- contributes around 20 per cent of export earnings of Sri Lanka with \$ 1,366 million in 2015.
- At present, the Plantation Human Development Trust (PHDT), is in place.
- This was setup up in 1992, with the mandate of implementing social development programmes for the community.
- But, this Plantation Human Development Trust (PHDT) suffers from many handicaps. For example, its scope and coverage is limited. Its social security net is not applicable to workers' family members, who do not form part of the workforce in the estates, etc.
- The "Hill Country New Villages Development Authority" , borrowing from the concept of the Southern Development Authority, which had a visible presence during the previous regime led by President Mahinda Rajapaksa, will carry out the functions of planning and coordination and will have a strong institutional mechanism.

3. Centre to amend compensation law

(<http://www.thehindu.com/business/Industry/centre-to-amend-compensation-law/article8922199.ece>)

Category: Governance

Topic: Government policies and interventions



Key points:

- The Union Cabinet has approved amendments to the Employee's Compensation Act of 1923.
- This means that the millions of people working in the unorganised sector, who sustain injuries at their workplace, will soon be eligible for higher compensation from employers.
- According to the amendments approved by the Cabinet, employers will be liable for penalty amount in the range of Rs.50,000-Rs.1 lakh, up substantially from Rs.500 at present, in case they fail to report the authorities about an accident occurring in work premises leading to injuries, serious body injuries or death of a worker.
- Employees or their families will be eligible for higher compensation from employers as the latter will no longer be able to move the court for paying them a sum of up to Rs.10,000. At present, employers can move the High Court for an appeal against the Labour Commissioner's order of paying more than Rs.300 as compensation.
- The Employees' Compensation Act, enacted in 1923, is one of the first legislations providing a social security net to workers in the country which covers all work-related injuries. It provides payment of compensation to workers and their families in case of injury or death by industrial accidents.
- The law is applicable to unorganised workers employed in factories, mines, plantation, construction site and also, to certain railway servants. Earlier known as the Workmen's

Compensation Act, it was amended by the UPA government in 2009 to substantially increase compensation for workers.

C.GS3 Related

1. New rare whale species

(<http://www.thehindu.com/opinion/op-ed/this-week-in-health-news-around-the-world/article8922206.ece>)

Topic: Biodiversity

Category: Environment and Ecology

Key points:

- Researchers have identified a new rare species of beaked whale with a range in the remote North Pacific Ocean.
- As described in a Marine Mammal Science article, the new species is an elusive, deep-diving whale about 25 feet long that is rarely seen.
- This whale is smaller and darker in colour than the more common Baird's beaked whale.

2. What is a vortex laser?

(<http://www.thehindu.com/opinion/op-ed/this-week-in-health-news-around-the-world/article8922206.ece>)

Topic: Science and Technology- developments

Category: Science and Technology

Key points:

- Laser beams when twisted in a way that makes them travel in a corkscrew pattern, encode information into different vortex twists. This way they are able to carry 10 times or more the amount of information than that of conventional lasers, which move linearly.
- Vortex lasers are the likely future of communication.
- Usually, the vortex laser has been too large to work on today's computers. But researchers report being able to shrink the vortex laser to the point where it is compatible with computer chips.

- Technology companies have been worrying that they will not be able to shrink transistors much further and encode more information in chips without running into the limits of physics laws. This has been their worry for a while now. However, if vortex lasers live up to their promise, they might allay these fears.

3. Pay now or pay forever

(<http://www.thehindu.com/opinion/op-ed/pay-now-or-pay-forever/article8922214.ece>)

Topic: Science and Technology- Health

Category: Science and Technology

Key points:

- 20 million of the 37 million people with HIV do not have access to treatment; tuberculosis continues to be the main killer of people living with HIV; over one million people die every year of AIDS and neglected co-infections, and HIV funding from countries has fallen substantially in 2015.
- In India, the aim to have over two million people living with HIV know their status and offer quality HIV treatment for life will only be possible with increased investment in the public health system.
- Without sustainable funding, civil society organizations cannot continue its valuable work.

4. India looks to counter U.S. move on trade sanctions

(<http://www.thehindu.com/business/Economy/india-looks-to-counter-us-move-on-trade-sanctions/article8922170.ece>)

Topic: International Trade

Category: Economy



Key points:

- The U.S. is seeking to impose more than \$450 million in trade sanctions against India on the grounds of failure to comply with the World Trade Organisation (WTO) order in the poultry import ban case.
- The WTO Appellate Body had found that India's import prohibition on poultry and poultry products was 'discriminatory' and 'more trade-restrictive than required', and therefore violated WTO norms.
- According to the WTO, the U.S. had filed the case against India's prohibition on importation of various agricultural products (including poultry) from the U.S. because of concerns related to Avian Influenza (bird flu). The U.S. had claimed that the ban was against WTO norms and had hurt its poultry exports to India.
- Options that are now being considered by India to counter this include: (i) raising its concerns — over the U.S. push for such trade sanctions — at high-level bilateral meetings in August (the Strategic & Commercial Dialogue) and October (Trade Policy Forum) and (ii) ensuring through discussions that the U.S. agrees to withdraw its efforts to seek an arbitration panel for assessing the quantum of trade sanctions, and instead give consent to India's demand for a "sequencing agreement."
- A 'sequencing agreement' is to ensure that the matter is instead referred to a WTO 'compliance panel,' which will look into India's claim that it has complied with the WTO appellate panel's recommendations.

D.GS4 Related

E. Important Editorials:

The Hindu

1. The gulf in tuberculosis care

(<http://www.thehindu.com/opinion/op-ed/the-gulf-in-tuberculosis-care/article8922213.ece?>)

Category: Science and Technology

Topic: Health



Key points:

- A November 2015 study published in The Lancet has exposed the dismal state of tuberculosis (TB) care in the private sector in India.
- This study employed a novel strategy of using standardised TB patients.
- Healthy individuals, trained to pose as patients, interacted with health-care providers — for assessing the actual clinical practice and quality of TB care in India.
- This study, like earlier studies, revealed private practitioners’ tendency to initially treat TB patients with antibiotics.
- The study revealed that MBBS doctors were more likely to correctly manage “patients” and more likely to ask for sputum tests and chest X-rays than others. Yet, they were “equally likely” to prescribe antibiotics and “more likely” to prescribe fluoroquinolones than others.
- The study found a major gap in provider knowledge and practice- though doctors had high levels of knowledge, they showed low adherence to established standards of TB care in clinical practice.
- The private sector is the first point of contact for nearly 80 per cent of TB patients in India, and it offers TB care to nearly 50 per cent.
- The deviation from the established standards of TB care in clinical practice as seen in this study is the reason why TB patients most often encounter a delay of nearly two months before a correct diagnosis is made.

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

Tuberculosis (TB)

WTO Appellate Body

Vortex Laser

Hill Country New Villages Development Authority

Sequencing agreement

Tags

Hill Country New Villages Development Authority

Employee’s Compensation Act of 1923

Vortex Laser

Sequencing agreement

Baird’s beaked whale

Practice Questions

Date: 31st July, 2016

Category: Geography

Topic: Various Parts of the World

Source: The Hindu

Difficulty level: Moderate

Type: Factual

1] Consider the following statements,

1. Tropic of Cancer passes through Saudi Arabia.
2. The port of Jeddah lies on the Red Sea coast.

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: 31st July, 2016

Category: Science and Technology

Topic: Science and Technology- developments

Source: The Hindu

Difficulty level: Moderate

Type: Factual

2] Consider the following statements,

1. Technology Development Board (TDB), is a statutory body of the Department of Science & Technology, Government of India.
2. Government of India and Bpifrance financement (a public investment bank in France) have signed a Memorandum of Understanding to carry out activities related to the exchanging of best practices and the setting up of coordinated measures to foster technological exchanges and innovation, collaborations between companies, organizations and institutions of France and India.

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: 31st July, 2016

Category: Governance

Topic: Government Interventions

Source: The Hindu

Difficulty level: Moderate

Type: Factual

3] Consider the following statements,

- 1) The Union Cabinet has approved amendments to the Employee's Compensation Act of 1923.

- 2) This means that the millions of people working in the unorganised sector, who sustain injuries at their workplace, will soon be eligible for higher compensation from employers.
- 3) According to the amendments approved by the Cabinet, employers will be liable for penalty amount in the range of Rs.50,000-Rs.1 lakh, up substantially from Rs.500 at present, in case they fail to report the authorities about an accident occurring in work premises leading to injuries, serious body injuries or death of a worker.

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) Neither 1 nor 2 nor 3 |

Ans) c)

Date: 31st July, 2016

Category: Science and Technology

Topic: Science and Technology- developments

Source: The Hindu

Difficulty level: Moderate

Type: Factual

4) Consider the following statements regarding,

1. Laser beams when twisted in a way that makes them travel in a corkscrew pattern, encode information into different vortex twists.
2. This way they are able to carry 10 times or more the amount of information than that of conventional lasers, which move linearly. Vortex lasers are the likely future of communication

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: 31st July, 2016

Category: Environment and Ecology

Topic: Biodiversity

Source: The Hindu

Difficulty level: Moderate

Type: Factual

5) Consider the following statements,

1. Researchers have identified a new rare species of beaked whale with a range in the remote North Pacific Ocean.
2. The new species is an elusive, deep-diving whale about 25 feet long that is rarely seen.
3. This whale is smaller and darker in colour than the more common Baird's beaked whale.

Which of the statements is/are correct?

- | | |
|--------------------|-------------------|
| (a) 1 only | (b) 2 and 3 only |
| (c) All 1, 2 and 3 | (d) None of these |

Ans) c)

