

AROUND-U

GIST OF EDITORIALS

JULY-2017



SELFLEARN

www.selflearn.co

GS 2 Indian Polity and International Relations	3
Parliamentary proceedings	4
Protecting prisoners: Prison reforms	5
Parliamentary privileges	6
Gender empowerment	6
Domestic work regulation	8
NEET and Tamil Nadu	9
Extra Judicial Killings in Manipur	10
H1N1 returns: what can be done to control the virus	12
Digital trade, Digital Data	13
Data protection and Privacy	14
Maharashtra's law against social boycott	15
Challenges in telecom sector	15
Gorkhaland agitation	16
Railway passenger service	17
Supreme Court's ruling on POSCO Act	18
Privatisation of select services in hospitals	20
Hydrocarbon Exploration and Licensing Policy (HELP)	21
GS 2 International Relations	22
India Iran	22
Mr. Modi in Israel: India Israel	22
G20 meet	23
India-China stand-off	24
Australia and India: partners in regional security and prosperity	25
BITs with Israel	26
RCEP negotiations	27
Disqualification of Nawaz Sharif	27
GS 3 Indian Economy	28
Adoption of GST	28
Air India disinvestment	30
Food wastage	30
After globalisation's promise	31
Inflation rate	32
Sovereign gold bond scheme	34
GS 3 Environment and Ecology	36



SELFLEARN'S GIST OF HINDU EDITORIALS – JULY 2017

Climate-proofed and inclusive - Climate Change and Poverty	37
Sardar Sarovar dam protests	39
Assam floods	40
ONGC - HPCL merger	41
Environment vs Development	42
GS 3 Science and Technology	43
Electric vehicles	43
GS 3 Security Challenges	44
Kashmir unrest	44

GS 2 Indian Polity and International Relations

Parliamentary proceedings

Reform is urgently needed to make Parliament more productive and responsive

Mains : GS 2 Parliament and State Legislatures – structure, functioning, conduct of business, powers & privileges and issues arising out of these.

The issues regarding Parliamentary proceedings in India

- Parliamentary debates are now more about local problems.
- Low attendance by Members of Parliament (MPs).
- Poor quality of debates
- In the last decade, Lok Sabha has met for an average of 70 days a year. Its productivity in the 2016 winter session was 14%, while that of the Rajya Sabha was 20%.
- Underrepresentation of women. The Lok Sabha and the Rajya Sabha have not seen women MPs cross the 12% mark.
- Passing of bills in a haphazard manner without conducting proper debates *In 2008, for instance, 16 Bills were passed with less than 20 minutes of debate.*
- Till date, only 14 private member bills have been passed.
- Anti-Defection law punishes MPs who deviate from their party's' stated position, with the risk of losing their seats.
- Most MPs have limited or no research staff, leaving them bereft of expert in-house advice

The way forward

A systematic approach to legislative engineering and prioritisation is the need of the hour.

- National Commission to review the working of the Constitution recommended 120 and 100 days for the Lok Sabha and Rajya Sabha, respectively as a minimum mandated number of days to meet.
- The passage of the Women's Reservation Bill (108th amendment) reserving 33% of all seats in Parliament and State legislatures for women will improve women's representation.
- The parliamentary committee, should assume institutional importance, as such committees offer a place to raise issues in the general public interest and conduct advocacy amidst legislative engineering.
- A constitution committee should be constituted to conduct an appropriate prior scrutiny of constitutional amendment bill.

- The Anti-Defection law needs to be recast, and used only in the most exceptional circumstances, while allowing MPs free reign on their self-expression.
- Investing in Parliament's intellectual capital is necessary and additional budgetary support should be provided to towards this cause and assisting MPs in employing research staff.
- An institutionalised process to raise the quality and rigour associated with the budget scrutiny process.

Mains Perspective

Model questions

Parliament should be a space for policy and not for politics. We need to undertake reforms to ensure that it is recast as such. Discuss

Sources: [The Hindu](#)

Protecting prisoners: Prison reforms

Prison reforms must be directed at securing the rights of inmates

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 focus of public and judicial concern over the situation prevailing in Indian prisons has in recent times been related to overcrowding and long spells of incarceration faced by indigent inmates too poor to obtain bail.
- A woman life convict was murdered in Byculla women's prison in Mumbai which has brought the focus on custodial violence, especially the vulnerability of inmates to authoritarian behaviour.

The issues

- Discontent over the prevailing conditions, and an intense animus between the guards and the inmates, were behind the killing of the woman convict and rioting that followed.
- The issues in the jail range from prisoners' rights, health, hygiene and access to legal aid, to the condition of women inmates and their children.

The way forward

- The management of prisons must be marked by firm discipline, but also due regard to be given to the human rights of prisoners.
- Prison reforms are not only about improving amenities and conditions; they must also address the prisoner's right to life.

Mains Perspective

Model questions

Prisons are not meant to be punishing centres, rather they should reformation centres.

Discuss

Sources: [The Hindu](#)

Parliamentary privileges

The balance between fundamental rights and parliamentary privilege must be re-examined

Mains : GS 2 Parliament and State Legislatures – structure, functioning, conduct of business, powers & privileges and issues arising out of these.

Background

- Parliamentary privileges originated in Britain as a safeguard against kings using their power to get members of parliament arrested for speaking against them.
- The case of the Karnataka Assembly imposing fines and imprisonment on two journalists for breaching parliamentary privileges once again revived the debate about the need for codifying privileges and giving primacy to a citizen's right to free speech over legislative privileges.

The issues

- Parliamentary privileges are not yet codified.
- The legislators have the power to be the sole judge to decide what their privileges are, what constitutes its breach, and what punishment is to be awarded in case of breach.
- The codification of privileges is basically resisted because it would make the privileges subject to fundamental rights and hence to judicial scrutiny and evolution of new privileges would not be possible.

Constitutional provisions : Articles 105 and 194 clearly lay down that the “power, privileges and immunities of the legislature shall be as may from time to time be defined by the legislature, and until so defined, shall be those of the House of Commons”.

The way forward

- The Constitution Review Commission headed by Justice M.N. Venkatachaliah had recommended that privileges should be defined and delimited for the free and independent functioning of the legislatures.
- There is an urgent need to have a fresh look at the vexed question of freedom of press vis-à-vis legislative privileges.

Mains Perspective

Model questions [*UPSC Mains 2014*]

The ‘Powers, Privileges and Immunities of Parliament and its Members’ as envisaged in Article 105 of the Constitution leave room for a large number of un-codified and un-enumerated privileges to continue. Assess the reasons for the absence of legal codification of the ‘parliamentary privileges’. How can this problem be addressed?

Sources: [The Hindu](#)

A must [read](#) on Parliamentary Privileges

Gender empowerment

A Bill seeks to integrate transgender persons into the mainstream

Mains : GS 2 Social Justice

Background

- A Supreme Court's judgment three years back had asked the government to take steps for the welfare of transgender persons and to treat them as a third gender for the purpose of safeguarding their fundamental rights.
- An effort to bring transgender persons out of the shadows is on with the Kochi Metro, followed by the Chennai Metro, hiring them in their workforce.

The issues

- The Transgender Persons (Protection of Rights) Bill, 2016 which attempts to bring the community into the mainstream is still pending in Parliament.
- The Bill does not address the issue of Section 377 of the Indian Penal Code.
- The definition of a 'transgender person' is left vague in the bill
- **Other issues :** Transgender persons face problems ranging from social exclusion to discrimination, lack of education facilities, unemployment, lack of medical facilities, to name a few.

What does the bill contains?

- The Bill seeks to define and provide recognition to transgender persons.
- It prohibits discrimination against transgenders
- It ensure inclusive education
- It creates a statutory obligation on public and private sectors to provide them with employment
- It recognises their right to "self-perceived gender identity".
- It also seeks to issue a certificate of identity to transgender persons
- It provides for a grievance redressal mechanism in establishments and to establish a National Council for Transgenders.
- The Bill makes the government responsible for chalking out welfare schemes and programmes which are "transgender sensitive, non-stigmatising and non-discriminatory".
- The Bill recognises the rights of transgender persons to live with their families, not to be excluded from such households and enjoy and use the facilities of those households in a non-discriminatory manner.

Prelims perspective

Model questions

With regard to The Transgender Persons (Protection of Rights) Bill, 2016 which of the following statements is/are correct?

1. The bill does not define the term transgender
2. It also seeks to issue a certificate of identity to transgender persons

Select the correct answer using the code given below.

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

Mains Perspective

Model questions

What are the socio cultural factors that stand in the way of enactment of The Transgender Persons (Protection of Rights) Bill? Explain why the bill is a step in the right direction towards ensuring fundamental rights to all.

Sources: [The Hindu](#)

Domestic work regulation

We need a legislation to regulate domestic work

Mains : GS 2 Social Justice **GS 3** Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Background

- Domestic workers are being made to fill up police verification forms and submit them to the nearest police station in Delhi.
- While domestic workers are sought of several information no such information is sought from their employers despite the fact that domestic help in several instances are abused by their respective employers

The issues faced by domestic workers

- Cases of torture, beatings, sexual assault, and incarceration are common.
- No other category of workers is required to register themselves with the police.
- No labour laws apply to domestic work.
- Domestic workers can be hired and fired at will. The employer has no legally binding obligations.
- India has only two laws that, in a roundabout way, that construe domestic helps as workers - The Unorganised Workers' Social Security Act, 2008, (UWSSA) and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 - and neither of these recognises domestic helps as rights-bearing workers.
- Domestic work as an economic activity is too vast and employs too many to remain unregulated.
- Most of the domestic workers are from vulnerable communities – Adivasis, Dalits or landless OBCs and nearly all of them are migrant workers and an overwhelming number are women.

The way forward

- Recognition of domestic help as rights bearing workers is a necessary pre-condition for state regulation.

- A *draft* National Policy for Domestic Workers exists which calls for promoting awareness of domestic work as a “legitimate labour market activity”, and recommends amending existing labour laws to ensure that domestic workers enjoy all the labour rights.

The Domestic Workers Regulation of Work and Social Security Bill, 2016

- The Domestic Workers Regulation of Work and Social Security Bill, 2016 submitted by The National Platform for Domestic Workers calls for the compulsory registration of the employer and the employee with the District Board for regulation of domestic workers.
- It mandates the collection of cess from the employer for the maintenance of a social security fund for domestic workers
- This framework achieves both the objectives of police verification – security, and documentation of identification data.

Mains Perspective

Model questions

To view domestic workers as a security threat is but another way of denying them the status of workers. The policy mind-set regarding domestic workers must shift from a law-and-order paradigm to one about workers' rights. Discuss

Sources: [The Hindu](#)

NEET and Tamil Nadu

Tamil Nadu's quota for medical students was unlikely to survive judicial scrutiny anyway

Mains : GS 3 Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

Background

- A Madras High Court verdict struck down the Tamil Nadu government order that had earmarked 85% of seats in undergraduate medical and dental courses for students from the State Board
- Earlier it was laid down by law as well as by the Supreme Court that the National Eligibility-cum-Entrance Test will be the sole basis for admission to medical courses

Tamil Nadu had abolished entrance tests in 2006, and since then has been admitting students based on their marks in the qualifying school examination.

Concerns regarding NEET

1. Children from rural and underprivileged backgrounds and those who cannot afford coaching centres may find NEET difficult to crack.
2. The government may not get committed doctors to serve in rural areas if most of the seats are cornered by CBSE students.
3. If a NEET-based merit list is drawn up, 72% of medical seats in government

colleges and government quota seats in private colleges would go to CBSE school students.

4. Tamil Nadu is able to run its network of hospitals efficiently mainly because of a recruitment policy that gives weightage to service candidates in post-graduate medical admissions.
5. Uniformity may not be the answer in a country with regional, economic and linguistic disparities.

Remarks

NEET may be an answer to rampant commercialisation of medical education, but it should not be at the cost of the government's socio-economic goals. A flexible admission policy that gives some leeway to the States and meets the triple goals of fairness, transparency and freedom from exploitation in admissions is what we need.

Mains Perspective

Model questions

1. Are the standardized tests good measures of academic ability or progress?
[UPSC Mains Essay 2014]
2. Education without values, as useful as it is, seems rather to make a man more clever.*[UPSC Mains Essay 2015]*
3. Credit – based higher education system – status , opportunities and challenges
[UPSC Mains Essay 2011]

Sources: [The Hindu](#)

Extra Judicial Killings in Manipur

The SC rightly rules that extra-judicial killings cannot be overlooked owing to lapse of time.

Mains : GS 3 Security challenges and their management in border areas. Linkages of organized crime with terrorism **GS 2** Social Justice

Background

- The Supreme Court has ordered investigation by CBI into more than 80 cases of suspected extrajudicial killings in Manipur.
- These cases involved either suspected fake encounters or the use of excessive or retaliatory force.
- The court has taken the view that the killing of a person who was possibly innocent cannot be overlooked owing to mere lapse of time.

The issues

- AFSPA has contributed to the climate of impunity in States where it is in force
- The situation under AFSPA is so hostile to the concept of human rights that in many of these cases there was no inquiry at all.
- In some instances, the First Information Report was against the victim.
- The probing of these incidents may be difficult for the CBI.

- The National Human Rights Commission has been reduced to a “toothless tiger” and is grossly understaffed despite its increasing workload.
- Many State governments show little respect for NHRC guidelines and instructions.

The way forward

There cannot be a reason for denying or putting off a formal criminal investigation as required in law. Justice will be served if there is successful prosecution in at least some cases.

Mains Perspective

Model questions

- “Accountability is a facet of the rule of law” Explain how this legal principle is violated by AFSPA act?

Sources: [The Hindu](#)

Manual scavenging

Responsibility must be fixed on State governments to end manual scavenging.

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

Despite the most stringent penal provisions in the law against manual scavenging, it continues in parts of India.

The issues

- The campaign against manual scavenging had been unable to break ground due to governmental indifference and social prejudice.
- Continued presence of insanitary latrines causes Manual scavenging to persists
- Despite legal obligation state governments has not demolished and rebuild insanitary latrines per conducted census of both latrines and manual scavengers.
- The allocation of self-employment scheme for rehabilitation of manual scavengers has been reduced from ₹448 crore in the 2014-15 budget to ₹5 crore this year. *High allocation in the past has not meant substantial or effective utilisation.*
- Many communities still regard the inclusion of a sanitary toilet as ritual and physical pollution of the house
- The less conservative families are ready to accept only large, expensive and unscientific structures much bigger than those recommended by the WHO.
- The entrenched belief in the caste system that assumes Dalits will readily perform the stigmatised task.

The way forward

- Change depends on the willingness of the courts to fix responsibility on State

governments

- Empowerment of people engaged in manual *cleaning official data show their reluctance to take up self-employment.*
- Empowerment would depend on breaking caste barriers through education and economic uplift.
- Compensation sanctioned for the families of those who died in the course should be paid immediately

Mains Perspective

Model questions

What is the reason behind the persistence of manual scavenging in India? Is it due to the government's indifference or social prejudice? Discuss

Sources: [The Hindu](#)

H1N1 returns: what can be done to control the virus

The government must urgently frame a national policy for influenza immunisation

Mains : GS 3 Science and Technology- developments and their applications and effects in everyday life .**GS 2** Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

Background

- So far this year, 12,500 people have been infected with the influenza A (H1N1) virus, of which 600 have died.
- The every possibility of a spike in the number of cases remains high.
- Since the 2009 pandemic, H1N1 has become a seasonal flu virus strain in India even during the peak of summer.

Initiatives taken so far to curb Swine flu

The drug used to treat the disease was made widely available and easily accessible. It *could also potentially increase the risk of drug resistance setting in earlier.*

The way forward

- Timely diagnosis and easy and wide availability of the drug are expected to reduce mortality.
- There is a compelling need to increase the number of diagnostic laboratories.
- The only to reduce the number of cases and deaths is by framing a national policy for influenza immunisation.
- Vaccinating health-care workers who come in contact with high-risk patients should be a priority.

Mains Perspective

Similar questions

H1N1 has become a seasonal flu virus strain in India every year. What factors can be attributed to the seasonal nature of communicable diseases in India? What remedial measures do you suggest?

Sources: [The Hindu](#)

Digital trade, Digital Data

India must not succumb to global digital trade paradigms and rules that back predatory business.

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

Background

- Digital trade issue have been coming up in negotiations of various multilateral institutions.
- The discussion is about is placing great limitations on digital policymaking by any country in the name of promoting e-commerce or any other name.

The issues with regard to digital data

- Free global flow of data is wrongly presented as being the same as the free flow of information.
- There is no one thing called “data” that countries could agree to let flow freely across borders. Data is different in several instances , data is associated with sectors such as social networks, banking, retailing, public services and so on
- More than data we are having digital services in different sectors. *If something can be meaningfully negotiated at global trade talks, it is such digital services*
- The resource data is useful when turned into digital intelligence and it is concentrated strongly around a few poles or centres. For instance Uber has worldwide intelligence about urban transport; Monsanto is working on a global agriculture networking and intelligence platform;
- Countries will become economic dependent on parent nations providing Artificial intelligence, data intelligence...

The way forward

- Domestic digital strengths should first be developed on the back of its big domestic market.
- An independent digital policy, including protections for India’s incipient digital industry.
- The “Digital India” policies and development of “digital public goods” like the India Stack of basic digital platforms and infrastructural data systems that are open to all is a step in the right direction.

Remarks

India should not succumb to global digital trade paradigms and rules developed by countries that back predatory global digital business, by accepting the “free global flow of data” and sacrificing its digital policymaking powers and sovereignty.

Mains Perspective

Similar questions

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

Sources: [The Hindu](#)

Data protection and Privacy

Without strong data protection laws, privacy as a right will be of little value

Mains : GS 3 Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security. Money-laundering and its prevention

Background

- A nine member bench of Supreme court is considering whether privacy is a fundamental right or not.
- Without data protection laws privacy as a right cannot be enforced.
- The issue of data has two perspectives - privacy and National security

The issues with regard to private data

- Large volume of citizens data is stored outside India.
- Individuals have limited control over how data collected from them are used.
- Individuals do not even have undisputed ownership of their own personal information. Companies' databases are under constant risk of cyberattacks.
- Criminals, antisocial element and terrorist organisations are increasingly using internet for subversive activities

The way forward

An immediate creation of stringent data protection laws is the way forward. The European Union regulation protecting the privacy of uses can serve as a model.

EU regulation

- The European Union is to implement the General Data Protection Regulation (GDPR) in May 2018.
- It aims to harmonise data privacy laws across Europe and impose stiff penalty of up to 4% of the company's worldwide turnover in the event of a breach.
- Companies will also have to ensure that even their vendors are fully compliant with the GDPR

Concluding remarks

The regulations made to protect privacy should not compromise the effectiveness of intelligence and law enforcement agencies in the wake of rising challenges. Hence, what India needs more is effective data protection laws, along with strong independent watchdog institutions to ensure that the organisations handling our data does not misuse it.

Mains Perspective

Similar questions

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

essay question]

Sources: [The Hindu](#)

Maharashtra's law against social boycott

Maharashtra's law criminalising social ostracism is a template for other States

Mains : GS 2 Social Justice

Background

Maharashtra has enacted a new law making social boycott a crime.

Significance

It targets the practice of informal caste panchayats or socially dominant groups trying to enforce social conformity.

Pros

- A wide range of social boycotting practices are prohibited
- Law recognizes human rights dimension to issues of social boycott
- Creating cultural obstacles forcing people to use particular clothing or language in made an offence

Precedents

An earlier law enacted against excommunication in 1949, was struck down by the Supreme Court in 1962 after the Dawoodi Bohra community successfully argued that it violated the community's constitutional right to manage its own religious affairs

Concluding remarks

Though the legislation is not a proud moment for a country when special legislation is required to prohibit social discrimination, given the prevailing circumstances, any legislative assault on abhorrent social practices ought to be welcomed.

Mains Perspective

Model questions

Discuss the need for enacting a law similar to The Maharashtra Protection of People from Social Boycott (Prevention, Prohibition and Redressal) Act, 2016, in all states. Will the enactment of a law prevent abhorrent social practices? Give your suggestions

Sources: [The Hindu](#)

Challenges in telecom sector

As the telecom sector faces a price disruption, the regulator needs to bridge the data divide

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

Background

- Reliance Jio has announced a plan that could disrupt the telecom landscape by challenging existing price points.
- It plans to give free 4G phones for a refundable security deposit.

- The disruptive potential of this development could be far more profound, especially in terms of bridging the country's digital divide.

The challenges

1. India's Internet adoption rate remains among the lowest in the Asia-Pacific region.
2. Although wireless data usage shot up dramatically, 500-550 million Indians use feature phones that offer no data services.
3. Even though smartphone and data costs are declining in India, they are still too high for most.
4. Cheaper phones as well as data are essential to bring online the next 100-200 million people.

The way forward

1. While market forces will come into play, policymakers need to step up so that every person is brought online.
2. The government must rationalise the multiple statutory levies on telecom service providers
3. People must have greater control and negotiating power over how their own data is used by service providers or application developers.
4. Network neutrality is critical in this digital era and the digital ecosystem should be where users can access data of their choice.
5. The government should consider the merits of China's cybersecurity law that requires tech firms to store all relevant data of local users within its sovereign borders.
6. A new strong new law should protect users' data and govern lopsided consent clauses set by service providers.

Mains Perspective

Model questions

As the telecom sector faces a price disruption, the regulator needs to bridge the data divide. Discuss

Sources: [The Hindu](#)

Gorkhaland agitation

The Gorkhaland movement constitutes an opting out of West Bengal's domination and opting in to the democratic frameworks of India

Mains : GS 2 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.

What is the Gorkhaland movement about?

- The Gorkhaland movement is a long-standing quest for a separate State of Gorkhaland within India for Nepali-speaking Indian citizens (often known as

‘Gorkhas’).

- With roots dating back over a century, Gorkhaland is a classic sub nationalist movement, not unlike those that have produced other States,

Significance

- It is a desire for the recognition, respect, and integration of Gorkha peoples in the Indian nation-state.
- The movement is neither separatist nor anti-nationalist; it is about inclusion and belonging in India.

Origins and resurgence

The first Gorkhaland agitation started in the 1980 and with earlier demands unrequited, a second Gorkhaland movement emerged in 2007 under the leadership of Bimal Gurung of the Gorkha Janmukti Morcha(GJM) and has flared intermittently. Heralding self-governance, recognition, and belonging in India, Gorkhaland remains the

Why it emerged? - The underlying causes

- It stands as a key means to redress the Gorkhas’ enduring history of discrimination, misconception, and marginalisation in India.
- Gorkhas remain pegged to the lowest levels of employment, while outsiders own the tea industry, meaning its profits flow out of the hills.
- Gorkhas face racial discrimination when they seek education and work in places like Kolkata, Bengaluru, and New Delhi.
- Instances like the attempted imposition of compulsory Bengali are seen as extensions of attempts to dominate the Gorkhas
- Linguistic chauvinism, ethnic and racial discrimination, resource extraction, unilateral territorial claims, the denial of self-governance, political suppression; and ultimately, an unwillingness to respect the ‘native point of view’.

Also Read: [Gorkhaland Issue and Fissiparous tendencies](#)

Sources: [The Hindu](#)

Railway passenger service

The CAG report on the railways should compel a quick upgrade of passenger services

Mains :GS 2 Important aspects of governance, citizens charters, transparency & accountability and institutional and other measures.

Background

The report of the Comptroller and Auditor General on catering services in Indian railways found severe deficiencies in the catering services.

Issues flagged by the CAG

- Food unsuitable for human consumption
- Contaminated and recycled items
- Packaged articles past their use-by date

- Unauthorised items are sold on trains,

All practices are endangering the health of passengers.

Significance

- Although there are mechanism as instituted to penalise agencies it has not resulted in any significant outcomes regarding quality of service
- The private sector participation in food chain supply have not resulted in any significant reform.

What needs to be done?

- Independent oversight can potentially improve various aspects of service
- In the area of passenger services, any reform has to contend with the 'open access' character - since coaches are open to unlicensed vendors who sell food, water and other goods.
- It would be pragmatic to enrol more local distributors of certified articles, while implementing the core idea of the IRCTC running modern base kitchens.
- Audit findings of contractors on railway premises overcharging users require immediate resolution.

Mains Perspective

Model questions

Quality has taken a backseat when it comes to delivery of public services. Is it due to the failure of the institution or failure of the personnel? Explain

Sources: [The Hindu](#)

Supreme Court's ruling on POSCO Act

The SC has done right in refusing to extend POCSO to adults with mental retardation

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

Facts of the Issue

The case before the court related to the rape of a 38-year-old woman with cerebral palsy. Her mother was concerned about the absence of a friendly and congenial atmosphere before the trial court. She approached the courts for a direction to transfer the case to a special court under POCSO, a law that mandates child-friendly procedures and features during the trial, taking into account her daughter's mental age, which she said was that of a six-year-old.

Supreme Court Observations

- The Supreme Court showed due restraint by declining to apply the provisions of the Protection of Children from Sexual Offences Act to mentally retarded adults whose mental age may be that of a child.
- POCSO is meant to protect children from sexual offences. To extend it to adult

victims based on mental age would require determination of their mental competence. This would need statutory provisions and rules; the legislature alone is competent to enact them.

- There may be different levels of mental competence, and that those with mild, moderate or borderline retardation are capable of living in normal social conditions.

Implications of the Judgement

- An expanded definition to encompass both biological and mental age within the POCSO framework would have helped extend its beneficial features to another section of vulnerable persons.
- The implication of the Supreme Court ruling is that the onus is always on trial judges to keep in mind the degree of retardation of victims and their level of understanding while appreciating their evidence.
- It is now up to the legislature to consider the introduction of legal provisions to determine mental competence so victims with inadequate mental development may effectively testify against sexual offenders.

POCSO Act

1. The Protection of Children from Sexual Offences (POCSO) Act, 2012 deals with sexual offences against persons below 18 years of age, who are deemed as children.
2. The Act is a comprehensive law to provide for the protection of children from the offences of sexual assault, sexual harassment and pornography, while safeguarding the interests of the child at every stage of the judicial process by incorporating child-friendly mechanisms for reporting, recording of evidence, investigation and speedy trial of offences through appointment of Special Public Prosecutors and designated Special Courts.
3. The Act incorporates child friendly procedures for reporting, recording, investigation and trial offences. The Act provides for stringent punishments which have been graded as per the gravity of offence.
4. The Act for the first time, defines “penetrative sexual assault”, “sexual assault” and “sexual harassment”.
5. The offence is considered graver if it is committed by a police officer, public servant, any member of the staff at a remand home, protection or observation home, jail, hospital or educational institution, or by a member of the armed or security forces.

Mains Perspective

Model questions

POCSO ACT makes it imperative that child protection is given paramount importance to ensure holistic development of child’s physical, emotional, intellectual and social faculties. Elucidate.

Sources: [The Hindu pib](#)

Privatisation of select services in hospitals

The proposal to allow the private sector to run district hospitals has its risks

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

The proposal

- The potential of India's district hospital system has never really been realised.
- The majority rely on facilities created mostly by for-profit urban hospitals.
- That asymmetry could potentially be offset, though only in small part, through the proposal of the NITI Aayog and the Union Health Ministry to allow private entities to use the premises of the district hospitals to provide select services

Concerns regarding the proposal

- Such arrangements should ensure that bulk of health spending, regardless of source should go into actual care provision and that administrative expenditure is capped under the contract.
- A market-driven approach will defeat the objective of National health policies objective of providing universal and free care.
- The larger problem of the growing non-communicable disease burden remains unaddressed in the proposal

The way forward

- Strong oversight is necessary to ensure that ethical and rational treatment protocols are followed
- Procurement and distribution of drugs can be centralised to keep costs under control.
- A provision for audits, penalties and cancellation of contracts is essential.
- Given the recourse to tax funds for viability gap funding and use of public infrastructure, the operations should be audited by the Comptroller and Auditor General.

Concluding remarks

The success of such systems depends on medical outcomes on the one hand, and community satisfaction on the other. Both dimensions must find place in a contract, and be assessed periodically.

Mains Perspective

Model questions [*UPSC Mains 2015*]

Public health system has limitation in providing universal health coverage. Do you think that private sector can help in bridging the gap? What other viable alternatives do you suggest?

Sources: [The Hindu](#)

Hydrocarbon Exploration and Licensing Policy (HELP)

The new hydrocarbon policy makes exploration more attractive for investors

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

Background

Under the new open acreage licensing policy a part of the government's Hydrocarbon Exploration and Licensing Policy (HELP), companies can now apply for particular areas they deem to be attractive to invest in, and the Centre will put those areas up for bids.

The positives

- More attractive for prospective operators as it offers offering companies the freedom to choose exactly the areas they want to explore
- National Data Repository, which is envisaged as a centralised database of geological and hydrocarbon information allows potential investors to make informed decisions
- The national data repository incentivises companies that explore hydrocarbon basins and sell the information they gather.

Concerns remaining regarding the implementation of Hydrocarbon exploration and licensing policy

1. The policy awards an extra five points to bidders for acreage if they have already invested in the exploration and development of that area, but it is doubtful if this is enough of an incentive, since the investment needed to simply explore is significant.
2. No preference is given to mineral explorers while auctioning mining rights – instead, a revenue-share from mining operations is their recompense for exploration efforts.
3. Whether India can attract enough investment to meet the government's objective of reducing oil imports by 10% by 2022 remains a concern, especially given the past experience investors have had with large projects such as KG-D6.
4. There are after all proven reserves in other parts of the world, such as the Gulf of Mexico, that could still keep investor appetite for Indian acreage weak.

Mains Perspective

Model questions

Examine the key features of the new Hydrocarbon Exploration & Licensing Policy. Examine the hurdles that India could face in achieving the objective of reducing oil imports by 10% by 2022.

Sources: [The Hindu](#)

GS 2 International Relations

India Iran

New Delhi needs to work with Tehran to resolve bilateral irritants affecting economic ties

Mains : GS 2 International relations.

India Iran ties - Recent issues

1. Iran's support to Pakistan on Kashmir issue might be a signal to India that its growing closeness to Saudi Arabia and the UAE is being watched closely.
2. India has always been wary of Iran's support for Pakistan in the Organisation of Islamic Cooperation (OIC) regarding Kashmir.
3. The recent decline in economic ties is a concern to both the countries.
4. The stand of Iran on awarding contract for gas exploration in its Farzad B offshore field to ONGC Videsh is unclear.
5. India has decided to decrease the volume of Iranian crude oil it will be buying this year.
6. The slow pace of the Chabahar port project has irked the Iranians
7. Iran has indicated that despite India developing the project; it won't be exclusive to the country.

Concluding remarks

While New Delhi has done well to ignore the Ayatollah's provocation on Kashmir, it needs to work with the Rouhani government to ensure that the bilateral irritants in fostering economic ties are resolved soon. There are far too many issues, including the future of Afghanistan, that require closer coordination between the two countries.

Mains Perspective

Model questions

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

Sources: [The Hindu](#)

Mr. Modi in Israel: India Israel

Indian Prime Minister affirmed special ties and underplayed historical stress India has given to the Palestine issue in his recent visit to Israel

Mains : GS 2 International relations.

Background

Prime Minister Narendra Modi has visited Israel making him the first Indian Prime minister to do so.

Highlights of the visit

- The agreements signed during the visit, on water, agriculture, space and science and technology, underscore ongoing cooperation in such fields

- Cooperation on cybersecurity issues, discussed by officials constitutes a breakthrough of sorts, given that Israel tends to limit cooperation in this area to a few countries.
- A decision was announced to upgrade ties to a strategic partnership, signalling a final step to total normalisation of relations.
- The Indian Prime minister didn't visit Palestinian leaders, made no reference to UN resolutions, the two-state solution, or even the need to resume talks, thus moving closer to Israel.
- It would have been more in keeping with India's stature on the international stage, and its particular leverage with all players in West Asia especially on Palestine, had Mr. Modi made a visible attempt to extract from Israel a commitment to the peace process.
- India's evolving ties with Israel are based on pragmatism and the desire to eschew hypocrisy – but Mr. Modi has infused his visit with a symbolism and substance that could well mark a point of departure in India's moral support to the Palestinian cause.

Sources: [The Hindu](#)

G20 meet

The G20 meet highlighted the capacity of world leaders to work around Donald Trump

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

Backgrounds of G20 meet - the changes across the world

- Changing economies due to digitisation and automation
- Strength of a country's electoral process increasingly being tied to its cybersecurity
- Migration on an unprecedented scale
- Terrorism being decentralised and dispersed.

Achievements of the G20 meet

- The summit also provided a much-needed opportunity for bilateral meetings
- The G20 managed to pull together a joint communique at all, given Mr. Trump's recalcitrance on trade and the environment and the tension between interlocutors.
- The 19 countries (without America) recognised the Paris Agreement as irreversible.
- **Trade :** Members committed to fight protectionism while recognising "legitimate trade defence instruments".

Concluding remarks

1. The meeting is significant as it highlighted the capacity of world leaders to work around Donald Trump

2. The protests that marked the summit is a reminder that that all is not well with the world, The G20 and other international groupings must work to mitigate their underlying causes of discontent in various developing countries through dialogue and responsive measures.

Mains Perspective

Model questions

- Cooperation, Conflict and competition coexist between various nations in several international organisations. Explain the significance of international organisations in the changing world

Sources: [The Hindu](#)

India-China stand-off

Keeping the Opposition in the loop on the tri-junction stand-off has been a wise move

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

Background

The centre has briefed opposition regarding the standoff with China on the Doklam plateau.

The message the government sent, was threefold:

1. Those Indian troops now sit across from Chinese troops for a second month at a part of the tri-junction claimed by Bhutan.
2. That India is upholding its commitment to Bhutan with its military presence there.
3. India is pursuing all diplomatic options in order to resolve differences with China on the dispute.

The issues

- China has so far rejected any talks until the Indian troops move back.
- While some media houses are taking aggressive posture it should be kept in mind that that *Indian troops stand not on Indian territory but on territory claimed by Bhutan*, and at Thimphu's request.
- China's actions at Doklam are aimed at putting a spotlight on the Indian presence in the area and compelling Bhutan to loosen its historically ties with India.

Conclusion

Instead of highlighting the stand-off as an India-China dispute, therefore, the government must ensure that every step it takes is in consultation with Thimphu, and make it clear that any final decision it takes will not be about a "win or lose" for India, but dictated by what is in Bhutan's best interests.

Also See : [India – China Relations – Infographics 2017](#)

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](#)

Australia and India: partners in regional security and prosperity

Australia and India can ensure that the Indo-Pacific region remains anchored to a resilient rules-based order

Mains : GS 2 International relations.

India Australia – quick facts

- **Trade** : India is Australia's ninth largest trading partner, with boundless potential for growth.
- **Diaspora** : Australia's Indian-origin residents are the fourth largest group of overseas-born Australians, representing close to 2% of our Australian population.
- **Naval ties** : Australia-India Exercise (AUSINDEX) was conducted for the second time, in Australia's west coast.
- Both nations are founding members of the Asian Infrastructure Investment Bank which has a role to play in funding infrastructure

Cooperation in Indo Pacific region

- The rule based order to resolve any disputes peacefully in under pressure in Indo-Pacific region.
- Australia and India share converging interests and similar outlooks on the strategic
- Infrastructural investments enhancing connectivity, in land, air, sea and cyber will lead the more business opportunities for the private sector, including Australian firms.
- The regional architecture of the Indian Ocean is increasingly promoting coordinated approaches with South Asia, in response to shared interests and emerging challenges.

Concluding remarks

Increasing bilateral cooperation and collective efforts with like minded countries will help both the nations shape the future of the Indo Pacific region in which strong and effective rules and open markets deliver lasting peace and prosperity

Mains Perspective

Similar questions

Examine the significance of Indo Pacific region in India Australia ties. Explain how bilateral cooperation between both the nations can be leveraged to ensure peace and prosperity in the region.

Sources: [The Hindu](#)

BITs with Israel

An India-Israel investment treaty would have to reconcile investment protection with the state's right to regulate

Mains : GS 2 International relations.

Background

- Several observers in India continue to gaze at the India-Israel relationship through the lens of Palestine.
- Some argue that it is critical to de-hyphenate India's relations with Israel and Palestine,
- Prime Minister Narendra Modi's visit to Israel earlier this month made this de-hyphenation blatant and conspicuous.

India Israel relations - Quick facts

- Bilateral merchandise trade increased from \$200 million in 1992 to around \$4 billion in 2016
- Cumulative foreign direct investment (FDI) inflows from Israel, from April 2000 to March 2017, stood at \$122 million.
- Israel is the third largest supplier of arms to India after Russia

The potential

- There is enormous potential for Israeli investment in fields such as renewable energy and water management (drip irrigation and desalination).
- Defence production, which is at the heart of the 'Make in India' campaign, is another area with significant potential for Israeli investment, it will help India save billions of dollars it currently spends on importing weapons from Israel.

Issues in the Bilateral Investment treaty between India and Israel

India recently terminated BIT signed with Israel In 1996

1. The investor-state dispute settlement (ISDS) provision in BITs are favoring in India's model BIT whereas Israeli model gives an investor the choice to submit any investment dispute with a state to international arbitration if not resolved within six months through negotiations.
2. Israel's model BIT is wider in scope compared to Indian where foreign investment is narrowly defined.
3. Israeli model contains a broad most favoured nation (MFN) provision which is missing in the Indian model. The absence of MFN, from Israel's perspective, would mean that its businesses would have no remedy under international law if India were to discriminate against it
4. Indian model excludes taxation altogether from the purview of the BIT.

In a nutshell

In sum, the Indian position on BITs is very pro-state, offering limited rights and protection to foreign investors. The Israeli position is the opposite. An India-Israel BIT looks difficult till both sides move away from their stated positions. Both sides should

work towards having a BIT that reconciles investment protection with a state's right to regulate.

Sources: [The Hindu](#)

RCEP negotiations

India must counter Japan's U.S.-style pressure at the RCEP talks and ensure affordable generic medicines

Mains : GS 2 Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests Issues relating to intellectual property rights

Context

- Japan and South Korea are mounting pressure to implement a TRIPS-plus regime with regard to IPR policies in RCEP
- A few IP reforms discussed in the RCEP include data exclusivity, patent term extension, and much more lenient criteria for patentability.

Why stricter IPR regime poses a problem?

- Both nations argued to form an Investor State Dispute Settlement mechanism to treat IOP as an investment. This if realized would allow private companies to raise investment disputes against the host country
- Adhering to IP standards that go beyond measures prescribed by the World Trade Organization will be a heavy blow to generic medicines and making medicines affordable.
- If India concedes to the Japan's demand (through the RCEP), India will be obliged to offer the same concessions to the U.S. as well as the other members of the WTO under Most favoured nation clause.

The way forward

- Countries like India and China, which will be the destinations for the investments, should include safeguards against stricter IP norms
- A balanced intellectual property protection for pharmaceuticals and encouragement to other countries to adopt and use similar measures that ensure generic competition is the need of the hour
- Japan could do well if it withdraws its demand support developing countries in the region to ensure sustainable access to affordable medicines.

Mains Perspective

Model questions

For India, RCEP presents a decisive platform to influence its strategic and economic status in Asia- Pacific region. Discuss

Sources: [The Hindu](#)

Disqualification of Nawaz Sharif

Nawaz Sharif's disqualification could set up a spell of political instability in Pakistan

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

Background

The disqualification of Prime Minister Nawaz Sharif from holding public office, by the Pakistan Supreme Court in the Panama Papers case, leaves a huge political vacuum in the country.

Significance

- Whether Mr. Sharif's exit will fuel political instability remains a question.
- During Sharif's tenure the military largely refrained from showing its hand.
- Over the last four years Pakistan has had a spell of relative economic stability, an easing of the electricity crisis and a drop in terror attacks.
- With the exit of Mr. Sharif it is not clear how the military will deal with any resultant political instability or executive frailty.
- The timing of the exit is happening at a time when Pakistan is coming under increased pressure from the United States to act against militants, and while border tensions with India and Afghanistan continue to remain high.

Conclusion

It remains to be seen how Pakistan will be handling multiple pressures following the exit of a seasoned politician

Mains Perspective

Model questions

Examine the impact of political instability in Pakistan on Indo - Pak relations. Also discuss how domestic politics affect international relation when it comes to India - Pakistan relations

Sources: [The Hindu](#)

GS 3 Indian Economy

Adoption of GST

With the adoption of GST, a clear road map is needed to simplify the indirect tax regime

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

Background

India has shifted to a new indirect tax system, the Goods and Services Tax. The GST subsumes the multiple Central, State and local taxes and cesses levied on goods and services, unifying the country into a single market, thereby making it easier to do business and ensure tax compliance.

The positives

GST will attract investors and more efficiently mop up revenues for the exchequer. T

The issues remaining

- Currently there are multiple tax rates ranging from 0% to 28%, plus a cess on some products, creating incentives for lobbying and rent-seeking.
- GST has a complicated structure, with far too many tax rates that could lead to classification dispute
- The exclusion of key inputs such as petroleum products (with particularly high indirect tax levies).
- The level of preparedness for the new tax system too is suboptimal
- Sections of industry, trade as well as the bureaucracy are anxious about several aspects of the GST's operational and legal framework.
- The generation of e-way bills for moving goods worth over ₹50,000 too has been put on hold.
- The GST Network, which will digitally capture billions of transactions daily, was not able to test its software in advance
- It is not clear how businesses with higher tax incidence are to adjust pricing strategies or how the stringent anti-profiteering clauses will be interpreted.

Concluding remarks

This is the first step in the evolution of the GST, and some initial hiccups are perhaps inevitable in a system founded on political consensus and federal adjustments. T

Prelims Perspective

Model Questions [*UPSC Prelims 2017*]

What is/are the most likely advantages of implementing 'Goods and Services Tax (GST)'?

1. It will replace multiple taxes collected by multiple authorities and will thus create a single market in India.
2. It will drastically reduce the 'Current Account Deficit' of India and will enable it to increase its foreign exchange reserves.
3. It will enormously increase the growth and size of economy of India and will enable it to overtake China in the near future.

Select the correct answer using the code given below:

(a) 1 only

(b) 2 and 3 only

(c) 1 and 3 only

(d) 1, 2 and 3

Mains Perspective

- Discuss the rationale for introducing Goods and Services Tax (GST) in India. Bring out critically the reasons for the delay in rollout for its regime [*UPSC*

Mains 2013]

Sources: [The Hindu](#)

Air India disinvestment

If the mistakes of the past are a guide, the purpose of the Air India sale bid should shape the rules

Mains : GS 3 Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.

Background

- Air India's disinvestment, first attempted 17 years back, is being revived. In May 2000, bids were invited for a 40% stake in Air India, with a cap of 26% on foreign investment.
- Several potential bidders stayed away from the bid knowing that the substantial degree of control would be with the government.
- The conditions of the sale drawn out by the government did not help Air India to find a strategic partner to turn it around.

The way forward

- Air India's disinvestment should result in reduced government interference and increased competition.
- Competition in the air travel market will not increase if Air India gets acquired by a private airline in India.
- The rules should provide foreign airlines a level playing field.
- Selling only a part of the government's holding will not free Air India of the ills of public ownership. The government will have to exit the airline cleanly and completely.
- The reform demands political courage, economic wisdom and business-like shrewdness.

Mains Perspective

Model questions

Examine the impact of liberalization on companies owned by Indians. Are they competing with the MNCs satisfactorily? Discuss. [UPSC Mains 2013]

Sources: [The Hindu](#)

Food wastage

The issue of food wastage must be fully understood, so that an effective strategy can be drawn up

Mains : GS 3 Food processing and related industries in India- scope and significance, location, upstream and downstream requirements, supply chain management.

Background

India faces the twin problem of food wastage during consumption and food loss due to the absence of an effective distribution mechanism.

Food wastage

- According to the Food and Agriculture Organisation (FAO) One third of food

produced for human consumption is lost or wasted globally.

- Food is lost or wasted throughout the supply chain, from initial agricultural production to final household consumption.
- Only about 10 % of food is covered by cold storage facilities in India.

Impact of food wastage

- Food wastage has multiple socio-economic and environmental impacts.
- A substantial amount of food that is wasted in our country can feed many hungry people.
- The wastage of food entails loss of considerable amount of resources in the form of inputs used during production.
- The energy spent over wasted food results in 3.3 billion tonnes of carbon dioxide production every year.
- Decay also leads to harmful emission of other gases in the atmosphere; for instance, decaying of rice produces methane.

The way forward

- Laws to encourage donation must be enacted: For instance France has taken a lead by becoming the first country in the world to ban supermarkets from destroying unsold food, forcing them instead to donate it to charities or food banks or send it to the farmers to be used as fertilisers in crop production.
- Creating networks and channels of distribution between those who have surplus food and those who are in need of them.
- The government should play a larger facilitating role.

Remarks

Surplus of food can be turned into an advantage instead of resulting in wastage. Hunger and food wastage are two sides of the coin. The cycle of hunger cannot be broken without channelising the wasted food to help the needy.

Mains Perspective

Model questions

What are the impediments in marketing and supply chain management in developing the food processing industry in India? Can e-commerce help in overcoming these bottlenecks? *[UPSC Mains 2015]*

Sources: [The Hindu](#)

After globalisation's promise

Sluggish global growth should prompt India to look inward – at augmenting public investment to spur demand

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

Background

- 'Hyperglobalisation' has been used to describe the dramatic increase in

international trade witnessed for about a decade and a half from the early 1990s up to the global financial crisis of 2008. The imagery intended is one of an increasing connectedness among nation's leading to a virtuous cycle of economic expansion.

Timeline of different phases

1. The phase of high trade starting 1870 came to an end with the First World War and was to revive, slowly, only after the Second.
2. Following the collapse of East European communism in the early 1990s, there was a resurgence in global trade. Now even this phase has somewhat abruptly ended with the global financial crisis.

Significance

- The growing market for goods contributed to the growth of trade. The increased demand also led to growth of technology during British era as railways and telegraph services were increased to cater the increased need of goods.
- When global demand expands, countries can exploit the trade route to grow their economies. This was the great promise of globalisation held out to the developing countries in the 1990s.

Present situation- slowdown and India

1. The sluggish growth of world economy demands replacement of economic policy that India has been following.
2. IT industry is suffering from slow growth rate
3. Slowing or depressed private investment for close to five years by now
4. Twin balance sheet problem faced by banks and corporate houses makes
5. Banks are wary of lending and corporate houses are unlikely to boost investment until the existing debt is cleaned up.

The way forward

- India's must address the growth of the home market,
- When the global economy is sluggish, only domestic investment can move demand.
- Raising the spending for infrastructure: Infrastructure is unique in that spending on it raises aggregate demand and when it actually comes on stream, it raises the productivity of investment elsewhere in the economy.

Mains Perspective

Model questions

In the backdrop of slowing world economy the task is not to find new trading partners, but to buckle down to the heavy lifting of expanding physical infrastructure. Discuss

Sources: [The Hindu](#)

Inflation rate

Who'd have thought under the MPC, the first case of deviation of the inflation rate

would undershoot the target?

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

Background

The official inflation rate dipped to 1.5% last month, the lowest in almost two decades. India's track record in handling inflation has been impressive while the relatively high double-digit inflation experienced between 2010 to 2013 was an aberration. Controlling money supply is a way in which inflation has been brought under control

Factors other than money supply that determine inflation.

Food Prices : With bumper crop of fruits and vegetables, prices plunge. The recent drop in the inflation rate has been caused by a steep fall in the prices of vegetables (-17%) and pulses (-22%). Food prices, especially of perishables, are notoriously volatile.

Reasons behind low inflation

- Tight monetary policy : Money supply has been kept "dear", or tight. Thus, the benchmark rate at 6.25% may be too high.
- Food prices : A steep fall in prices of fruits, vegetables and pulses. These steep falls are highly seasonal.
- Low and stable crude oil prices, which are a crucial determinant of transport and energy costs.

The remaining concerns

- Strong feeling that high interest rates have deterred big industrial investments, or housing finance.
- India's real interest rates, i.e. net of inflation, are quite high even compared to other developing countries

Inflation concerns in the near future

1. The short run impact of the Goods and Services Tax (GST) is bound to be inflationary. Bulk of India's GDP is in services for which tax rate has moved from 15% to 18%. Impact of the award of the Seventh Pay Commission to government employees.
2. Loan waivers announced in some States. High deficit spending is not compatible with lower interest rates.
3. Uptick in commodity prices worldwide as metals and food prices are looking up.
4. Inflation expectations. Household surveys conducted by the RBI indicate that people are expecting inflation to be close to 10% , not the 1.5% as is reported now.
5. These expectations do affect behaviour. Inflation is often associated with affordability and cost of living.

Concluding remarks

A low and stable inflation rate is a prerequisite for sustained high economic growth. In the medium term, the growth impact of the GST, the improving ease of doing business

— and hence increasing supply of goods — and a strong domestic currency, will all help keep inflation low. But the short run challenge is to temper inflationary expectations and keep them tethered.

Sources: [The Hindu](#)

Sovereign gold bond scheme

Sovereign gold bond is a scheme designed to reduce the import of physical gold and thereby reducing India's current account deficit[CAD]. Under the scheme citizens can hold paper gold.

How does the Sovereign gold bond work?

Similar to bank deposits, instead of cash, gold is held by people under this scheme. When gold bond is purchased one has to pay an amount equivalent to prevailing market prices of the gold. He/ she earns interest on the the same amount at a rate of 2.5% (as notified by the government at the during issue time) for 8 years.(Tenure of gold bond). Finally on redemption one gets the prevailing market price of gold plus interest earned.

Why Sovereign Gold Bonds were introduced?

- The Government introduced these bonds to help reduce India's over dependence on gold imports
- It aimed at changing the habits of Indians from saving in physical form of gold to a paper form with Sovereign backing.

Gold consumption in India

- Annual consumption of gold in India is in the range of 700-800 tonnes, almost all of which is imported.
- Of this, approximately 500-600 tonnes is bought by consumers as jewellery for cultural reasons (mainly for weddings). The balance is in the form of gold bars and coins for savings or investment purposes, which is what the Government hopes to convert to paper form so that both are served — investors are happy as long as they earn some returns and capital appreciation at the time of redemption, as well as it helps reduce an equivalent amount of physical gold imports.

Features of Sovereign gold bond

- Tenure : 8 years with exit option from 5th year onwards
- Interest rate 2.5%
- The Bonds will be sold through banks, Stock Holding Corporation of India Limited (SHCIL), designated post offices and recognised stock exchanges viz., National Stock Exchange of India Limited and Bombay Stock Exchange.
- The issue price of the Gold Bonds will be Rs. 50 per gram less than the nominal value
- The Bonds will be restricted for sale to resident Indian entities including individuals, HUFs, Trusts, Universities and Charitable Institutions.

- The Bonds will be denominated in multiples of gram(s) of gold with a basic unit of 1 gram. Minimum permissible investment will be 1 gram of gold.
- The maximum amount subscribed by an entity will not be more 4 kg (from 0.5kg) for individuals, HUF and 20 kg for Trusts in a financial year.

Advantages and attractions of the scheme

- Can be used as collateral for loans.
- Capital gains tax exemption on redemption.
- Zero risk of theft/ impurities associated with handling of physical gold.
- Tradability through stock exchanges.
- Availability in DEMAT and paper form.

Sovereign gold bond so far

- So far, SGB has been moderately successful with the launch of eight tranches of these bonds since November 2015, garnering approximately ₹5,000 crore or about 16 tonnes of gold.
- The target was to shift part of the estimated 300 tons of physical bars and coins purchased every year for Investment into 'demat' gold bonds. The target mobilisation under the scheme at Rs. 15,000 crore in 2015-16 and at Rs.10,000 crore in 2016-17. The amount so far credited in Government account is Rs. 4,769 crore.

Changes announced with regard to the scheme by the government recently

- The primary change was the increase in the limit to 4 kg (from 0.5kg) for individuals, HUF and 20 kg for Trusts. The ceiling on investment will not include the holdings as collateral by Banks and Financial institutions.
- Flexibility has been given to Ministry of Finance to design and introduce variants of SGBs with different interest rates and risk protection / pay-offs that would offer investment alternatives to different category of investors.
- Specific changes have been made in the attributes of the scheme to make it more attractive, mobilise finances as per the target and reduce the economic strains caused by imports of gold and reduce the Current Account Deficit (CAD)
- To improve liquidity and tradability of SGBs, appropriate market making initiatives will be devised.

Why limits were raised for Sovereign gold bond?

- To encourage high net-worth individuals, rich farmers as well as trusts to invest in these bonds.
- The basic premise is that most Indians believe in gold as a time-tested and safe asset class and prefer it over other forms of investment.

Why SGB could not meet the set targets?

- Past SGB prices was often not in parity with the market rate which led to the SGB consumers losing money, despite earning interests.
- Import duty : Its price being pegged to a 10% import duty, any reduction in the

import duty by the Government in the subsequent period would result in losses to customers.

The way forward - What more needs to be done

- The pricing of SGB ideally should be the average of the bullion price of the 60 day-period preceding the issue date of SGB.
- In case of physical delivery of bullion against SGB at a later date, import duty and IGST should be levied at the point of delivery
- To ensure further success, the Government should allow mass channels such as gold loan Non-Banking Finance Companies (NBFCs) to also market it
- Gold loan companies can help the scheme reach many more consumers in urban, semi-urban and rural areas

UPSC Corner

Prelims :Economic and Social Development - Sustainable Development, Poverty, Inclusion, Demographics, Social Sector initiatives, etc.

Mains : **GS3** -Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Prelims Perspective

UPSC prelims 2016

What is/are the purpose/purposes of Government's 'Sovereign Gold Bond Scheme' and 'Gold Monetization Scheme'?

1. To bring the idle gold lying with Indian households into the economy
2. To promote FDI in the gold and jewellery sector
3. To reduce India's dependence on gold imports

Select the correct answer using the code given below.

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

Solution: C

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](#) [PIB](#) [The Hindu](#) [The Hindu](#) [Economic Times](#)

GS 3 Environment and Ecology

Climate-proofed and inclusive - Climate Change and Poverty

Projects to help people adapt to climate change should not inadvertently worsen living conditions of the poor

Mains : GS3 Conservation, environmental pollution and degradation, environmental impact assessment.

A major dilemma faced by the policy makers in India and other developing countries is nothing but, addressing poverty and climate change simultaneously.

‘Climate proofing’ sustainable development efforts is important in the face of future climate impacts.

A shift that has developed during last three decades is that income is not the only criteria to estimate and address poverty.

- One can have assets and a reasonable income and yet be poor in terms of education, nutrition, health and other living conditions.
- In case of India, on the basis of using consumption expenditure data, the erstwhile Planning Commission estimated poverty in India to be at 22% of the population in 2011-12.

Dimensions of poverty

- The dimensions that are considered often include living standards, assets, health, income, consumption and status in their societies.
- Thus, measures such as nutrition, quality of the floor and roof of houses, access to energy services and drinking water, level of education, jobs, and social conditions such as caste all become relevant when one tries to understand the different manifestations of poverty.
- Some countries, such as Mexico, Chile and Colombia, use several dimensions to record poverty using the MPI (Multidimensional Poverty Index), a versatile tool developed by the Oxford Poverty and Human Development Initiative (OPHI) that looks at the dimensions of education, health and standard of living, giving them all equal weightage.
- Those who are deprived in at least a third of the weighted indicators are regarded as poor.
- Measures such as MPI help us to estimate not only how many people are poor, but also the quality and depth of their poverty.
- One can also estimate the number of people who are likely to become poor as a result of slight additional deprivations, as well as those who are in extreme poverty.
- The most recent MPI for India calculated using India Human Development Survey data of 2011-12, estimates that 41% of the people were multi-dimensionally poor.

Climate Change and Poverty

- The adverse effects of climate change that are anticipated in South Asia are

droughts, floods, heat waves, sea level rise and related problems such as food shortages, spread of diseases, loss of jobs and migration.

- Poor suffer the worst which can be seen from severe storms damage inadequately built houses; floods wash away those living on riverbanks; and the poorest are the most affected by severe droughts that lead to food shortages and higher food prices.
- Development policies that consider the context of climate change are often called “climate proofing development”.

How to tackle poverty and climate change?

An example

- If we learn for example that a district with severe nutritional deficiency might anticipate extended periods of drought from climate change, then the focus ought to be on improving local food access and to combine this with managing water efficiently to prepare for future water shortages. Similarly, proposed improvements in sanitation and housing ought to factor in the increased likelihood of future flooding events in low-lying areas and use appropriate design strategies that are resilient to water-logging.

Sustainable Development Goals

- In 2015, countries agreed to meet 17 universal goals, officially known as the Sustainable Development Goals (SDGs).
- The SDGs have targets and indicators that cover a broad range of concerns for human welfare.
- They include food security, education, poverty alleviation, access to safe and adequate water, energy, sanitation and so on.
- The deadline for reaching the SDGs is 2030.
- India is taking the SDGs quite seriously and the NITI Aayog has been coordinating activities relating to their implementation, and emphasising their interconnected nature across economic, social and environmental pillars.
- It is critical to recognise that climate variability and climate change impacts can prevent us from reaching and maintaining the SDG targets.
- Measuring poverty through its different dimensions, along with the consumption measures, would help policymakers figure out which aspects of poverty expose the poor and exacerbate their vulnerability to climate change.
- Through such a process, India could also serve as a standard for other poor and developing countries that are beginning to think about inclusive “climate proofed development”.

Mains Perspective

Model questions

How far the changing climatic patterns and global warming increases the vulnerabilities of poor ? How can it be addressed?

Sources: [The Hindu](#)

Sardar Sarovar dam protests

Raising the Sardar Sarovar dam to its full height will result in more large-scale submergence of habitations

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

Background

- The Narmada Control Authority decided to raise the height of the Sardar Sarovar dam to its full height, by ordering the closure of 30 gates.
- Once the dam is at its full height, it will submerge one town and at least 176 villages, displace close to 20,000 families, flood productive agricultural land, and destroy hundreds of acres of biodiverse forest.

The positives

The dam will generate hydro-energy, extend irrigation and bring drinking water to drought-affected, arid areas of Rajasthan and Gujarat.

The concerns

Ecologists, hydrologists, economists and engineers have produced detailed documentation that brings into doubt the claims of water provisioning, economic growth and safety made by the project.

- Siltation: Siltation results in reduced water storage capacity, increased evaporation loss. lesser capacity to generate hydropower and makes the river prone to risky situations of potential flooding in the backwaters.

The Central Water Commission's 2015 report says that in 85% of India's dams, the actual rates of siltation are higher than those anticipated during their design. One in four dams have sedimentation rates more than five times as high as expected.

- Compensation to the displaced: Compensation to the displaced has often come in the form of land unsuitable for farming or living, located either on riverbeds at the risk of flooding, or in rocky areas which cannot be ploughed. Resettlement sites lack basic facilities: no wells, drinking water pipelines, or grazing land for cattle, let alone schools or road facilities.

How dams along Narmada valley have affected the ecology and livelihoods?

- The dams along the Narmada have led to downstream habitat change and impacted biodiversity.
- The Narmada estuary became increasingly saline because of the decrease in fresh water flow after the dams came up.
- Fish catch of some species has now declined by as much as 75%, affecting thousands of commercial and subsistence fishermen
- People affected indirectly by the project(fisherman, industries, tribals) are unable to claim compensation. *Only those who can produce evidence of losing*

homes or agricultural plots are counted as “project-affected”, and can lay claim to compensation.

Mains Perspective

Model Questions

Large projects have forced the displacement of millions of India's small farmers and landless peasants from across the country. While development often comes along with displacement what are the measures that can be adopted to limit the impact of displacement to the minimum. Discuss

Sources: [The Hindu](#)

Assam floods

Even as relief is rushed for the Assam floods, longer-term measures must be taken up

Mains : GS 3 Disaster and disaster management.

Background

- Assam has been affected by floods once again and the death toll in recent floods has crossed 40.
- Lakhs have been put off their normal stride, with tens of thousands displaced from their homes.
- Kaziranga National Park, has also been affected by the floods dispersing its wildlife into towns.

The challenges

- Short-term measures can have no lasting impact on the Brahmaputra's course each year.
- The river has been bringing lots of sediment, raising its bed above the level of the plains. Flooding poses a major challenge.
- Assam receives a massive amount of rain every year, and such high precipitation produces aggressive floodwaters.

The way forward - What needs to be done

- Use of technology to help identify the most vulnerable areas and take remedial measures.
- Getting a scientific understanding of the flooding phenomenon to inform policy is vital.
- The government, on its part, must go beyond the necessary restoration of infrastructure such as embankments, bridges, buildings and communications structures.
- Relief measures will have to be sensitively handled as the tensions around identity conflicts are present between those claiming ethnicity vis-à-vis settled Bengalis.

Mains Perspective

Model questions

With increasing changes to our climate and environment, knowing about disasters, finding methods to get prepared, to mitigate and to get adapted to changes are quite essential to day to day life. This makes the topic important for UPSC. To see the previous year questions visit our [IAS preparation page](#).

Sources: [The Hindu](#)

ONGC - HPCL merger

It is premature to celebrate the consolidation of ONGC and HPCL

Mains :GS 3 Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.

Background

- The Union Cabinet's decided to purchase the Hindustan Petroleum Corporation Limited by the Oil and Natural Gas Corporation
- The decision follows the Finance Minister's announcement in this year's budget that the government would seek to merge public sector oil companies to create larger entities.

Why oil companies are merged?

- It can help India achieve the scale required to compete at the global level, and help better absorb oil price shocks.
- In addition, the sale of HPCL will fulfil more than a third of the year's disinvestment target.

Questions remaining

1. How ONGC will find the cash to complete the deal is a question remaining
2. Previous experience : the merger of Air India and Indian Airlines in 2007 failed to realise the expected benefits
3. ONGC's history of capital allocation, has come under much criticism from analysts, The Comptroller and Auditor General had in 2011 criticised it for the expensive acquisition of the U.K.-based Imperial Energy Corporation on unrealistic projections about returns.
4. The CAG exposed various inefficiencies in ONGC's operations
5. ONGC's profits have dropped significantly over the years
6. Whether ONGC will benefit from HPCL's efficient work culture or end up diluting it remains a concern.

Remarks

The lofty goal of creating profitable international oil behemoths cannot be achieved unless they conform to the basic rules of business.

Mains Perspective

Model questions

Can consolidation of large public sector entities solve the problems faced by the sector?

Give your suggestions

Sources: [The Hindu](#)

Environment vs Development

Chennai city will have no future if plans to fill the Ennore creek go ahead. This article throws light to recent disasters that affected Chennai and the continuing indifference shown by the State government towards better urban planning by protecting its existing environmental buffers.

Mains : GS3-Conservation, environmental pollution and degradation, environmental impact assessment.

Since December 2015, Chennai has limped from one extreme weather-related shock to another – the floods, the failed monsoon of 2016, Cyclone Vardah, and now the water crisis.

The unthoughtful move by the State

The State government conceded the Government of India-owned Kamarajar Port Ltd's (KPL) request to divert 1,000 acres of the hydrologically sensitive Ennore wetlands for industrial installations that are best built on dry land. The proposal is pending Central government clearance. If permitted, KPL's dream will turn out to be Chennai's worst nightmare, far worse than the 2015 floods.

The importance of Ennore wetlands to City

- Ennore Creek, a sprawling 8,000-acre tidal waterbody, is a place where climate change and disastrous land-use change converge. Two rivers with a total catchment of 5,000 sq km empty into the Ennore Creek.
- Much of the creek looks dry year-round, when visible waterspread is only 1,000 acres. But when cyclonic weather pushes the sea surging landwards, or when rainwaters from the two rivers come rushing to meet the sea, the waterspread in the creek swells to its majestic fullness.
- It buffers the rich aquifers of the Araniyar-Kosasthalaiyar Basin from the sea, and keeps salt water from invading groundwater resources that supply several hundred million litres daily to Chennai even during the worst droughts.

Author's comment

- “Such decisions arise not out of a love for encroachments, but out of perverted values, lack of accountability and an entrenched culture of discrimination.”
- “If plans to fill the creek persist, Chennai will have no future. The precious freshwater aquifer that Chennai draws from will be lost to salt. The precious fresh water that falls from the sky will turn the city into a watery grave.”

Mains Perspective

Model questions

Explain with an example as to how unplanned cities and illegal encroachments turn to be a disaster. Discuss the importance of finding a balance between development and

environmental conservation.

Sources: [The Hindu](#)

GS 3 Science and Technology

Electric vehicles

The government should give tax incentives to encourage production and use of e-vehicles

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

GS 3 Science and Technology- developments and their applications and effects in everyday life .

Background

The automobile industry is moving away from fossil fuels and is shifting to manufacturing vehicles powered by electricity.

The issues regarding electric vehicles

- Affordability
- The range they can cover on a single battery charge,
- Sustainability of making millions of batteries that must be recycled.
- Finding natural resources such as lithium, cobalt and nickel to make millions of batteries
- Putting up charging infrastructure across entire countries.

Electric vehicles so far

- The year-on-year growth of electric vehicles is 60%.
- Electric vehicles today make up only 0.2% of all light duty vehicles in the world.
- Many major automobile manufacturers have announced plans for electrics

What India can do?

- India, could give electro mobility a boost through its policy on Electric vehicles.
- Making electric two-wheelers and public transport buses attractive through tax incentives is feasible,
- At the same time low-cost non-motorised options for cities, such as bicycles and walking should be encouraged

Mains Perspective

Model questions

What are the impediments standing in the way of adopting Electric vehicles? Can adoption of electric vehicles be a game changer in curbing pollution? Discuss

Sources: [The Hindu](#)

GS 3 Security Challenges

Kashmir unrest

A coordinated security and civil response is needed to help peace return to the Valley.

Mains : GS 3 Security challenges and their management in border areas. Linkages of organized crime with terrorism

Background

- 2017 may turn out to be the deadliest year in Jammu and Kashmir in almost a decade Terrorist attack on Amarnath pilgrims is a reminder that a d security response is required to deal with the challenges.
- The recent attack comes in the backdrop of first anniversary of the killing of Hizbul Mujahideen 'commander' Burhan Wani, the fallout of which the security forces and the State government continue to struggle to contain.

Challenges

- Increasing number of youth are taking the route of militancy
- The numbers of violent incidents, protests and casualties have risen.
- The possibility of various terrorist organizations working together.
- Spike in militant activity has coincided with increased street protests, public mobilisation to help militants escape security operations, and intimidator tactics such as burning of schools to bring normal life to a standstill.

What needs to be done to restore peace in the valley?

1. A coherent security strategy and outreach by the civil administration to foster confidence and reduce tensions on the street.
2. Improves intelligence gathering methods.
3. Providing better training to personnel need so that the boundary between security intervention and human rights violation is not breached.
4. Containing violence is crucial to guide Kashmir to a peaceful future.

Mains Perspective

Model questions

Security challenges related questions were asked in the previous year examinations. To know more about the questions visit our [IAS preparation page](#).

Sources: [The Hindu](#)