

AROUND-



GIST OF EDITORIALS

APRIL 2017



FOR THE MOST
SOUGHT AFTER
2017 PRELIMS
MOCK TEST

log on to: www.selflearn.co

GS 2 Indian Polity	3
Treatment of Terminally Ill Patients Bill	4
Disability-inclusive Digital push	4
Sale of liquor along highways	5
Mental Health Care bill Implementational challenges	6
Motor Vehicles (Amendment) Bill, 2016	7
Workplace violence against healthcare workers	8
HIV/AIDS Bill	10
Electronic Voting machines	10
Disallowing the use of beacon lights on vehicles of VIPs	11
Global trade talks about digital data	12
Lokpal	13
The issues regarding Lokpal Act	13
Tale of two sections: On vexatious criminal prosecution	13
The issues with planning done by NITI Aayog	14
IMF's quota system reforms	15
Reinstating Kerala DGP	16
National Commission for Backward Classes	16
GS 2 International Relations	17
Recent developments in ties between India and Bangladesh	17
Russia India trade ties	18
Potential areas of cooperation between India and Australia.	19
Teesta treaty	20
Kulbushan Jadhav death sentence	20
India-Nepal - potential in cooperation of hydroelectric power production	21
Iran's silence on Jadhav baffling - India Iran	22
China Russia Pakistan relationship and concerns of India	23
Indo-China Relations	24
Why India won't be at the Belt & Road Summit in Beijing	24
India EU relationship	26
India Iran relationship in the backdrop of US actions	26
Bhutan's exit from the 'BBIN' agreement	27
Visa rules poses challenge to Indian IT companies	28
GS 3 Indian Economy	30
Reviving economic growth	31
Bad loan problem and the way ahead	31
Rail Development Authority	33
The issues associated with farm loan waiver.	34



SELFLEARN'S GIST OF HINDU EDITORIALS – APRIL 2017

Decreasing Gold Consumption In India	35
Review of FRBM Act	35
Challenges faced by the state governments in achieving the debt ceiling of 20% by 2023 and the way forward.	36
Jewellery manufacturing in India	37
Data Exclusivity	38
The issues related to prescribing generic medicines.	39
Reasons behind strong performance of India stock markets and concerns.	40
GS 3 Environment and Ecology	41
The shift towards renewable energy and its effects on coal projects.	41
Measures that are to be taken to mitigate the effects of Heat waves.	42
Wind power energy in India	43
Carpooling for reducing air pollutions	43
Human animal conflicts	44
The issues associated with the melting of ice and sea level rise.	45
GS 3 Science and Technology	46
More robots, fewer jobs?	46
GS 3 Security Issues	47
Dealing with the extremist elements in Central India.	47
GS 4 Ethics	48
The ethics behind sting operations.	48

GS 2 Indian Polity

Treatment of Terminally Ill Patients Bill

The Treatment of Terminally Ill Patients Bill is a good point to take the euthanasia-related debate forward

Mains : **GS 2** Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

Background

The Treatment of Terminally Ill Patients Bill was introduced in the Parliament.

Major Provision of the Bill

- Recognises the validity of advance medical directives by terminally-ill patients.
- It emphasises the need to account for palliative care when making end-of-life-care decisions.
- It permits physician-assisted suicide for terminally-ill patients.

Present status regarding Euthanasia

Presently only passive Euthanasia is permitted in India.- i.e. withdrawal of life-saving treatment.

The positives of the bill

- It recognises the right to die of the patient. It leaves the decision to the patient himself.

The issues

- The Bill defines terminal illness in a subjective way that it would require second parties to decide whether a terminally ill patient can lead a meaningful life.
- For incompetent patients and patients who have not taken an informed decision about their medical treatment the Bill lays down a cumbersome procedure which is prone to misuse

The way ahead

- Several countries in the recent past have legalised assisted suicide.
- While the ethical implications of these acts have been debated endlessly, there is a need to debate how such a law would be operationalised.

Mains Perspective

Model questions

While the ethical implications legalising Euthanasia have been debated endlessly, there is a need to debate how such a law would be operationalised. Discuss

Sources: [The Hindu](#)

Disability-inclusive Digital push

As India moves towards adopting digital economy, making ICT accessible to the disabled is a must.

Mains : **GS 2** Welfare schemes for vulnerable sections of the population by the

Centre and States and the performance of these schemes; mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.

Issues faced by the disabled

- Poor accessibility due to lack of focussed information and political will has led to social exclusion of people with disabilities.
- Accentuated Digital divide.
- Infrastructure which limits the access to resources.

Government efforts for the welfare of the disabled

- Accessible India Campaign - which aims at achieving universal accessibility for all citizens and creating an enabling and barrier-free environment.
- Recently passed Rights of Persons with Disabilities Act, 2016

It mandates adherence to standards of accessibility for physical environment, transportation, information and communications, including appropriate technologies and systems, and other facilities and services provided to the public in urban and rural areas.

What needs to be done

- Care must be taken to ensure disability-inclusive development.
- Accessible services and business premises can broaden the customer base, increasing turnover and positively impacting the financial health and social brand of the companies.
- Provide representation of persons with disabilities to ensure inclusion in all policies, programmes and developments.
- The government's procurement policy too must mandate accessibility as a key criterion. Adherence to the latest Web Content Accessibility Guidelines should be made mandatory while developing websites and mobile applications.
- Ensuring a disability-sensitive development agenda across all ministries
- Synergy between various arms of the government - Accessible India campaign should be integrated with the various ongoing government programmes

Mains Perspective

Model questions

Disability is still seen as an opportunity for dispensing charity rather than as a development or a human rights issue. Attitudinal barriers are here to stay. Persons with disabilities must have a say in any initiative that aims at empowering them. Comment

Sources: [The Hindu](#)

Sale of liquor along highways

The Supreme Court order banning sale of liquor along highways is not fully thought out

Mains : GS 2 Governance, Constitution, Polity, Social Justice and International relations.

Background

- The Supreme Court has ordered banning of sale of liquor along highways. The judgment will cover not just retail outlets but hotels and bars too.

Implementation challenges

- Though the order is intended to prevent drunk driving tougher laws may not be the solution to weak enforcement.
- Retail outlets can be relocated without loss of clientele and with minimal expense, but established hotels may not be in position to do so.
- Smaller administrative units such as Union Territories and states such as Goa will find it difficult to implement the law owing to space constraints.
- More than a third of the liquor sale and consumption points will be hit.

Conclusion

Prohibition as a policy has had a history of failure. While binge-drinking is undoubtedly a health hazard with serious social costs, bans of the sort adopted by courts and State governments such as Bihar are counterproductive. Good intentions do not guarantee good outcomes.

Mains Perspective

Model questions

Prohibition as a policy has had a history of failure. While binge-drinking is undoubtedly a health hazard with serious social costs, bans of the sort adopted by courts and State governments such as Bihar are counterproductive. Good intentions do not guarantee good outcomes. Comment

Sources: [The Hindu](#)

Mental Health Care bill: Implementation challenges

Challenges pertaining to the implementation of Mental Health Care bill remains.

Mains : GS 2 Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

Background

The Mental Health Care Bill, which decriminalises suicide and guarantees the right to better healthcare for people with mental illness, was passed by Parliament.

Implementation challenges and issues faced by mentally ill

- **Poor infrastructure :** There are only 43 government-run mental hospitals across India with inadequate number of trained personnel
- **Low funds :** Of the already low total health budget, a mere 1-2% is spent on mental health.
- **Social stigma :** The treatment gap (the difference between those suffering from mental illnesses and those seeking medical/psychiatric care) is widened because of the social stigma attached to such illnesses.
- **Gender gap :** Women typically face larger treatment gaps as they are vulnerable

to violence, sexual abuse and inhuman treatment.

- Mentally ill relatives are abandoned by family members.
- Women with psychosocial or intellectual disabilities are often subjected to even sexual violence.

What needs to be done

- Shifting from institutional care to community-based care for people suffering from mental disorders.
- Restructuring of mental health care services with a key role for the community in their provision
- Rapid expansion of mental health literacy
- Effective monitoring
- Increased supply of mental health services through front-line workers and their collaborative linkage with the physicians and psychiatrists.
- Improved access to clinics will help in reduction of cost

Conclusion

Whether legislation such as the Mental Health Care Bill help overcome supply and demand barriers seems highly unlikely, as the root causes lie in pervasive negative attitudes, massive neglect of mental health care, rampant abuse and unchecked inhuman practices, and weak redressal and enforcement mechanisms. But the Bill seeks to address major lacunae in mental health care and is thus an important step forward.

Mains Perspective

Model questions

The mental health law though an important step forward in addressing the rights of mentally ill misses out the fact that, the root causes for massive neglect of mental health care is caused by the attitudinal barriers created by the society. Elucidate

Sources: [The Hindu](#)

Motor Vehicles (Amendment) Bill, 2016

The Lok Sabha passed the Motor Vehicles (Amendment) Bill, 2016. The Bill amends the Motor Vehicles Act, 1988 to address issues such as third party insurance, regulation of taxi aggregators, and road safety.

Mains : GS 2 Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

GS 3 Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

Background

The Lok Sabha passed the Motor Vehicles (Amendment) Bill, 2016. The Bill amends the Motor Vehicles Act, 1988 to address issues such as third party insurance, regulation of taxi aggregators, and road safety.

Challenges faced in road transport sector

- Corruption of transport bureaucracy.
- Lack of capacity to implement reforms.
- Enhanced penalties under the law may not work as deterrent effect of law depends on the perception that the possibility of being caught for violations is high.
- Periodic and ineffective enforcement of laws.
- Accountability of police forces.

What needs to be done

- Early roll-out of administrative reforms such as issuing learner's licences online, recording address changes through an online application, and electronic service delivery.
- All applications should be made online rather than computerising.
- Protect good samaritans from harassment.
- Electronic enforcement mechanisms should be put in place

Prelims perspective

Model questions

Consider the following statements about Motor Vehicles (Amendment) Bill, 2016

1. The bill caps the maximum liability of third party insurances.
2. The bill aims to use e-Governance for improved service delivery.
3. State government will get the power to regulate taxi aggregators.

Select the correct answer using the code given below.

- a. 1 and 2 only
- b. 1 only
- c. 1 and 3 only
- d. None of the above

Mains Perspective

Model questions

While the motor vehicles Act seeks to improve service delivery and reduce accidents implementation challenges remain. Discuss

Sources: [The Hindu](#)

Workplace violence against healthcare workers

Workplace violence against healthcare workers can only be checked in the backdrop of improved infrastructure.

Mains : GS 2 Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

Background

Several instances of violence against doctors have been reported from health care institutions across India. the incidence and intensity of violence against medical professionals in India is on the rise.

Why violence against medical professionals is on the rise?

- General increase in using violence as a way to demonstrate power.
- Loss of faith in institutions.
- Anger against perceived marginalisation.
- Lack of understanding of science and society. The public often does not understand the deeper structural problems underlying the apparent failures of the doctors.
- It has become accepted and legitimised to use violence as a method of expressing disagreement.
- Widespread dissatisfaction with all institutions of society.
- Medical professionals are perceived as greedy and selfish.
- Widespread inequality in Indian society. The tremendous technological advances in medicine are not available to the majority in India.
- The suspicion that all was not done to save the patient
- Lack of infrastructure and resources in hospitals compromises quality of treatment available to citizens.
- Doctors in public hospitals treat patients as if they are doing a favour.

What needs to be done?

- Ensure exemplary action against violence as a means of settling issues.
- Vastly improved health infrastructure
- Fewer patients per doctor in line with international norms.
- Greater accountability from doctors as well as from all sections of society. Each professional group and government institution cannot continue to act as though it is doing the public a favour by carrying out their duties.
- Doctors should participate in spreading understanding of science and society.
- Build confidence in people that except for a small number of really corrupt, most of the doctors are just trying to do what is possible in the circumstances in which they are.
- People's committees can be formed in hospitals.
- Constant audit of the working hours of medical personnel.
- Social workers in crucial departments such as accident and emergency wards to handle anxious crowds will reduce the stress of already overburdened medical professionals.

Mains Perspective

Model questions

Violence occurring against medical professionals in the country is the manifestation of a larger malaise - erosion of people's faith in established institutions. Discuss

Sources: [The Hindu](#)

HIV/AIDS Bill

The HIV/AIDS Bill provides a solid base for further empowerment and treatment access

Mains : GS 2 Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.

Background

The HIV Bill, a crucial public health legislation guaranteeing equal rights to India's HIV community, was passed by Parliament

Highlights

- The new law Protects people infected with HIV against discrimination in employment, education, health-care services, getting insurance and renting property.
- **The flaw :** The law only enjoins the States to provide access “as far as possible”.
- The requirement of ombudsman would exert pressure on State governments to meet their obligations.

The Way ahead

- A rapid scaling up of interventions to prevent new cases
- Offer free universal treatment.
- Provide opportunities for education, skill-building and employment.
- Initiate active public consultations to draw up guidelines for the operation of law.
- States should show strong political commitment, appoint ombudsmen to go into complaints of violations and submit reports as mandated by the law.

Conclusion

The HIV and AIDS Bill may not be the answer to every need, but it would be a folly not to see its potential to make further gains.

Mains Perspective

The syllabus clearly mentions about 'Welfare schemes for vulnerable sections of the population and laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections" and the questions from this part of the syllabus were asked in the previous year examinations. To see how questions can be framed asked from this section visit our [IAS preparation page](#)

Sources: [The Hindu](#)

Electronic Voting machines

The controversy surrounding electronic voting machines.

Mains : GS 2 Important aspects of governance, transparency and accountability,

Background

With several Opposition parties questioning the credibility of Electronic voting

machines the election commission is planning to introduce voting machine with Voter verifiable paper audit trail -VVPAT.

Features of Electronic Voting Machines

- Consists of security features such as dynamic coding of key codes on ballot units and their transfer as messages to the control unit in an encrypted manner.
- EVMs consists of software that is burnt one-time on to programmable chips thus hacking by remote devices is prevented.
- tamper detection

The way ahead

The introduction of EVMs has resulted in a drastic reduction in electoral fraud (rigging, stuffing of ballot boxes, etc.). The addition of the VVPAT machine twill completes another layer of accountability to the indigenously produced machines (only the microchip is manufactured outside the country with the machine language embedded on it).

Mains Perspective

Model questions

Recently several political parties have raised concerns about EVMs without voter-verified paper audit trail(VVPAT).What is VVPAT? How does it work? Give your suggestions.

Sources: [The Hindu](#)

Disallowing the use of beacon lights on vehicles of VIPs

Doing away with VIP culture in India.

Mains : GS 2 Governance, Constitution, Polity, Social Justice and International relations.

Background

Cabinet disallowed use of red beacon lights on vehicles of VIPs and permitted use of blue beacons only for vehicles belonging to emergency services.

Significance

- Beacon lights on vehicles were seen as a symbol of power and VIP culture.
- The move by government is welcomes as it tries to do away with VIP culture promoted by the bureaucratic and political class in India.

What more needs to be done

- Do away with free passage of VIPs at toll gates
- Stop exemptions given to VIPs at security gate at airports
- Do away with all the status symbols associated with VIP culture.
- Make government offices equally accessible to all. Presently access to official proximity makes access to government services easier.
- Finally reform procedures and the work culture in government offices to provide a level playing field to citizens to get what is theirs by right.

Mains Perspective

VIP cultures do not develop in a vacuum. They come from the attitudes we inculcate in our children and young adults at home and school. Evaluate

Sources: [The Hindu](#)

Global trade talks about digital data

Mains : GS 2 Governance, Constitution, Polity, Social Justice and International relations

Background

- Global trade negotiations are eyeing to dominate digital area as the digital phenomenon is restructuring most social sectors.
- Big data collected from different parts of the world especially from developed countries are used as a resource to control different sectors, design products and make money.
- Digital trade issue have been coming up in negotiations of various multilateral institutions.

The issues

It is important to frame who owns data and digital intelligence, and how their value should be socially distributed.

Demands by developed countries with regard to big data

1. Free and unhindered access to mine social and personal data from every nook and corner. This demand in a way is equal to giving up the right to regulate digital technologies and networks within a country's territory.
2. Ensure completely free flow of data across borders, with no requirement of local storing, even for sensitive sectors like governance, banking, health, etc
3. Exclusion from future regulation of all services other than those already committed to a negative list, which will of course include e-versions of every sector.

The way forward

- India has much native technical and entrepreneurial capabilities in the digital area
- India must stave off pressure for entering into binding global commitments that would take away prospects of India's digital sector and it must first build its digital sovereignty — and digital rights — before it can begin negotiating a part of it in global trade talks.

Mains Perspective

Similar questions

Digital economy : A leveller or source of economic inequality [*UPSC 2016 mains essay question*]

Sources: [The Hindu](#)

Lokpal

The issues regarding Lokpal Act

Mains : GS 2 Dispute redressal mechanisms and institutions. Statutory, regulatory and various quasi-judicial bodies.

The issue

- The government has failed to implement the Lokpal law and is dragging its feet on appointing Lokpal.
- Unless a proposed amendment making leader of the largest opposition party as Leader of Oppositions is passed by Parliament, the Lokpal cannot be appointed

The issues

- **Several provisions in the original Lokpal act was diluted.**
- The Lokpal Amendment Act, 2016, did away with the statutory requirement of public servants to disclose the assets of their spouses and dependent children provided for under the original law.
- No bill has been introduced to modify the composition of the selection committee which was needed to appoint the Lokpal.
- The Lokpal Amendment Act, 2016, passed by Parliament was never referred to any parliamentary standing committee for deliberation.
- A proposed amendment to Prevention of Corruption Act seeks to strengthen the provisions related to the requirement to seek the government's permission before prosecuting a public servant.

Conclusion

The failure to implement Lokpal law shows the disregard for democratic institutions aiming to prevent corruption in Public life.

Mains Perspective

Model questions

A national Lokpal however strong it may be cannot resolve the problems of immorality in public affairs.' Discuss **[UPSC Mains 2013]**

Sources: [The Hindu](#)

Tale of two sections: On vexatious criminal prosecution

Sections 295A and 153A of the IPC are to be revisited, to end vexatious criminal prosecution

Mains : GS 2 Governance, Constitution, Polity, Social Justice and International relations.

Background

Section 295A of IPC which makes “deliberate and malicious acts intended to outrage

religious feelings” a punishable offence and section 153A of IPC intended to punish those who promote enmity between different groups on various grounds are several times used to bring vexatious cases to the court.

The issues

- These sections has been employed to harass writers and artists and cast a chill on free expression.
- These laws irrespective of the form they assume, are inherently subjective.

The way forward

- Lower courts should stop taking cognisance of trivial or vexatious cases filed on the basis that the religious, caste or cultural sensitivities of some group have been offended.
- The scope of the laws should be narrowed down in a way that it should not be misused by moral vigilantes

Mains Perspective

Similar questions

What do understand by the concept “freedom of speech and expression”? Does it cover hate speech also? Why do the films in India stand on a slightly different plane from other forms of expression? Discuss. *[UPSC Mains 2014]*

Sources: [The Hindu](#)

The issues with planning done by NITI Aayog

NITI Aayog’s shift away from five-year plans requires more substance

Mains : GS 3 Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.

Background

- The last five year plan ended on March 31st and it will be replaced by 3 year action plan.
- The three year plan was to be part of a seven-year strategy that would in turn help realise a 15-year long-term vision.

The problems

- The NITI Aayog’s governing council didn’t work out the fine print of new planning approach, all that was handed out was a draft action agenda for the three years with 300 specific action points.
- The bare details of the 15-year vision that have been shared doesn’t go beyond certain statements with some optimistic numerical guesswork.
- Without the larger strategy and vision in place, the three-year action plan is likely to be more of an abstract wish list that Chief Ministers will now evaluate and revert on.

- Till the action plan is ratified by the council there is a vacuum in India's policy framework.

The way forward

- The State government's must also speed up capital expenditure and infrastructure development to pump prime the economy.
- To make cooperative federalism truly effective, the Council, must meet more often – a nearly two-year gap in doing so is a recipe for communication breakdown.

Mains Perspective

The concept of cooperative federalism has been increasingly emphasised in recent years. Highlight the drawbacks in the existing structure and extent to which cooperative federalism would answer the shortcomings. **[UPSC Mains 2015]**

Sources: [The Hindu](#)

IMF's quota system reforms

The IMF could turn irrelevant unless it reforms to keep up with rival global institutions

Mains : GS 2 Important International institutions, agencies and fora- their structure, mandate.

Background

- Finance Minister has called for reforms in the IMF's quota system.

Quotas determine the size of contingency funds at the disposal of the IMF to lend to countries in need of help, as well as the power of individual countries to influence lending decisions and tap into the funds themselves.

Challenges faced by IMF

- Rise of other multilateral institutions have given options for developing countries to look beyond IMF.
- Countries have started to look beyond short term crisis management tools that are at the disposal of IMF
- Economies look upon China for their long term investment needs.
- The rise of developing countries has questioned the legitimacy of IMF. Though developing countries hold less than half the overall quota at the moment, with their rapidly increasing economic heft they have demanded a greater share – with limited success.

Conclusion

The legitimacy and credibility of IMF could be eroded unless Quota system is reviewed and IMF keeps up with the changed needs of developing countries.

Mains Perspective

Model questions

How far multilateral institution have been able to cater the need of developing countries?

Sources: [The Hindu](#)

Reinstating Kerala DGP

The Supreme Court for the first time ordered the reinstatement of ousted Kerala DGP sending out a clear message that police officers cannot be made "scapegoats" by politicians in power.

Mains : GS 3 Role of civil services in a democracy.

Background

- The LDF government in Kerala had removed DGP contending that his handling two major cases in the state were “totally unsatisfactory.”
- The removed Police chief, had approached the Supreme Court and obtained a verdict in his favour.

The issue

The government’s ‘subjective satisfaction’ regarding the decision to transfer police chiefs must be based on “cogent and rational material” and not arbitrary according to the court

The decision by Supreme court is likely to have repercussions in States where police chiefs were removed by the political dispensation.

The way forward

Every State should set up a State Security Commission to both guide the police and decide on top police appointments and transfers.

Mains Perspective

Model questions

1. Has the Cadre based Civil Services Organization been the cause of slow in India? Critically examine. *[UPSC Mains 2014]*
2. “Traditional bureaucratic structure and culture have hampered the process of socio-economic development in India.” Comment. *[UPSC Mains 2015]*

Sources: [The Hindu](#)

National Commission for Backward Classes

The proposed new avatar of the National Commission for Backward Classes is unlikely to provide a credible and effective social justice architecture

Mains : GS 2 Statutory, regulatory and various quasi-judicial bodies.

Background

The Lok Sabha passed a constitutional amendment which introduces a National Commission for Socially and Educationally Backward Classes in the Constitution.

The drawbacks of the bill

- The new entity will be handed down the task of identifying backward classes. Hereafter Parliament will determine who is a BC for the ‘Central’ List.
- It has no responsibility to define backwardness and cannot address the current challenge of well-off castes’ demands to be included as BCs.

- The new body has the power to hear about the complaints related to backward classes but given the performance of constitutional bodies like SC commission it remains to be seen how far the new body will be effective.
- The proposed system will treat the developmental issues related to BCs on a par with caste discrimination and untouchability suffered by SCs and even by STs.
- The creation of NCBC will result in the need to enact laws similar to the ones in existence for the protection of SC/STs.

Mains Perspective

Model questions

The proposed National Commission for Backward Classes can be another milestone in protecting the rights of socially and economically backward communities in India. Yet it suffers from severe shortfalls. Discuss

Sources: [The Hindu](#)

GS 2 International Relations

Recent developments in ties between India and Bangladesh

The visit of Bangladesh Prime Minister Sheikh Hasina may lead to substantial results.

Mains : GS 2 India and its neighborhood- relations.

Recent developments in ties between India and Bangladesh

- Bangladesh's measures toward setting up a power plant in the Sundarbans.
- Increased investment by India in Bangladesh in areas where its economic development is concerned.
- India and Bangladesh have identical views on how organisations such as the South Asian Association for Regional Cooperation (SAARC) should be going forward.
- Defence deal between India and Bangladesh might be considered during the visit
- **Sour points in relationship :** Increasing levels of cooperation between Bangladesh and China, particularly in the spheres of the economy and defence.
- The sharing of Teesta river waters between the two countries still remains contentious.
- The visit is significant for this is a chance to convince the people of Bangladesh that ties with India will do only good for them.

Mains Perspective

Model questions

India and its neighborhood- relations is a topic which is of great importance in Mains examination. Every year questions were asked based on this topic. Visit our IAS

preparation page to know more

Sources: [The Hindu](#)

Russia India trade ties

Trade ties between India and Russia are far below their potential

Mains : GS 2 International relations.

India's 2015 goods exports to Russia were worth just \$1.6 billion, compared with \$40.3 billion to the U.S.

Background

India, and Russia, are celebrating the 70th anniversary of establishment of diplomatic relations between them. Russia continues to be among India's major politico-diplomatic and defence partner nations and both countries have signed in december 2010 a "Special and Privileged Strategic Partnership."

Highlights of India Russia partnership

- Russia had provided strong political and diplomatic support to India and helped enormously in building India's defence capability
- Economic ties between India and Russian are extremely weak
- Trade ties between India and Russian were strong before 1990s. The economic liberalisation and dissolving of Soviet Union has weakened trade ties between both countries.
- India-Russia trade ties is lopsided (in favour of Russia) as it is primarily a buyer-seller relationship and not one based on collaborations through investments

How can improved trade ties between both the nations be achieved

- Both the countries have set a target to raise bilateral trade to \$30 billion by 2025 and increase bilateral investment
- Expediting the conclusion of negotiations of the proposed India-Eurasian Economic Union (EEU) Free Trade Agreement
- Implementation of the International North South Transport Corridor (INSTC) for better connectivity with the region.
- Implementation of Green corridor project for Customs facilitation (by easing Customs norms)
- Trading in local currencies.
- Setting up pipelines for direct gas delivery from Russia to India
- Operationalisation of the proposed \$1-billion fund through India's National Investment & Infrastructure Fund and the Russian Direct Investment Fund for investment in infrastructure and technology projects.
- India should consider if it could gain from mega infrastructure projects such as One belt one road initiative as from a developmental perspective Russia and China are proposing to bring the EEU closer to China's One-Belt-One-Road (OBOR) initiative

- Sectors such as IT/ITeS, pharmaceuticals and healthcare should be encouraged as emphasis of sectors such as defence, hydrocarbons and nuclear power, would result in Russia gaining more.

Mains Perspective

Similar questions

Economic ties between India and Japan while growing in the recent years are still far below their potential. Elucidate the policy constraints which are inhibiting this growth.

[UPSC Mains 2013]

Sources: [The Hindu](#)

Potential areas of cooperation between India and Australia.

Mains : GS 2 International relations.

Background

Australian Prime Minister Malcolm Turnbull began an official visit to India.

Focus areas In India Australia relations

- **Trade ties :** Two-way trade between India and Australia is growing, and is approaching \$20 billion.
- **Australia-India Strategic Research Fund :** The initiative has helped collaboration between Scientists of both the countries in areas such as food security and health, quantum computing, nanotechnology, astronomy.

The Australia-India Strategic Research Fund (AISRF) helps Australian researchers from public and private sectors to participate with Indian scientists in leading-edge scientific research projects and workshops. The AISRF is Australia's largest fund dedicated to bilateral research and one of India's largest sources of support for international science..

- **Education :** Australia is the second most popular study destination for Indian students and Australia might be able to help in government's mission of skilling people.
- **Strategic Partnership :** Security and stability of the Indo-Pacific is fundamental both the countries to encourage free trade and prosperity and to help safeguard security and the rule of law.
- **Indian diaspora :** Half a million Australians are of Indian descent. The number is increasing day by day.

Mains Perspective

Similar questions

Economic ties between India and Japan while growing in the recent years are still far below their potential. Elucidate the policy constraints which are inhibiting this growth.

[UPSC Mains 2013]

Sources: [The Hindu](#)

Teesta treaty

The Teesta treaty continues to dominate relations between India and Bangladesh.

Mains : GS 2 India and its neighborhood- relations.

Water sharing between India and Bangladesh

- Bangladesh shares 54 of its 57 transboundary rivers with India.
- After the Ganges, Brahmaputra and the Meghna (GBM) river system, Teesta is the fourth largest river shared between the two countries.

Teesta water treaty

In 1983, an ad hoc water-sharing agreement allocated 39% of the water flow to India and 36% to Bangladesh and remaining 25% was left unallocated for a later decision.

Importance of Teesta water for Bangladesh

- The Teesta river floodplain supports roughly 10 million people.
- One lakh hectares of land in Bangladesh are severely impacted during dry seasons.
- 14% crop production in Bangladesh is dependent on the flow of the river.

Interim arrangement

- In 2011, an interim arrangement for 15 years was proposed with India getting 42.5% and Bangladesh 37.5% of the river during dry seasons.
- The arrangement also included the setting of a joint hydrological observation station to gather accurate data for the future.
- The plans fell through as the West Bengal Chief Minister Mamata **Banerjee** was against giving more waters to Bangladesh.
- The new government in India accepted the new arrangement between India and Bangladesh, but Ms. Banerjee did not. Hence, the deal was not inked
- The issue remains unresolved due to opposition from west Bengal Chief minister

Mains Perspective

Similar question

In respect of India-Sri Lanka relations, discuss how domestic factors influence foreign policy [**UPSC Mains 2013**]

Sources: [The Hindu](#)

Kulbhushan Jadhav death sentence

Pakistan's announcement on Kulbhushan Jadhav threatens to escalate bilateral tensions

Mains : GS 2 India and its neighbourhood- relations.

Background

Pakistan announced that the former Indian naval officer Kulbhushan Jadhav has been sentenced to death by a Field General Court Martial.

Anticipated consequences of the announcement

Rapid escalation in bilateral tensions

The flaws in the trial

- The trial, sentencing, and its confirmation were carried out secretly
- The recorded confession of the accused broadcasted at a press conference appeared to have been fake.
- India has been repeatedly denied consular access to the accused

What India should do

- India should seek support from international community
- Impress Pakistan that the death sentence must not be carried out
- Explain to the international community the flawed trial process
- Send interlocutors to open backchannels for diplomacy for Mr. Jadhav's safe return home.

Mains Perspective

India and its neighborhood- relations is a very important topic for civil services examination. Questions are sure to figure from this part of the syllabus. To see the question related to India and neighbourhood relations please visit our [IAS preparation page](#)

Sources: [The Hindu](#)

India-Nepal - potential in cooperation of hydroelectric power production

India and Nepal cooperation on hydroelectric power production and trade can benefit both nations

Mains : GS2 India and its neighborhood- relations.

Background - Why India and Nepal should cooperate on electricity trade

- The time is ripe to push for electricity trade with Nepal with long term perspective.
- Nepal is short of power and will need to import power for some years to accelerate its economic growth whereas India has surplus capacity at present.
- In future by developing hydropower in nepal India can import power to meet it increased needs.

Present status

- India and Nepal signed a Power Trade Agreement in 2014 which gave access to that the Nepal developers/traders to access the Indian power market.
- Due to political uncertainty, the development of Nepal's hydro potential has been delayed.

How Nepal will benefit by increased electricity trade with India?

- By selling power to India, Nepal could have developed its economy at a faster rate.
- Nepal faces acute electricity shortage.
- Import of electricity from India has increased significantly.
- Increased availability of electricity accelerates its economic development.
- Nepal could benefit through larger import of electricity from India.

- Nepal's revenue from export of electricity to India increases its ability to import more goods and also to invest more in the economy.
- This increases its gross domestic product, consumption and use of electricity, which improves quality of life.
- The prospect of electricity trade with India makes it possible for Nepal to develop its hydropower potential and has important consequences.

Gains for India

- It will help in meeting the evening peak demand in India when its large solar PV capacity would not be available.
- The gains in monetary terms are comparable for both Nepal and India.

The way forward

For electricity trade to materialise, policy, institutional and technical infrastructure are necessary. A stable, long-term conducive policy and an institutional environment , which ensures payment security will go a long way in ensuring that the energy trade between two neighbours reach its potential.

Mains Perspective

Model questions

Energy trade can help in boosting ties between India and Nepal and can benefit both the nations equally. Discuss

Sources: [The Hindu](#)

Iran's silence on Jadhav baffling - India Iran

While balancing ties with India and Pakistan, Tehran is unhappy over Delhi's growing ties with GCC

Mains : GS 2 International relations.

Background

The lack of investigative support from Iran on the Kulbhushan Jadhav case has raised questions about India - Iran security cooperation, say experts.

India has maintained that Kulbhushan Jadhav had been engaged in "legitimate business" in the Iranian port of Chabahar and was kidnapped by Pakistani agents. However, this part of the Indian narrative can be corroborated only if Iran comes forward with an investigation.

Highlights

- Iran is a strategic partner in India's outreach to Afghanistan and Central Asia
- Iran has not responded to India's request for investigation in the case.
- While India tries to maintain its balanced relationship between the Arab Gulf countries and Iran, Iran also balances its ties with Pakistan with its India connections
- Iran might be uncomfortable with India's growing proximity to Saudi Arabia and the UAE and its non-cooperation on the case of Mr. Jadhav is indicative of a

larger bilateral problem.

- India's growing ties with GCC states are naturally viewed by Iran with some concern.
- Bilateral energy ties between the two nations were not in the best shape because of Iran-India disagreement over a gas field which Iran had promised to India.
- Following pricing issues over the gas field, India has begun to cut gas imports from Iran.

Mains Perspective

Model questions

Examine the importance of India Iran relations in the backdrop of changing economic, strategic, and political relations.

Sources: The Hindu

China Russia Pakistan relationship and concerns of India

Excess focus on bilateralism is leaving India isolated in its larger neighbourhood

UPSC syllabus and relevance of news

Prelims : Current events of national and international importance.

Mains : GS 2 International relations.

Background

The relations between China, Pakistan and Russia are changing with the rise of a China-Pakistan - Russia axis.

Highlights of China Russia Pakistan relationship

- China and Russia are aiming to fill the geopolitical vacuum bound to be created by the U.S. withdrawal from southern Asia.
- China wants to safeguard its investments across the world and for this it is getting more involved in regional conflicts.
- Russia has established strategic ties with Pakistan: from lifting the arms embargo, selling weaponry, discussing the future of Afghanistan, to joint military exercises.
- Pakistan is emerging as favorite to establish ties and is seen as an inevitable lynchpin of Southern Asian geopolitics. The stakes for Pakistan in resolving Afghan issue is high.
- Though Pakistan has consistently used terrorism as a tool of statecraft, and yet there is a recognition today that it is a pivotal state in addressing terror.
- The Afghan reconciliation process is a major focus of this new partnership.
- **West Asian region :** Both China and Russia have been active in the West Asian region.
- **South Asia :** Smaller countries see China as infrastructure provider.

The way ahead

- The emerging partnership between China Pakistan and Russia will diminish U.S.

power in the region and also potentially constrain Indian influence in Central Asia.

- India should not allow a single issue - Masood Azhar issue - to Jeopardize the relations with China
- Though the China-Pakistan Economic Corridor will pass through PoK India should find a via media with China on the issue rather than publicly dismiss the initiative.
- Given that OBOR is a futuristic mega-project, its benefits would eventually bypass India.
- The moves by India could only lead to its further isolation from the world.

Mains Perspective

Model questions

Examine the various dimension of the emerging partnership between China-Pakistan and Russia. How will this partnership going to affect India?

Sources: [The Hindu](#)

Indo-China Relations

Why India won't be at the Belt & Road Summit in Beijing

Prelims : Current events of national and international importance.

Mains : GS 2 India and its neighborhood- relations. Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests

What is the Belt & Road Summit?

1. The Belt and Road Summit is China's first international conference of all the 60-plus countries that have signed up to be a part of the infrastructure corridor also known as the New Silk Route and the One Belt One Road (OBOR) project.
2. China has already allocated a \$40-billion fund for the project.
3. It is made up of railway lines, roads, highways, maritime channels and energy projects that will connect China to places as far as the U.K., essentially for trade in goods and fuel supplies.

Who are attending?

- Russia
- Pakistan
- Myanmar
- Kazakhstan
- Indonesia
- Malaysia
- Philippines.
- Spain
- Greece
- Hungary

- Serbia
- Poland
- Switzerland
- Czechoslovakia
- Italy
- UN Secretary-General Antonio Guterres,
- World Bank President Jim Yong Kim,
- International Monetary Fund Managing Director Christine Lagarde

Why is India refusing to attend?

- India has been wary of China's intentions with the project since it was first invited in February 2014.
- Announcement of \$46 billion for projects in Pakistan to construct the China-Pakistan Economic Corridor (CPEC) which will connect to Xinjiang through parts of Pakistan-occupied Kashmir (PoK).
- India won't be attending the summit unless China clarifies its stand on PoK.

Could India join the B&RI at a later date?

- If India's political and strategic concerns are met, the initiative is seen as viable, particularly given the projects envisaged under the BCIM (Bangladesh-China-India-Myanmar) corridor and the "Asian Highway project" would dovetail into B&RI plans.
- Already, all of India's neighbours (with the exception of Bhutan) are a part of it, and India too is keen to increase connectivity with them.

Prelims perspective

Model questions

Consider the following statements with reference to One belt one road initiative;

1. Pakistan and Bhutan are part of OBOR initiative.
2. CPEC is a part of OBOR initiative.

Which of the above statements is/are correct?

- A. 1 only
- B. 2 only
- C. Both
- D. None

Mains Perspective

Model questions

With reference to India's growing concerns over Chinese hegemonic intentions in South Asia and the 'Indo-Pacific' region, discuss the merits and demerits in joining the OBOR initiative?

Sources: [The Hindu](#)

India EU relationship

Recent developments show that there is room for optimism in India-EU ties

Mains : GS 2 International Relations

Background

While traditionally focussed on economics and culture, today the EU and India are taking bold steps to also deepen the strategic dimensions of their partnership.

India EU relationship - points of contention

- Stalled negotiations over the Free Trade Agreement
- Mutual recriminations on combating climate change
- Divergent positions on Russia's role during the Crimean crisis.

Recent positive developments in relations

- Stronger focus on security cooperation and the adoption of a joint declaration on counterterrorism.
- Resumption of the EU-India summit in 2016.

The way ahead

- EU's new Global Strategy (2010) underlines the "direct connection between European prosperity and Asian security".
- India and European union must address common challenges in their shared extended neighbourhood which stretches from Istanbul to Islamabad and from Moscow to Mauritius.
- resumption of the EU-India summit in 2016,
- Political coordination through an EU-India-Afghanistan trilateral, with regular security consultations to exchange assessments, could be reached.
- EU and India will have to coordinate with China with uncertainty surrounding American commitments
- The EU and India have similar stakes in stronger international institutions and a liberal order.

Mains Perspective

Model questions

Ties between India and European Union is far below its potential. What are the reasons behind this? Give your suggestions.

Sources: [The Hindu](#)

India Iran relationship in the backdrop of US actions

How action of USA will affect India Iran relations

Mains : GS 2 International relations. Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.

Background

Changes in the United States' attitude to Iran could be very serious for India. It can affect oil supplies to India and India's deepening defence relationship with Israel.

The Trump administration is openly and consistently confrontational towards Iran.

India's Iran relationship

- Iran is one of India's largest supplier of crude oil.
- India is purchasing Iranian oil to fill its strategic petroleum reserves (SPR).
- Iran has offered India very favourable terms of trade.
- Iran buys basmati rice and sugar from India, as well as various agrochemicals and petroleum products.
- Substantial expansions in the volume of business are also likely, despite earlier tensions over delayed Indian payments for oil.
- Indian government has taken steps to reassure Indian financial institutions, over the risks they might take in handling Iranian money.
- India and Iran have reached agreement on the expansion of several industrial facilities at the port of Chabahar; the work is to be undertaken mainly by Indian entities.
- A substantial deal between India and Iran is the one under preparation for India to have operating rights in the Farzad B gas field, which lies within Iranian waters in the Persian Gulf.

The way forward

- The prospect of a more aggressive U.S. attitude on Iran, will make India uncomfortable.
- Commercial and military reasons might discourage US taking strong actions against Iran.
- For India, a further point is that while previous U.S. administrations exempted India from certain sanctions over India's continuing oil deal with Iran, the new administration may see the matter differently.
- India should chalk out a strategy to balance the different powers in the region.

Mains Perspective

Model questions

In respect of India-Iran relations, discuss how international factors influence foreign policy

Sources: [The Hindu](#)

Bhutan's exit from the 'BBIN' agreement

What needs to be done as Bhutan government has decided to exit from BBIN Agreement

Mains : GS 2 Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests

Background

Bhutan government has announced that it is not going ahead with the proposed sub-regional motor vehicle agreement BBIN.

Concerns

- The decision by Bhutan comes on the back of severe domestic opposition to the motor vehicles agreement, primarily on fears of vehicular pollution and environmental degradation if trucks from neighbouring countries are given access to Bhutan.

The way forward

- Bangladesh, India and Nepal could move ahead with the deal and Bhutan could join at a later date if possible.
- India must continue with its efforts to improve connectivity with neighbouring countries.
- Bhutan's objections are environmental, not political, and the decision can change.
- Bhutan's concerns may be assuaged if India considers the inclusion of waterways and riverine channels as a less environmentally damaging substitute.
- Bhutan's objections can also be used as an opportunity to improve the emission standards of trucks currently plying in India, Nepal and Bangladesh.

Mains Perspective

Model questions

Connectivity is the new global currency for growth and prosperity as it secures both trade and energy lines for countries en route, and India must make the most of its geographic advantages. Discuss

Sources: [The Hindu](#)

Visa rules poses challenge to Indian IT companies

Stringent visa rules around the world pose the stiffest challenge for Indian IT companies

Mains : GS 2 Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.

Background

A slew of countries, to which India exports its software products have placed stricter rules on their companies getting talent from overseas.

Challenges faced by the Indian softwares industry

- Protectionist policies by several nations.
- Slowing business growth
- Strengthening rupee
- Transition from a traditional model that was based on making money by building custom solutions and undertaking maintenance to one that is cloud-based.

Conclusion

- Some believe that the developed world cannot afford to do away with Indian IT skills.
- Indian government which has proposed TFA in services is concerned and Indian software industry is presently navigating a world with walls.

Mains Perspective

Model questions

How does the protectionist policies adopted by countries like US and Australia affect Indian interests?

Sources: [The Hindu](#)

DID YOU KNOW?

LAST 25 DAYS OF YOUR PREPARATION SHOULD ONLY BE MCQs

14
COMPREHENSIVE
PACKAGE

~~₹2786~~ **now ₹1600**

07
CURRENT AFFAIRS
PACKAGE

~~₹1393~~ **now ₹750**

06
SECTIONALS
PACKAGE

~~₹1194~~ **now ₹750**

33
COMPLETE TESTS
PACKAGE

~~₹6567~~ **now ₹2500**

log on to : www.selflearn.co



GS 3 Indian Economy

Reviving economic growth

For investment resurgence, factors favouring investment should be conducive.

Mains : GS 3 Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Background

The decline in the growth rate has started in 2011-12. The persistence of relatively low growth over a five-year period calls for a critical examination..

Factors affecting Growth

1. The investment rate.
2. The efficiency in the use of capital - The output obtained for a particular input.

How these factor affected growth in India

- Delays in the completion of projects, lack of complementary investments in related sectors and the non-availability of critical inputs led to decreased efficiency in the use of capital
- Policy paralysis - The inability of the government to take policy decisions because of coalition compulsions. I
- External environment - Low growth rate in advanced economies affected exports.

What needs to be done to revive growth rate?

- Raise public investments
- Pursual of reforms to simplify procedures, speed up the delivery system and enlarge competition.
- All viable “stalled” projects must be brought to completion
- Address twin balance sheet problems, clear financial bottlenecks need to be cleared
- Some loss will be inevitable while cleaning up of balance sheet of the bank while wilful defaulters must not go unpunished.

Mains Perspective

Model questions

Investment, as they say, is an act of faith in the future. If there has to be investment resurgence, it is necessary to create the climate which promotes this faith. Comment

Sources: [The Hindu](#)

Bad loan problem and the way ahead

Empowering managements and strengthening governance at public banks can resolve the bad loan problem

Mains : GS 3 Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Background

The total stressed assets — NPAs, restructured loans and unrecognised bad loans — would amount to a staggering 16% of all loans and nearly 20% of loans at PSBs.

Causes of bad loans

- Indian banks gave out large amount of loans during the period of high growth.
- Prolonged slump consequent to financial crisis led to fall in growth and lesser returns.
- Financing of bad loans in the hope that once growth revives cash flows will improve.
- Large number of were lend out so that percentage of bad loans will decrease.

Government interference was cited as the reason for increased bad loans but factors extraneous to bank management and governance are primarily responsible for the problem.

Government's initiatives to reform banking sector

- The government appointed a Bank Board Bureau for selection of top officials in PSBs and for advising banks on restructuring and raising capital.
- The BBB has made little headway.

How the bad loan menace can be solved?

- Creation of bad banks to manage NPAs
- Banks must be empowered to resolve the relatively small number of bad loans.
- An authority must be placed to consider loan settlement proposals submitted by bank officials.
- Loan Resolution Authority by an Act of Parliament can be established to consider write offs.
- The government must provide adequate capital to the banks to cover write-offs and also facilitate fresh loan growth
- Delays in appointments should be ended.
- Revamp the boards of PSBs by bringing in independent directors of high quality.

Conclusion

It is the misplaced condemnation of PSBs that has held up resolution of the bad loan problem. Doing away with majority ownership of government, mergers, creation of a bad bank — all these are non-starters. The way forward is to empower management and strengthen governance at PSBs.

Also Read : [BAD LOAN MENACE](#)

Prelims Perspective

A bad bank sometimes seen in news is

- a. a bank with more than 10 percent of its assets classified as NPA
- b. a public sector agency that specializes in debt recovery
- c. a bank set up to buy the bad loans of a bank
- d. a bank that is on the verge of collapse

Mains Perspective

Model questions

Resolution of bad loans and restoring the health of PSBs is among the biggest challenges the economy faces today. It's a challenge that requires a response on multiple fronts.

Discuss

Sources:The Hindu

Rail Development Authority

The creation of rail development authority is more than a bold reform move, it's a paradigm shift

Mains : GS 3 Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

Background

The government has decided to set up Rail Development Authority for India

Challenges faced by the railways in India

- Facilitating higher non-budgetary investment in the railways.
- The private sector is discouraged due to a monopolistic framework of railways.
- Coming up with a system that de-risks private investment and creates a level playing field
- The raised demand for travel remains largely unmet.
- intertwined.
- that arise from the fact that policy, regulatory and management functions of the railways are
- Decline rates of growth in railway freight revenue and volumes.
- Centralisation of all functions in the Railway Board has proved detrimental to the organisation's growth

What needs to be done

- Use of information technology to deliver traditional services - It can lead to higher levels of efficiency and lower costs, besides adding jobs.
- Ensure that the resources of the system are optimally utilised, overcoming existing inefficiencies
- Regulation of tariffs matching the quality of travel can help raise revenues
- The regulator has to identify sectors that can support higher tariffs and also produce greater volumes of traffic.
- Inducting faster, more comfortable trains on 500 km-plus inter-city routes
- Operate cheaper passenger trains to interior areas, as part of the government's social obligation.
- Technology upgrades to raise carrying capacity, service frequency and speeds.

Conclusion

Rail reform is complex and what was undertaken in Europe during the 1990s, separating infrastructure from operations, is an interesting model: sequential measures

achieved sustainable results, rather than a package of changes introduced at once. An independent, empowered regulator could be the paradigm shift that is needed.

Mains Perspective

Model questions

The establishment of Rail development authority can pave the way for professional management of Railways .Discuss

Sources: [The Hindu](#) [The Hindu](#)

The issues associated with farm loan waiver.

Mains : GS 3 Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Background

- The decision made by the Uttar Pradesh government to write off farm loans can cause several problems.
- Madras High Court had earlier instructed Tamil Nadu government to extend a similar farm loan waiver scheme for small farmers.

The decision came after India had a good monsoon season which is expected to boost farm incomes.

The issues

- The decisions could trigger a countrywide clamour for similar debt relief packages.
- Political parties might resort to make grand promises before polls offering loan waiver.
- The decision by Madras High Court may be cited by other court to provide relief to farmers.
- Frequent write offs may lead to banks investing in rural infrastructure rather than in farm loans which can lead to emergence of moneylenders

Conclusion

Writing off loans as a blanket policy, without scrutiny and restructuring attempts creates a moral hazard for borrowers, who will have no incentive to stick to credit discipline. Instead the government must try to make agriculture a sustainable economic activity with efficient linkages to formal markets.

Mains Perspective

Model questions

Writing off loans as a blanket policy, without scrutiny and restructuring attempts creates a moral hazard for borrowers, who will have no incentive to stick to credit discipline. Instead the government must try to make agriculture a sustainable economic activity with efficient linkages to formal markets.Discuss

Sources: [The Hindu](#)

Decreasing Gold Consumption In India

India has witnessed low demand for gold in 2016. Structural changes in the economy are undermining the reasons to buy bullion

Mains : GS 3 Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Background

India's gold demand plummeted to a seven-year low in 2016, as per the data from World Gold Council (WGC). Indian gold buying has been heading down for at least four years now.

Reasons for decreased gold demand in 2016

- The jewellers' strike,
- The income disclosure scheme
- Withdrawal of high-value currency notes

Major reasons for decreased demand of gold in the long run

1. Gold's allure as an investment is fading. Indians view gold as an investment first.
2. Structural changes in the economy : Between 2013 and 2017, the Sensex has climbed 54% while gold has declined by 5% in rupee terms. Investors have thus shifted their loyalties.
3. Government's crackdown on unaccounted money and the PAN card requirement for big jewellery purchases.
4. Less temptation to buy gold as an inflation hedge. Indians used to buy gold as an inflation hedge to shield their savings.
5. Demographic shift : The young generation views jewellery as just another consumer item.
6. Preference of lightweight ornaments.

Mains Perspective

Model Questions

- Craze for gold in Indians has led to a surge in import of gold in recent years and put pressure on balance of payments and external value of rupee. In view of this, examine the merits of the Gold Monetization Scheme [*UPSC Mains 2015*]

Sources: [The Hindu](#)

Review of FRBM Act

The Fiscal Responsibility and Budget Management (FRBM) Review Committee has called to review the fiscal responsibility law.

Mains : GS 3 Government Budgeting.

Background

The Fiscal Responsibility and Budget Management (FRBM) Review Committee has called to review the fiscal responsibility law.

Recommendations made by the committee

The expert committee recommended to review the Fiscal Responsibility and Budget Management (FRBM) Act of 2003

Issues with unsustainable borrowing by the government.

- Excessive and unsustainable borrowing by the government entails a cost on future generations while crowding out private investment.
- In the past, fiscal irresponsibility has cost jobs, spiked inflation, put the currency in a tailspin and even brought the country to the brink of a default.
- Irrational public spending on borrowed money in the late-1980s led to possibility of defaults.

The way ahead

- The committee's proposal to maintain the 3% target for fiscal deficit is pragmatic
- Focussing on cumulative public debt and bring it down to 60% of GDP by 2023
- A clear fiscal policy framework in tandem with the monetary policy framework already adopted could act as a powerful signal of commitment to macroeconomic stability. The Enact a new debt and fiscal responsibility law.
- Creation of a Fiscal Council with independent experts to judge on need for deviation from targets.
- Stats government should also be on the path of reforms as the 60% debt target includes 20% on their account.

FRBM Act

- The FRBM law enacted in 2003 had originally envisaged attaining a fiscal deficit of 3% of GDP by 2008-09, but amendments over the years had revised the year for achieving the same target to 2017-18.
- The N .K Singh led committee was set up to comprehensively review and give recommendations on the FRBM roadmap for future.

Sources: [The Hindu](#) [The Hindu](#)

Challenges faced by the state governments in achieving the debt ceiling of 20% by 2023 and the way forward.

Mains : GS 3 Government Budgeting.

Background

- The Fiscal Responsibility and Budget Management (FRBM) Review Committee report, has preferred a debt to GDP ratio of 60% for the general government by 2023, comprising 40% for the Central government and 20% for the State governments.
- While the Central government may be able to achieve its target of 40% debt state governments might not be able do so.

Challenges before state government

1. The role of exogenous factors in fiscal corrections of the States. The prudent fiscal conduct of states till FY13 was due to external factors rather than improved

management.

2. Recent marked deterioration in fiscal health of the States. The Fourteenth FC enhanced the borrowing limits up to 0.5% of GSDP for the States. This was conditional on debt to GSDP ratio being less than or equal to 25% and/or interest payments being less than or equal to 10% of the revenue receipts in the preceding year. The fact that only six States in FY17 were eligible for enhanced borrowing is indicative of States' decaying fiscal prudence.
3. The recent spate of farm loan waivers is a symptom of deteriorating State finances.

The way forward

1. Central government can invoke constitutional provisions that make it mandatory for a State to take the Central government's consent for raising any loan if the former owes any outstanding liabilities to the latter.
2. Prudent fiscal management initiatives should be incentivized.
3. There must be symmetry between the cost of borrowing and the quality of financial governance.
4. Fiscally healthy States should be enabled to attract higher investments at lower costs.
5. Transparent accounting practice should be introduced. Several reports point out that the current stock of State debt could be an underestimation.
6. Quality of expenditure must be improved. The share of State's revenue expenditure in total expenditure has remained around 80% and States' non-developmental expenditure has risen by over 50% in three years.
7. Fiscal discipline must be used as a criteria to determine tax shares of different states, It was used as a criterion for tax devolution by Eleventh, Twelfth and Thirteenth Finance Commissions. The Fifteenth Finance Commission could consider restoring this practice.

Prelims Perspective

Budget related questions were asked in the preliminary examination several times. To see how questions can come from this portion visit our [IAS preparation page](#).

Mains Perspective

Model questions

What were the reasons for the introduction of Fiscal Responsibility and Budget Management Act, 2003? Discuss critically its salient features and their effectiveness. 200 words. **[UPSC Mains 2013]**

Sources: [The Hindu](#)

Jewellery manufacturing in India

Jewellery manufacturing in India, which dates back over 2,000 years, is being given an

impetus to enable India emerge as a leading exporter of gold and diamond jewellery in the world.

Mains : GS 3 Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Background

- India aims to achieve \$60 bn. of annual gems & jewellery exports in 5 years, from \$35 bn. now
- Government aims to achieve more than 50% of the jewellery exports market across the globe.

Diamond and jewellery export industry in India

- Jewellery exports from India are growing by 5-10% a year.
- India has a strong base in jewellery manufacturing and a lot of workers are engaged in this business.
- Jewellery export has tremendous potential. Apart from the Middle East, European and American markets are reviving which is a good sign to achieve higher export growth.

What needs to be done

- Skill development of artisans to cater to the demands of export market.
- **Infrastructure development** : India needs to go for large scale production of jewellery through machines to cater to the global demand.
- **Value addition** : Indian diamond exporters are planning to reduce exports of cut and polished diamond pieces and focus more on shipment of value-added products.
- **Branding of jewellery** : Indian jewellers are now planning to shift from unbranded to branded jewellery for higher value realisation.

Currently, Indian jewellery manufacturers are primarily shipping out unbranded products to overseas importers who then tag these products with their own brand and charge a premium from buyers.

Mains Perspective

Model Questions

- The export potential of Jewellery and diamond market has not been exploited fully by the government. What might be the possible reasons behind this? Give your suggestions

Sources: [The Hindu](#)

Data Exclusivity

The problems associated with granting data exclusivity for clinical trials

Mains : GS 3 Issues relating to intellectual property rights.

Background

- The IP standards across the world have been steadily expanding beyond WTO

requirements.

- The move to grant Data exclusivity over clinical trial data could undermine access to medicines.
- Developed countries, on behalf of their pharmaceutical lobbies, seek data exclusivity in developing countries

What is data exclusivity?

- Data exclusivity grants exclusivity over clinical trial data submitted by drug companies to the regulatory authorities for market approval
- Data exclusivity prevents drug regulators from relying on data submitted by an originator company relating to a drug's safety and efficacy while approving bioequivalent versions of the same drug.
- If data exclusivity is granted then generic companies would then be required to repeat the entire cycle of clinical trials already conducted instead of merely establishing bioequivalence to prove efficacy.

Why data exclusivity should not be given?

- Apart from the financial costs, repeated clinical trials on human subjects raise ethical and moral concerns.
- It is an absolute protection granted without any institutional check such as opposition and revocation as available in other forms of IP and ends up as an irrevocable exclusivity to the originator.
- Extending IP-like protection to clinical observations – the primary objective of data exclusivity – will open a window to claim exclusivity in a subject matter traditionally excluded under patent law.
- Offering IP-like exclusivity solely on the basis of money spent in regulatory testing will set a bad precedent for other industries that may now claim an IP when there is none.

Conclusion

The argument that clinical trial data needs exclusivity in the light of the money expended is an untenable one. It will only lead to increased prices of drugs

Mains Perspective

Model questions

The paucity of patents and innovation in India is a larger ecosystem issue, related to the standards of science and technology education. To attribute inadequate R&D to a weak patents system would be a gross oversimplification. Comment

Sources: [The Hindu](#)

The issues related to prescribing generic medicines.

Mains : GS 2 Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

Background

Government is asking doctors to prescribe generic medicines instead of brand name of the drug to make healthcare affordable for all.

Concerns regarding government move

- Pharmacists may give expensive drugs to patients thus defeating the whole purpose of doctors prescribing generic medicines.
- Quality of generic medicines available in India. Substandard drugs are a dangerous problem, especially in government-run hospitals.
- Government's own survey on quality of drugs in India shows that 10% of all drugs from 'government sources' tested NSQ, or not of standard quality.

The way ahead

- A legal mechanism must be put in place to ensure that all generics are equally efficient as the innovator products.
- The government should require companies to self-certify their drugs to indicate whether they are in fact bioequivalent.
- Drug regulators must publicise data about substandard drugs to the public. India has 36 drug regulators – one for each State/Union Territory and the Central regulator.
- Publicising information related to drugs will help hospital procurement officers, pharmacists and patients.

Mains Perspective

Model questions

While the promotion of generic drugs will go a long way in ensuring that healthcare becomes affordable to all more needs to be done to ensure quality of generics in India.

Comment

Sources: [The Hindu](#)

Reasons behind strong performance of India stock markets and concerns.

Mains : GS 3 Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Background

Both BSE and NSE Nifty reached all time highs.

Factors that favoured Indian stock markets

- Strong fund inflows from foreign institutional investors (FIIs)
- Strengthening of the rupee.
- Waning concerns over the election results in France.
- U.S. President Donald Trump's anticipated tax reforms.
- Allaying of concerns about the long-term impact of demonetisation

Concerns faced by the investors

- Corporate earnings, which determine equity returns in the long run, have been lacklustre. The implementation of the Goods and Services Tax is expected to

dampen earnings in the near term,

- Absence of recovery in capital expenditure
- The impact of the strengthening rupee on corporate earnings.

Sources: [The Hindu](#)

GS 3 Environment and Ecology

The shift towards renewable energy and its effects on coal projects.

Mains :GS 3 Conservation, environmental pollution and degradation, environmental impact assessment.

Background

- The capacity addition in renewable energy sector has seen record rise.
- Solar and wind tariffs fell to historic lows.

Factors which hindered the growth of renewable energy

1. High cost of wind and solar power.
2. Intermittency- power could be produced only when wind blows or when the sun shines.

Factors which are aiding the growth of renewable energy sector

1. Policy factors : giving assurance that power will be purchased and payment will be made without delay
2. Rapid strides that storage technology, coupled with the grid operator's growing ability to manage the intermittency with the use of software

What lies ahead

- Globally the costs of storage have been coming down.
- Software-aided smart grid management will help in efficient utilisation of energy

Implications on coal industry

- Coal is today India's energy mainstay.
- No large investments are coming up in Coal power plants. Recent investments have not been remunerative for the investors.
- Falling of demand for coal.
- It has major implications on the long-term prospects of companies such as Coal India, BHEL and NTPC.
- Companies which are planning to make long-term investments in coal mines and coal-fired power plants will be forced to re-think their plans.

Conclusion

The shift from coal to renewables is tectonic, disruptive. The astonishing fall in the prices of renewable energy may have just rung-in the beginning of the end for coal. Coal

will be still needed in the short run for energy security, but its need will diminish.

Mains Perspective

Model questions

To what factors can the recent dramatic fall in equipment costs and tariff of solar energy be attributed? What implications does the trend have for the thermal power producers and the related industry? *[UPSC Mains 2016]*

Sources: [The Hindu](#)

Measures that are to be taken to mitigate the effects of Heat waves.

Mains : GS 3 Disaster and disaster management.

Conservation, environmental pollution and degradation, environmental impact assessment.

Background

India is presently witnessing heatwaves and it may become more frequent in the coming years. Also its impact is likely to grow stronger.

Issues faced by India

- Crop failures
- Disruption of electricity supply
- Health issues
- Heat strokes

What the authorities had done?

- The National Disaster Management Authority is guiding States, in partnership with the India Meteorological Department, to evolve heat action plan protocols.
- The response to distress caused by excessive heat has to be both speedy and professional.

What needs to be done?

- Better meteorological forecasting can provide an early warning
- Better communication regarding weather changes.
- Giving precautionary measures.
- Preparing the health system
- Reviewing school timetables, rescheduling work timings
- Making water widely available
- Reserving religious sites and libraries as cooling centres.

Long term

- Creating green and blue urban spaces to provide tree shade and higher moisture
- Adoption of housing design that cuts heat through the albedo effect
- It is essential to study the efficacy of heat action plans and share the results across States to achieve best practices.

Mains Perspective

Model Questions

- How important are vulnerability and risk assessment for pre-disaster management? As an administrator, what are key areas that you would focus on in a Disaster Management System? **[UPSC Mains 2013]**
- Drought has been recognized as a disaster in view of its spatial expanse, temporal duration, slow onset and lasting effects on vulnerable sections. With a focus on the September 2010 guidelines from the National Disaster Management Authority (NDMA), discuss the mechanisms for preparedness to deal with likely El Nino and La Nina fallouts in India. **[UPSC Mains 2014]**

Sources: [The Hindu](#)

Wind power energy in India

Mains :GS 3 Conservation, environmental pollution and degradation, environmental impact assessment.

Background

For the first time, wind power installations (windmills) crossed the 5 Gigawatt mark, to reach 5,400 MW in 2016-17. The current year might see installations of 6 GW.

Future of Wind energy in India

- **Pricing :** In the first-ever auctions of wind power capacity, the price at which windmill owners would sell electricity to distribution companies fell to a record low of ₹3.46 a kWhr, (Normally, wind power prices are fixed by the various state electricity regulatory commissions.)
- **History :** Though wind Industry has been around since the late 1980s it existed only in Tamil Nadu and in the last decade it spread to several other states.
- Electricity supply companies are bound by law to buy a portion of their needs from wind and solar sources now.
- **The Flip side :** Competition might hammer prices down, benefits under several schemes for wind power developers are being cut back by the government.
- **Importance of the sector :** India, has the fourth biggest capacity in the world, after China, the U.S. and Germany. The national target is 60 GW by 2022.
- Wind accounts for 10% of India's total power capacity of 3.2 lakh MW; and 4% in terms of electricity produced.

Mains Perspective

Model questions

To what factors can the recent dramatic fall in equipment costs and tariff of solar energy be attributed? What implications does the trend have for the thermal power producers and the related industry? **[UPSC Mains 2016]**

Sources: [The Hindu](#)

Carpooling for reducing air pollutions

High-occupancy toll lanes will combat air pollution and foster a more disciplined

driving culture

Mains : GS 3 Conservation, environmental pollution and degradation, environmental impact assessment.

Background

Air pollution in India causes at least a million deaths annually. The main causes of air pollution are increasing road traffic and factory pollutants, and crop and waste burning. The Delhi government despite undertaking several measures to curb air pollution witnessed a rise in air pollution.(most of the measures were temporary)

A possible solution - Creation of high-occupancy toll lanes or HOT lanes

This refers to reserving one or more lanes on selected roads and highways for cars carrying more than a single occupant.

Benefits

- HOT lanes will be faster as single-occupancy vehicles will be restricted to the remaining lanes.
- The model has been successfully implemented in U.S.
- It will incentivise carpooling

Challenges

Given India's peculiar disregard for lane-driving, the implementation of HOT or HOV lanes seems to be a long shot.

The way ahead

- Effective implementation of HOT lanes can lead to fostering a more disciplined driving culture.
- HOT lane commuters could be charged lower toll.
- Introduce a differential toll treatment for less polluting and higher occupancy vehicles. Moreover, electric cars or battery electric vehicles should be completely exempt from the toll.
- This will not only incentivise people to regularly check their vehicle's pollution, but will also help reduce air pollution.

Mains Perspective

Model questions

The issues relating to worsening air quality and associated health risks have occupied the headlines of the newspapers recently. Discuss briefly various policy initiatives undertaken by the government to curb pollution and examine how far it have been able to achieve its objective

Sources: [The Hindu](#)

Human animal conflicts

In human-animal conflicts, there is little reflection on the role of people in inciting a wild animal

Mains : GS 3 Conservation, environmental pollution and degradation,

environmental impact assessment.

Background

Several cases of human animal conflict cases are emerging from different parts of the country. In several instances animals that strayed into human settlements were killed by the mob.

The causes behind human animal conflicts

- Several cases of human animal conflict are the result of improper handling of the situations.
- When a wild animal is spotted the gathered crowd often provokes it.
- No precautions are taken by crowd spotting the animal and the mob takes things into its own hand.
- People camping in the wild areas are not provided with protocol, proper toilets, or monitoring to avoid work in the early morning or late night, and to move about only in groups.

What needs to be done

- Proper cordoning off of areas when wildlife comes close to people.
- Animal capture should be done by professionals with full police involvement
- Investigations and action against groups should be initiated that deliberately incite a panicked wild animal.

Mains Perspective

Model questions

Examine the reasons behind increased man-animal conflicts in India. What all things should be done to minimize the human animal conflict?

Sources: [The Hindu](#)

The issues associated with the melting of ice and sea level rise.

Mains : GS 3 Conservation, environmental pollution and degradation, environmental impact assessment.

Background

Unprecedented rates of glacier melts have been reported both in the Antarctic and the Arctic.

Reasons behind sea ice melting

- Global warming, increase in concentration of greenhouse gases
- **Rise in concentration of pollutants** : Several pollutants in the glacier reduces the sunlight that can be reflected by it. This causes glaciers to absorb more heat causing sea ice to melt.

After Effects

- Rising sea levels.
- **Inundation of low lying areas and small islands** : many large and densely populated cities are located along the coast and in low-lying deltas.

- Coastal erosion and flooding from sea level rise.
- For India the east coast, especially certain low-lying districts, are extremely vulnerable to **intensive storms**, which then lead to **flooding, saltwater intrusion**, and **loss of land and livelihoods**.

What needs to be done

- Enforcing the coastal regulation zone,.
- Protecting vulnerable districts and most vulnerable communities which rely on ecosystems and the sea for their livelihoods .
- Regional agreements related to refugees from climate effects need to be initiated.

Mains Perspective

Model questions

What are threats posed by the rising sea level to the communities across the world?

What are the precautions to be taken to address these issues?

Sources: [The Hindu](#)

GS 3 Science and Technology

More robots, fewer jobs?

Despite India being one of the fastest growing economy unemployment levels among the youth remains high.

Mains : GS 3 Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology

Background

Despite India being one of the fastest growing economy unemployment levels among the youth remains high. Addressing the employment issue remains a challenge as technological advancements in Robotics and artificial intelligence are leading to replacement of humans from jobs.

The issues

- Currently, various automation technologies are in the process of overhauling the mass employment-generating but low-skilled blue-collar labour markets.
- The World Economic Forum's estimate that automation threatens almost 69% of the existing jobs in India.
- Machines are systematically cutting down the workforce requirements in the principal labour-generating agricultural, manufacturing and services sectors.
- A majority of the jobs absorbing our labour requirements will be ones that do not currently exist.

Conclusion

If the majority of the jobs in future are going to come from the services sector it is

imperative that skills are imparted to the population to ensure the creation of a market ready workforce. Skill India mission's success will be of vital importance in this context.

Mains Perspective

Model questions

What are the areas of prohibitive labour that can be sustainably managed by robots? Discuss the initiatives that can propel research in premier research institutes for substantive and gainful innovation. *[UPSC Mains 2015]*

Sources: [The Hindu](#)

GS 3 Security Issues

Dealing with the extremist elements in Central India.

Mains : GS 3 Linkages between development and spread of extremism.

Role of external state and non-state actors in creating challenges to internal security.

Background

- The Maoist rebels killed twenty five CRPF personnel in an attack recently.

Issues

- Poor intelligence gathering,
- Lack of coordination between state police and paramilitary forces.
- The recent attack raises questions about standard operating procedure and precautions adopted by CRPF.
- The state police have almost abdicated their responsibilities in the Maoist affected region to paramilitary forces.

What needs to be done

- Extend presence of administration in Bastar.
- Break isolation of people.
- Strengthen expand and arm the state police.

Conclusion

The government must address concerns relating to people's security, welfare needs and extractive state policies to win over people in the long run to effectively curb the problems caused by Maoists.

Mains Perspective

Model questions

The persisting drives of the government for development of large industries in backward areas have resulted in isolating the tribal population and the farmers who face multiple displacements with Malkangiri and naxalbari foci, discuss the corrective strategies needed to win the left wing extremism (LWE) doctrine affected citizens back into the mainstream of social and economic growth. *[UPSC Mains 2015]*

Sources: [The Hindu](#)

GS 4 Ethics

The ethics behind sting operations.

Mains : GS 4 Ethics in human actions

Background

- The resignation of Kerala minister following a sting operation turned the spotlight on the privacy vs public interest.
- The Minister purportedly sought sexual favours from a woman who had come to him for assistance.

Ethics of sting operations

- Any sting operations which violates the trust and privacy of the interviewee's must serve a larger public interest that far outweighs such violation
- It should be used as last resort.
- Stings were never intended to entrap or induce people into committing wrongdoing as in the recent case.
- Publications and broadcasters should explain the vital public interest for conducting sting operations.

Conclusion

Journalists count on the reader's goodwill to legitimise sting operations. Sting operations should not be used to grab attention with private content or making a point to shock the viewer or reader. Doing so risks eroding that goodwill and leaving journalists facing harsh charges, often deservedly so.

Mains Perspective

Model questions

The existence of media and journalism is vital for a democracy to function. But too much competition between media houses has led to erosion of values in journalism and media. Should the media be regulated? Explain

Sources: [The Hindu](#)



UPSC CURRENT AFFAIRS

PACKAGE

★★★★★

GET DONE WITH CURRENT AFFAIRS BEFORE

18TH JUNE 2017

700 CURRENT AFFAIRS QUESTION

FROM JAN 2016 to MAY 2017

COMPETE WITH OVER 6000 CANDIDATES



QUESTION BASED ON:

THE HINDU
BL
DOWN TO EARTH
ECONOMIC SURVEY
PIB
INDIA 2017
BUDGET
YOJANA

log on to : www.selflearn.co

