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# **CURRENT AFFAIRS JULY 2015**

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# POLITY AND GOVERNANCE

## PETITION IN SUPREME COURT ON CRIMINAL DEFAMATION

Petitioners feel that *criminal defamation (sec 499 and 500 of IPC) stifled freedom of speech and expression under Article 19 (1) of the Constitution*, even if the speech made was truthful and meant to foster public debate of matters in the public domain.

### ARGUMENTS OF THE PETITIONERS

- Under Section 499, it is not just enough to show that the statements made are truthful but one must also show that it is for the 'public good' to disclose the truth. Otherwise one is liable to be prosecuted for criminal defamation.
- The penal sections were ***misused by those in power to settle political scores***. Criminal defamation has a pernicious effect on society: for instance, the state uses it as a means to coerce the media and political opponents into adopting self-censorship and unwarranted self-restraint.
- The state has no compelling interest in restricting free speech under Article 19(1) between or among private persons. Free speech restrictions under Article 19(2) must necessarily originate from compelling state interest, not private interest.
- ***Sections 123, 125 of the Representation of the People Act, 1951***, ought to be considered exhaustive of the reasonable restrictions imposed on a political speech during elections.
- The United Nations Special Rapporteur on freedom of expression, the Human Rights Committee of the International Covenant on Civil and Political Rights and other international bodies have all called upon States to abolish criminal defamation, recognising that ***it intimidates citizens and dissuades them from exposing wrongdoing***.
- The United Kingdom, from whom India borrowed this pernicious provision of the defamation law, abolished criminal libel five years ago. The Indian government should have taken the cue from such developments and exhortations from global bodies.

### GOVERNMENT'S ARGUMENTS IN FAVOUR OF DEFAMATION

- The Centre had refuted the petitioners by denying that criminal defamation had a chilling effect on free speech. It maintained that a person would be ***charged for criminal defamation only if his speech had neither social utility nor added to the value of public discourse and debate***.
- The government argued that the law is part of the state's ***"compelling interest" to protect the dignity and reputation of citizens***.
- Sections 499 and 500 are constitutionally saved and they are to be read as reasonable restrictions on an individual's right to free speech. Article 19 (2) uses the word 'defamation' in the context of reasonable restriction. Therefore, it is clear that the Constitution-makers have sanctified usage of Sections 499 & 500.
- The government said that since there was ***no mechanism to censor Internet from within***, online maligning could be countered only by continuing with defamation as a criminal offence.
- The government said that in India, citizens are ***unlikely to have enough liquidity to pay damages for civil defamation*** and hence criminal defamation is necessary.

### CONCLUSION

- Criminal defamation **should not be allowed** to be an instrument in the hands of the state, especially when the Code of Criminal Procedure gives public servants an unfair advantage by allowing the state's prosecutors to stand in for them when they claim to have been defamed by the media or political opponents.

- Thanks to past verdicts of the Supreme Court, the government and its organs can no more file civil suits seeking damages for defamation, yet the pernicious law of criminal defamation is invoked to stifle free speech.

1. Write about sec 377 of IPC. (UPSC-2009)
2. Why section 309 (attempt to suicide) was in news recently? (UPSC-1994)
3. What do you understand by the concept freedom of speech and expression? Does it cover hate speech? (UPSC-2014)

## GOVERNMENT LAUNCHES DIGITAL INDIA PROGRAMME

In an order to create **participative, transparent and responsive government**, the much ambitious 'Digital India' programme was launched. The Digital India programme aims at transforming the country into a digitally-empowered knowledge economy. It is an umbrella programme that covers multiple Government Ministries and Departments, coordinated by the *Department of Electronics & Information Technology (DeitY)*.

### NINE PILLARS OF DIGITAL INDIA

#### 1. Broadband Highways

- This covers three sub components, namely Broadband for All Rural, Broadband for All Urban and National Information Infrastructure.
  - Under **Broadband for All Rural**, 250000 village Panchayats would be covered by December' 2016.
  - Under **Broadband for All Urban**, Virtual Network Operators would be leveraged for service delivery and communication infrastructure in new urban development and buildings would be mandated.
  - **National Information Infrastructure** would integrate the networks like SWAN, NKN and NOFN along with cloud enabled National and State Data Centres.

#### 2. Universal Access to Mobile Connectivity

#### 3. Public Internet Access Programme

- The two sub components of Public Internet Access Programme are Common Service Centres and Post Offices as multi-service centres.
  - **Common Service Centres** would be strengthened and its number would be increased from approximately 135,000 operational at present to 250,000 i.e. one CSC in each Gram Panchayat. CSCs would be made viable, multi-functional end-points for delivery of government and business services.
  - A total of 150,000 **Post Offices** are proposed to be converted into multi service centres.

#### 4. e-Governance – Reforming Government through Technology

- The guiding principles for reforming government through technology are- Form simplification and field reduction; Online applications and tracking of their status ; Mandatory use of online repositories e.g. school certificates, voter ID cards, etc.
- **Electronic Databases** – all databases and information should be electronic and not manual.
- **Workflow Automation Inside Government** – The workflow inside government agencies should be automated to enable efficient government processes and to allow visibility of these processes to the citizens.
- **Public Grievance Redressal** - IT should be used to automate, respond and analyze data to identify and resolve persistent problems. These would be largely process improvements.

#### 5. e-Kranti (NeGP 2.0) – Electronic delivery of services

- There are 31 Mission Mode Projects under different stages of e-governance project lifecycle. Further, 10 new MMPs have been added to e-Kranti by the Apex Committee on NeGP.

- **Technology for Education – e-Education:** Free wifi will be provided in all secondary and higher secondary schools (totalling around 250,000 schools). A programme on digital literacy would be taken up at the national level. MOOCs –Massive Online Open Courses shall be leveraged for e-Education.
  - **Technology for Health – e-Healthcare:** E-Healthcare would cover online medical consultation, online medical records, online medicine supply, pan-India exchange for patient information.
  - **Technology for Farmers:** This would facilitate farmers to get real time price information, online ordering of inputs and online cash, loan and relief payment with mobile banking.
  - **Technology for Security:** Mobile based emergency services and disaster related services would be provided to citizens on real time basis so as to take precautionary measures well in time.
  - **Technology for Financial Inclusion :** Financial Inclusion shall be strengthened using Mobile Banking, Micro-ATM program and CSCs/ Post Offices.
  - **Technology for Justice:** Interoperable Criminal Justice System shall be strengthened by leveraging e-Courts, e-Police, e-Jails and e-Prosecution.
  - **Technology for Planning:** National GIS Mission Mode Project would be implemented to facilitate GIS based decision making for project planning, conceptualization, design and development.
  - **Technology for Cyber Security:** National Cyber Security Co-ordination Center would be set up to ensure safe and secure cyber-space within the country.
6. **Information for All**
- Government to pro-actively engage via social media and web based platforms to inform citizens.
    - **MyGov.in** has already been launched as a medium to exchange ideas/ suggestions with Government. It will facilitate 2-way communication between citizens and government.
7. **Electronics Manufacturing – Target NET ZERO Imports**
8. **IT for Jobs**
- 1 Crore students from smaller towns & villages will be trained for IT sector jobs over 5 years.
  - BPOs would be set up in every north-eastern state to facilitate ICT enabled growth in these states.
  - **3 lakh service delivery agents** would be skill trained to run viable businesses delivering IT services.
9. **Early Harvest Programmes**
- **IT Platform for Messages:** A Mass Messaging Application has been developed by DeitY that will cover elected representatives and all Government employees.
  - **Biometric attendance:** It will cover all Central Government. Offices in Delhi.
  - **Wi-Fi in All Universities**
  - **Public Wi-fi hotspots:** Cities with population of over 1 million and tourist centres would be provided with wi-fi hotspots to promote digital cities. The scheme would be implemented by DoT and MoUD.
  - **National Portal for Lost & Found children:** This would facilitate real time information gathering and sharing on the lost and found children and would go a long way to check crime and improve timely response. Recently the Khoya Paya Portal was launched.

#### **Digital Locker:**

- Digital locker is a dedicated personal storage space for e-documents as well as Uniform Resource Identifier (URI) of e-documents issued by government departments. The system will have an e-sign facility, which can be used to sign stored documents. Each locker is linked to the resident's Aadhar number.
- The move is aimed at **minimising the use of physical documents** and provide authenticity to e-documents, thereby, giving secure access to documents issued by government. It will also reduce administrative overhead of government departments and agencies and make it easy for the residents to receive services.

**National Scholarship Portal:** The National Scholarships Portal is a one-stop solution for end-to-end scholarship process. From submission of student application, verification, sanction to disbursement to end beneficiary for all the scholarships provided by the government, this is an important tool of the Digital India initiative.



## CHALLENGES TO THE DIGITAL INDIA PROGRAMME

1. Slow implementation of projects - The **National Optical Fibre Network project** to connect more than 2 lakh gram panchayats was sluggish from the start, and lagged five years behind schedule by 2013. Today, only 9 % of those who live in rural areas have access to the internet, compared to 64 % of those who live in cities.
2. **Lack of a legal framework** and concerns over privacy and data protection -India lacks a privacy law, without which initiatives like Digital Locker and e-Hospital are open to flagrant misuse by the state.
3. The entire programme is designed as a **top-down model**. There is no idea of how it would be implemented on the ground to be successful. For example, Broadband highways, now called BharatNet, is supposed to connect up to gram panchayat, but laying fiber optic cables is the least of the challenges here. The biggest challenge is ensuring that each panchayat point of broadband is fired up, functional, used and distributed. It has been found that more than 67% of the NOFN points are non-functional, even at the pilot stage.

## NATIONAL AGRICULTURAL MARKET E- PLATFORM

### ISSUES WITH CURRENT AGRI MARKETING

- Currently, the Agriculture Produce Market Committee (APMC) Acts in different states permit the first sale of crops — after harvesting by farmers — **to take place only in regulated market yards or mandis**. Because of this, the farmer's universe of buyers is *restricted only to traders or commission agents licensed* to operate in the area under a particular APMC.
- Further in most cases, *multiple licenses are required* to trade in different mandis within the same state.
- Intermediaries and malpractices in mandis affect the farmers' profit adversely.

### BENEFITS OF INTEGRATED MARKET

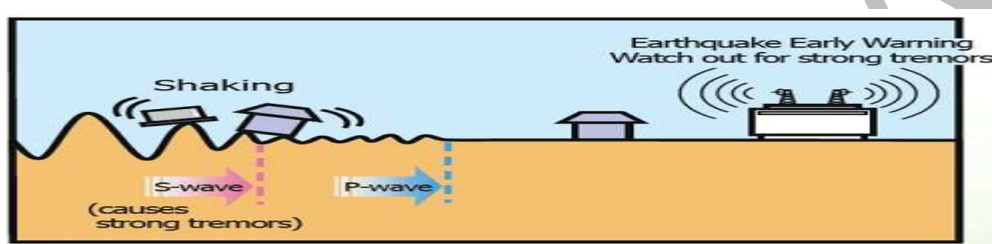
The idea of integrating the existing APMC markets through a common e-platform has come from Karnataka. The state government has established *Rashtriya e Market Services Private Limited*, a 50:50 joint venture with NCDEX Spot Exchange, to offer an automated auction platform for connecting all the mandis in Karnataka.

- Recently, the government has approved the creation of a **National Agriculture Market (NAM) online trading portal** which will allow farmers and traders to sell their produce to buyers anywhere in the country. This virtual marketplace will allow a farmer from, say, in Madhya Pradesh to sell his chana to a dal miller in Delhi who may be willing to pay a higher price. The miller, too, benefits by virtue of not having to be physically present or being forced to depend on traders in that APMC area.
- **Small Farmers Agribusiness Consortium (SFAC)** has been designated as the lead agency for developing the NAM e-platform. While buyers can log into the platform from homes or offices anywhere in India, the transactions will, however, be recorded as having been conducted through the mandi where the seller would normally bring his produce. The APMC concerned will, therefore, continue to earn the mandi fee on the transaction even if it does not happen in that particular market yard.
- The APMC-regulated mandis will, in fact, gain through the significant increase in turnover volumes likely from more buyers bidding for produce.

1. There is also a point of view that Agricultural produce Market Committees set up under the State Acts have not only impeded the development of agriculture but also have been the cause of food inflation in India. Critically examine. (UPSC-2014)

## INDIA INSTALLS ITS FIRST EARTHQUAKE EARLY WARNING SYSTEM IN UTTARAKHAND

- India has installed an earthquake early warning system for the first time to detect earthquakes and disseminate warnings in Uttarakhand.
- The early warning system will issue warnings **1-40 seconds before earthquakes of magnitude 5 occur**.
- All sensors system that warn of earthquakes are based on the **detection of P and S waves** generated during an earthquake. The P wave, which is harmless and travels faster than the S wave, is detected by the sensors for advance warning.
- The first earthquake early system has been installed in Dehradun, and the second will be established at Pithoragarh in the Kumaon region.
- The neighbouring country **Nepal has already installed** an earthquake early warning system which can inform about the earthquake **10-22 seconds in advance**.
- Earthquake early warning systems have been deployed in only a handful of the world's seismic hot zones. Countries with such systems include Mexico, Japan, and the United States, where the most advanced system is California's state-run **Shake Alert**.



## WORLD BANK REPORT: MGNREGA BECOMES WORLD'S LARGEST PUBLIC WORKS PROGRAMME

According to the recently released World Bank Group's report titled as "The State of Social Safety Nets 2015," MGNREGA has been ranked as the world's largest public works programme.

### HIGHLIGHTS OF THE REPORT

1. Around 182 million beneficiaries (15 % of India's population) are provided social security by MGNREGA (under Ministry of Rural Development).
2. The **Mid-day meal scheme**, under the Ministry of Human Resource Development, reaches out to 105 million beneficiaries which make it the biggest school feeding programme.
3. The **Janani Suraksha Yojna**, under the National Rural Health Mission, has around 78 million beneficiaries and is the top-most social security programme in terms of conditional cash transfers. (Conditional cash transfers involve transfer of money only when the persons meet the certain criteria).
4. **Indira Gandhi National Old Age Pension Scheme (IGNOAPS)**, launched by the Ministry of Rural Development, is the second largest social security programme in the world for unconditional cash transfer.
5. The world's top five largest social safety net programmes are all from the middle-income countries. Besides India, the other three countries are China, South Africa and Ethiopia.

## SUGGESTIONS TO END DEADLOCK ON LAND BILL

- Some of the chief ministers, who attended the second meeting of the NITI Ayog, suggested that **States be allowed to pass their own land acquisition laws**, picking or rejecting those elements according to their requirements.



- This is a **Sensible Solution** for several reasons.
  1. First, it **creatively leverages the Constitutional provisions** that keep "land" as a state subject but make land acquisition a concurrent subject under which both Centre and state can frame laws.
  2. Second, it **affords states some flexibility in framing laws and rules** more closely related to their own political situations and economic trajectories.
  3. Third, it **transfers to the states the tricky business of managing the myriad conflicting oppositions** and stakeholders involved in two key aspects of the amendments - scrapping the social impact assessment (SIA) and the consent clause for "public interest" projects. Some states are keen to retain SIA - Tamil Nadu and Punjab, for instance - whereas others (notably Maharashtra) would like to eliminate it.
  4. Fourth, and last, it will **force states to be competitive in attracting investment** and balance the dynamics of their internal politics.
- Rajasthan established a healthy precedent with its amendment to labour laws - also a concurrent issue and also always controversial. Land acquisition laws could follow a similar route. Most importantly, it will enhance the kind of policy innovation that is always more desirable in a country as widely diverse as India. This could even see the emergence of a type of **competitive federalism** where states without progressive land laws might fail to attract prospective investors to competing states that have more attractive laws.
- Some concerns regarding the proposed solution -
  1. It will create multiple laws, different for different States. Such complexity will **burden the investor and increase the cost of acquisition** as detailed readings of so many non-uniform laws is time consuming as well as confusing.
  2. It will **create further divide between States**. The more business friendly States like Gujarat and Maharashtra will frame business friendly laws to attract investment, while States like UP will face difficulty in framing favourable laws due to their socio-political conditions.

1. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 has come into effect from 1st January, 2014. What are the key issues which would get addressed with the Act in place? What implications would it have on industrialization and agriculture in India? **(UPSC-2014)**
2. Establish relationship between land reforms, agriculture productivity and elimination of poverty in Indian economy. Discuss the difficulties in designing and implementation of agriculture – friendly land reforms in India. **(UPSC-2013)**

## IRDA SUGGESTIONS TO IMPROVE HEALTH INSURANCE FRAMEWORK

Health insurance policies in India are still largely a neglected area. But, with increasing insurance awareness, people are looking for more benefits and better purchase for the money they are putting in a health insurance. Understanding the pulse of insurance buyers, the Insurance Regulatory and Development Authority (IRDA) has suggested some new proposals to improve the Indian health insurance framework. These are:

1. **Entry age-based pricing:** Health insurance companies should take into account the entry age of the policyholder (age at which they buy their first health policy) for determining the premium. *Currently, the premium is based on the age of the policyholder while taking any new policy.* As per the new proposal, if two people of the same age buy a health policy at the same time, the person who is already having a health insurance will get a lower premium as compared to the one who is applying it for the first time. Early insurance buyers will thus get discounted premiums on every renewal. This move would encourage more youngsters to buy insurance.
2. **Premiums linked to CPI:** IRDA is for linking insurance premiums to Consumer Price Index (CPI). The suggestion is to include a benchmark — CPI + 3 % for an automatic revision of premiums annually. This

effectively means that if inflation is on a rising trend, the hike in insurance premiums would be gradual and steady.

3. **Wellness and prevention-based incentives:** Currently, the only incentive given to health insurance buyers is the No Claim Bonus (NCB) for every claim-free year. There is a call now to initiate incentives to those customers who *follow health checkups and wellness programs*. Such incentives would push more people to follow a healthy lifestyle, which would help insurance companies as well in the long run as the number of claims may reduce over time.
4. **Long-term insurance and health savings accounts:** According to the proposal, long-term health policies will have 3-5 years tenure and health savings accounts will create a corpus over 5-15 years. Health saving accounts will enable policy holders to make a saving to meet the rising health costs. It would also be helpful in generating a healthcare corpus for their post-retirement years. Long-term health plans would also ensure loyalty of customers over a long period for the insurance companies.

1. After the September 1st changes, do you think that Unit Linked Insurance Plans (ULIPs) and Mutual Funds (MFs) are on a level playing field? Substantiate your. (UPSC -2010)

## FOCUS ON SOLAR PROSPECTS CAN BOOST MAKE IN INDIA

### POWER SHORTAGE OBSTRUCTING MAKE IN INDIA PROGRAMME

- Reports from industry associations suggest that **26 % of firms have disruptions in power supply for more than 21 hours a week**. As a result, large industries rely on expensive and unsustainable *diesel-based backup* to cover this shortfall.
- The **MSMEs** are the worst hit by these peak hour shutdowns and unscheduled outages as they are not able to afford sufficient backup.
- Thermal plants are not looking promising at this time as they are **operating at plant load factor as low as 60 %** due to fuel shortages. Furthermore, cost of input for thermal power plants is on the rise as the quality of Indian coal is low, thus requiring washing or blending with imported coal.

### HOW SOLAR PROSPECTS CAN SUPPLEMENT MAKE IN INDIA

Due to the above power constraints faced by industry, a closer inspection of the government's targets both for large deployment of solar power, as well as 'Make in India', show how the **two missions are complementary** to each other and not in conflict. This is obvious from following observations below:

- *Price of solar power from large scale solar projects, which are planned to be a bulk of the 100GW solar target, is already at parity with the price of power from new thermal power projects.* In India, industries pay an average power tariff of Rs.6.3/kWh. Commercial consumers pay even higher tariffs, Rs.7.7/kWh on average and as high as Rs.11/kWh in Maharashtra. In contrast, rooftop (captive) solar supplies power at Rs.5-8/kWh, without any subsidy, depending upon the size of the system and the cost of finance.
- Power purchase agreements for solar power are signed for 25 years, with **no provision for tariff revision**. In contrast, thermal power purchase agreements allow for annual revisions to account for fluctuations in input fuel prices, with no incentive for thermal power producers to lower tariffs.
- Decentralised solar power solutions, despite being relatively more expensive than grid based thermal power, **provide electricity at rates lower than diesel based systems** that currently power businesses in much of rural India.

Thus, the economic case for solar power is both sound and optimistic.

- The 100 GW solar target will result in **close to a quarter of our power supply being 'Made in India'**, making us less vulnerable to the geopolitics of fossil fuel trade.

- The adoption of decentralised solar power solutions, especially in rural India, can help **MSMEs sector develop momentum** by overcoming the challenges of intermittent power supply from the grid, provided the grid exists, or on diesel based systems that are both expensive and hazardous.
- Another primary focus area of the 'Make in India' programme is the creation of new jobs. India needs **10 million new jobs every year**. In the face of this colossal job creation target, 100 GW of solar comes with a promise of more than a million jobs.

## LATERAL ENTRY IS AS IMPORTANT AS LATERAL EXIT

There has been much noise about the lateral entry in the civil services as it brings innovation and diverse experience to the functioning of government, However, one area that is often not talked is the lateral exit. Let's see what the pros and cons associated with both lateral entry as well as lateral exit.

### LATERAL ENTRY

It means that people from outside the organization are also considered for recruitment at middle and higher level.

1. **Why Lateral Entry/ What benefits?**
  - a. Specialized knowledge, new Ideas, and good practices comes in from diverse fields.
  - b. Innovative Work culture is inherited.
  - c. Induce competitiveness.
2. **Current State Of Lateral Entry?**

It has been done but at a limited scale and at very high level. Few examples are

  - a. RBI Governor
  - b. NITI Ayog Vice president
3. **Challenges For Lateral Entry?**
  - a. Politically motivated selection.
  - b. Opposition from Civil Servant whose chances of promotion are reduced.
  - c. Nepotism and corruption.
4. **How It Should Be Handled?**
  - a. Transparency and accountability in Selection panel.
  - b. Allowing civil servant to compete for the post with lateral entrants.
  - c. Training the Civil Servant to help them acquire specific skill to make them competent and motivated.

### LATERAL EXIT

This is about showing the door to the inefficient civil servants or to those who don't want to work.

1. **Why Lateral Exit?**
  - a. Civil Servant may become incompetent with Time.
  - b. Civil Servant may want to work in different field to gain experience which they are not getting in current Job.
  - c. Seeking for peace and rest after exhaustive stay in service to get energized and continue later.
  - d. Personal commitments to family, intellectual development etc.
2. **Benefits of Lateral Exit**
  - a. Positive frame of mind for civil servant when coming back afresh.
  - b. Removing incompetence.
  - c. Judicious use of Public money
3. **Challenges of Lateral Exit**
  - a. Politics forcing civil servant to exit.
  - b. Loss of Information with them.
  - c. Demoralization of Civil service cadre.

1. Has the Cadre based Civil Services Organisation been the cause of slow change in India? Critically examine. (UPSC-2014)

## INTEGRATED POWER DEVELOPMENT SCHEME (IPDS)

With the launch of the Integrated Power Development Scheme (IPDS), power outages will be a thing of past. Moving towards providing **24x7 power supply**, the government has recently approved IPDS to improve transmission and distribution networks across the length and breadth of the country. The IPDS announced in the Union Budget 2014-15 envisages **strengthening of sub-transmission network, Metering, Customer Care Services, provisioning of solar panels and the completion of the ongoing works of Restructured Accelerated Power Development and completion of the Reforms Programme (RAPDRP).**

- The component of IT enablement of distribution sector **and strengthening of distribution network approved in June 2013 in the form of RAPDRP for 12th and 13th Plans will get subsumed in this scheme.**
- **Eligible Utilities:** All Discoms including private Discoms and State Power Departments will be eligible for financial assistance under this scheme. Projects under this Scheme will be completed within a period of 24 months from date of issue of Letter of Awards. Power Finance corporation is the nodal agency for operationalisation of this scheme.
- **Funding Pattern:** Grant portion of the Scheme is 60% for non-special category States (up to 75% on achievement of prescribed milestones) and 85 % for Special category States (up to 90% on achievement of prescribed milestones). The milestones for the additional grant are : timely completion of the scheme, reduction in AT&C losses as per trajectory and upfront release of subsidy by State government.
- **Tripartite Agreement:** Suitable Tripartite agreement will be executed between Power Finance Corporation as the nodal agency of the Ministry of Power, the State Government and the Discom to ensure implementation of the scheme in accordance with the guidelines prescribed under the scheme.
- **Model Benchmark:** A model benchmark for power systems in urban areas which sets standards in items like digital/ prepaid metering ,underground cabling of 11KV and LT lines, limits for AT&C losses etc will be prepared by Central Electricity Authority.

## SOCIAL ISSUES

### NEW MANUAL SCAVENGING LAW PROVING INADEQUATE TO END THE MISFORTUNE

- The latest Socio-Economic Caste Census data released on July reveals that **1, 80, 657 households and 7.84 people** are still engaged in this degrading work for a livelihood.
- **Maharashtra**, with 63,713, tops the list with the largest number of manual scavenger households, followed by MP, UP, Tripura and Karnataka, as per Census data.

#### Features Of The Prohibition of Employment as Manual Scavengers and their Rehabilitation Act 2013

1. It also seeks to expand the definition of manual scavengers.
2. Every unsanitary latrine is to be demolished or converted into sanitary latrines within 9 months of coming of the law.
3. Falls under residual powers under the Union list (Entry 97).
4. National Commission for Safai karmachari is the implementing authority.
5. Rehabilitation of estimated 2 lakh manual scavengers with one-time cash assistance, Rs 3,000 per month during training for other livelihood options, concessional loans for at least one member of the family and financial assistance for building a house.
6. It also fixes the responsibility on local governments for ensuring sanitary community toilets.
7. It seeks to more strict punishment for employing manual scavengers with a fine of Rs 50,000 or/and imprisonment up to a year. While the practice of hazardous cleaning of sewers and septic tanks will attract a fine of Rs 2 lakh and up to 2 years of imprisonment.

#### LACUNAE IN THE IMPLEMENTATION OF THE LAW –

- It is being said that the legal crackdown, using existing provisions of *The Prohibition of Employment as Manual Scavengers and their Rehabilitation Act 2013*, do not offer a long-term solution to the problem.
- Despite the demand to increase the amount of money given to panchayats to build toilets to Rs. 15,000 (it is currently Rs. 12,000), no steps have been taken yet by the Ministry of Drinking Water and Sanitation to respond to this. As a result toilets built under the government's flagship Swacch Bharat Abhiyan continue to be of a poor quality.

#### WAY FORWARD –

- Only through *modernising sanitation facilities* and sustaining a *campaign to change the mindsets* of people who support these practices that manual scavenging can be eradicated.
- Government needs to effectively utilize the funds and also monitor the maintenance of already built toilets.

### RSOC: DRAMATIC DROP IN NUMBER OF UNDERFED CHILDREN

- The national-level findings of the **Rapid Survey on Children (RSOC)**, a sample survey of over one lakh households conducted by the **UNICEF**, showed that both the **child stunting** and the number of **underweight** children in India had fallen to a historic low — from 48 % and 42.5 % in 2004-05 to 39 % and 30 % in 2013-14 respectively.

- **Rural-Urban Divide**: The RSOC findings show that at the national level, **stunting** is higher in rural areas (41.7 %) than in urban areas (32.1 %). Similar is the case for **underweight** children.
- **Inter-State Divide**: Some States have made remarkable progress in battling child malnourishment, others have made little progress despite a decade of high growth.
  - **Kerala remains the best performing State in the number of child stunting cases**, while **Manipur and Mizoram have the lowest numbers of underweight children**.
  - **Uttar Pradesh still has the highest levels of child stunting**, with over 50 % of the U-5 children being underdeveloped, meaning that their height is more than two standard deviations less than the expected height for their age for that population.
  - **Jharkhand, meanwhile, has the highest number of underweight children under the age of five**, meaning their weight for age is more than two standard deviations less than what would be expected.
  - Among the developed States, **Gujarat** is the only one to perform worse than the national average in reducing the numbers of child stunting cases and underweight children.
  - Almost all States have performed poorly in reducing the number of underweight adolescent girls. **Tamil Nadu, West Bengal, Uttarakhand and Tripura are the only States which have reduced the proportion of underweight adolescent girls**.

## NATIONAL SKILL DEVELOPMENT AND ENTREPRENEURSHIP POLICY 2015

- In a bid to improve employability of workers and boost job creation, the government has approved the country's **first integrated** national policy for skill development and entrepreneurship. The new policy would replace the **National Skilling Policy, 2009**.
- The policy aims to align supply with demand, bridging existing skill gaps, promoting industry engagement, operationalise a quality assurance framework, leveraging technology and promoting apprenticeship to tackle the identified issues.
- The policy would have **four thrust areas**. It addresses key obstacles to skilling, including low aspirational value, lack of integration with formal education, lack of focus on outcomes, low quality of training infrastructure and trainers.
- It also seeks to **connect entrepreneurs to mentors, incubators and credit markets; foster innovation and entrepreneurial culture; improve ease of doing business; and focus on social entrepreneurship**.
- **Equity** is also a focus of the Policy, which targets skilling opportunities for socially/geographically marginalised and disadvantaged groups. Skill development and entrepreneurship programmes for women are a specific focus of the Policy.
- The Cabinet also approved **common norms for Skill Development Schemes** being implemented by the Centre. This would help **bring uniformity** across the 70-odd skill development programmes (SDPs) being run by different government agencies.

## A MUCH NEEDED AMENDMENT TO COUNTER RACIST REMARK

### BACKGROUND OF THE ISSUE


- **'Cultural chauvinism'** and **'cosmopolitanism'** are the two major factors contributing to racial attacks in societies, especially in metro cities.
- Concerned over the spate of attacks on people from the Northeast in the Capital, the Delhi High Court had earlier asked the MHA to change the existing SC/ST Act or make other stronger prosecuting laws to protect the victims.



- Following the brutal death of a 19-year-old student from Arunachal, Nido Tania, in Delhi in January 2014, the Central government set up the **M.K. Bezbaruah committee** which recommended a series of punitive actions to prevent such attacks.

#### GOVERNMENT RECENT INITIATIVES

- The Union Ministry of Home Affairs has decided to amend the Indian Penal Code to make “racial discrimination” **a non-bailable criminal offence**. It is in the process of finalising a comprehensive Bill for insertion of new **Sections 153C and 509A** in the IPC.
- Under the amended law, any word, sign or gesture insulting the race of a person will be punishable with a three-year prison term. Any word, gesture, written statement or activity aimed at discriminating against the race of a person or promoting violence against a particular race will invite a prison term of five years.

PROPOSED AMENDMENTS TO IPC	
SECTION 153 C	PUNISHMENT
1 Making a discriminatory sign against individuals on the basis of race	
2 Making a discriminatory remark against individuals on the basis of race	
3 Writing something discriminatory against individuals on the basis of race	
4 Indulging in activities intended to use force or violence against individuals on the basis of race	
SECTION 509 A	PUNISHMENT
1 Any word, gesture or act intended to insult a member of a particular race	IMPRISONMENT UP TO THREE YEARS WITH FINE

#### ILO CRITICIZES INDIA'S PROPOSED LABOUR REFORMS,

- Among the many amendments proposed to the Factories Act of 1948, one proposes to exempt units that employ 20 workers (instead of the present 10) if there is electricity and 40 workers (instead of the present 20) if there is no electricity, from the purview of the factories law.
- The special provisions relating to lay-off, retrenchment and closure of establishments in which not less than 100 workers were employed on an average per working day for the preceding 12 months, as per the amendment, will now apply to only those establishments that employ 300 workers or more.
- Apparently, if these amendments are passed, some **50% of the factories would no longer come under the purview of the factories law**

#### DEFENCE OF PROPOSED REFORMS

- These laws have served to keep the Indian labour market an exclusive preserve of unionized workers whose membership remains closed to the vast majority of Indians who need a job with dignity.
- These smaller units need to be freed from intrusive labour laws. They have stood in the way, for several decades, of Indian manufacturing scaling up. The amendments to the Factories Act of 1948 also protect the interests of workers.
  - One of the amendments extends the liability for ensuring the safety of an instrument used in the factory to the designer of that instrument too.

- Another proposed amendment mandates that shelters and restrooms be provided in factories that employ at least 75 people instead of the 150 as at present.
- The government is proposing to consolidate and amend all laws under a Labour Code on Industrial Relations Bill, 2015, which will combine Industrial Disputes Act, 1947, The Trade Unions Act, 1926 and The Industrial Employment (Standing Orders) Act, 1946.
  - The proposed code has many positive features that try to minimize, if not eliminate, political interference in the relationship between an employer and his employees through the election of politically connected persons as heads of labour unions, etc.
  - It provides for more generous compensation than before for retrenched or laid off workers.

## GROWING INEQUALITY IN INDIA

- The Boston Consulting Group's 15th annual report, "**Winning the Growth Game: Global Wealth 2015**", has revealed some startling facts.
  - Of the world's poorest 20 % people, nearly **25%** are Indians. China's share is a mere 3 %.
  - The richest **1 % of Indians today own 49 %** of India's personal wealth, and the top **10 % Indians own 74 %** of the country's personal wealth.
- However, one group of people says that there is nothing to be worried about India's growing inequality. This is the **normal progression of economic development**. A set of expanding industries located in an urban area induces further development of economic activity throughout its zone of influence. For some years, this generates increasingly large differentials in income and development, but after reaching a maximum level, inequality begins to decline, in the manner of an inverted 'U', what we call as the **Kuznets Curve**. This is what we know as John F. Kennedy's memorable phrase, "a rising tide lifts all boats".

## A WIDENING GAP AND THE PLIGHT OF TRIBALS

- Though the poverty has declined significantly in recent times in India, but we can't say the same about inequality?
- Inequality in India operates on multiple axes — of gender, class, caste, region, religion and ethnicity. But perhaps the **worst suffering is of India's tribal people**, who suffer a double whammy of both disadvantaged region and ethnicity. A paper in the *Economic and Political Weekly* reveals that if we want to get an accurate picture of regional inequalities, we have to look much deeper than just States or even districts. We need to go to the **sub-district or block level**, and there we find that an overwhelming share of the most backward sub-districts has a high concentration of tribal population.
- Around **40 % of the 60 million people displaced following development projects in India are tribals**, which is not a surprise given that 90 % of our coal and more than 50 % of most minerals and dam sites are mainly in tribal regions.
- Many developed districts paradoxically include pockets of intense backwardness. A report shows that 92 districts have sub-districts that figure in the list of both the top 20 % and bottom 20 % of India's sub-districts. To give a few examples, "developed" districts like Thane, Vadodara, Ranchi, Visakhapatnam and Raipur have some of the most backward subdistricts. The most industrialised sub-districts in Korba and Raigarh of Chhattisgarh, Valsad of Gujarat, Singhbhum of Jharkhand, Kendujhar, Koraput and Mayurbhanj of Odisha, are flanked by the most underdeveloped sub-districts. **And invariably these backward subdistricts are overwhelmingly tribal.**
- Clearly, the tribal people have not been included in or given the opportunity to benefit from development.

## INCLUSIVE GROWTH: A REMEDY TO COUNTER GROWING INEQUALITY

- Inequality can be destructive to growth by amplifying the risk of crisis or making it difficult for the poor to invest in education.
- What then are the elements of a vision of development much more inclusive and empowering of those left out?
  1. First, the **overall direction of growth needs to change**. We cannot continue with a pattern of *jobless growth*. Our focus should be not just on GDP growth itself, but on achieving a growth process that is as inclusive as possible. For example, faster growth for the MSMEs segment will generate a much *broader spread of employment and income earning opportunities* and is, therefore, more inclusive than growth largely driven by extractive industries or service sector.
  2. It is also clear that **sustainability** has to be at the core of our development strategy. This is because the poorest regions of India are also the most *eco-fragile*. If we truly want to build tribal incomes, we need to offer them a range of sustainable livelihoods, including non-pesticide managed agriculture, an imperative also for the health of Indian consumers, as well as for reducing the escalating financial and ecological costs of farming. Of course, this requires careful attention being paid to the rights of the tribal people, as enshrined in the *Forest Rights Act* and a complete restructuring of their relationship with the Forest Department, historically seen by the tribal communities as standing in an adversarial relationship with them.
  3. A crucial reason why the poor are unable to take advantage of the possibilities opened up by growth even within their districts is the **absence of requisite health and education facilities**. Globally, India spends among the lowest share of its national income on public provision of health and education. These are the sectors in most urgent need of government reform.
  4. **Participatory governance**: Much better state capacities in regions of high poverty are also an urgent requirement. For these regions suffer not just from rampant market failure but also widespread government failure. These regions and people their need better governance, which is much more participatory in nature. Panchayati raj institutions, including the gram sabha, need to be empowered and activated for this purpose. We need to learn to involve the “last citizens” in decisions that affect their lives, such as taking their consent while acquiring land for an avowed public purpose.

## CONCLUSION

There is **nothing automatic about a decline in inequality under capitalism**. The Kuznets Curve remains a mere fantasy if the right programmes and policies are not in place. Inequality did decline when the appropriate policy framework was adopted in Europe and America during the so-called golden age of capitalism in the mid-20th century. These were the decades that saw the emergence of what economist, public official and diplomat John Kenneth Galbraith termed “**countervailing power**”. And it is the unravelling of this balancing power and a shift towards free-market fundamentalism that led to the rise in inequality after 1980.

Indian policymakers must recognise the urgent need to redefine the very meaning of reforms so as to make the pro-poor, rather than merely pro-corporate. Without these reforms, inequality in India will continue to escalate and create dangerous tensions, threatening the very survival of the delicate fabric of Indian democracy.

1. Discuss economic backwardness as a major challenge of India. Can democracy and development go together smoothly? (UPSC-2006)

## QUOTA OBLIGATION IN GOVERNMENT JOB UNFULFILLED

- At a time when the country is celebrating *Ira Singhal's achievement in topping UPSC*, the fact remains that disabled candidates occupy only a 10th of the central government posts reserved for them. The reservation is 3 % for the disabled category but only **0.3 per cent** (9,339 out of 29.59 lakh) of the present central government workforce belong to that category.
- In terms of community reservation, too, the OBCs are short of their quota in central government jobs. The SCs and the STs, in fact, either exceed or match their quota. The actual representation of the three groups adds up to **43 per cent (SC 17.6, ST 7.7 and OBC 17.7)** when the quota for them is 49.5 per cent (SC 15, ST 7.5 and OBC 27). This implies that 6.5 % of occupied government posts, or 13 % of the reserved 49.5 %, have been occupied by employees of the general category when these should have been reserved.
- *For the gap in representation of OBC employees, a possible reason is that **reservation for OBCs started only in 1994 based on the Mandal Commission report**. Again, the representation of disabled employees is poor evidently because reservation for them was introduced only in 2004.*
- The service group wise representation for SCs, STs and OBCs are also depicted in the figure above. Among Group-A and B officers, general category employees have the highest representation (69.3 %).

On what grounds does Art 15 of the Indian Constitution prohibit discrimination? Indicate the way the concept of 'special protection' has qualified this prohibition, and contributed to social change. (UPSC-1999)

## PAM RAJPUT COMMITTEE ON IMPROVING STATUS OF WOMEN

The High Level Committee on Status of Women was set up in 2013 to do a comprehensive study on the status of women since 1989, and to evolve appropriate policy interventions based on a contemporary assessment of *economic, legal, political, education, health and socio-cultural needs* of women. **The first such committee was set up 42 years ago in 1971 on the request of the UN.**

### REPORTS OF THE COMMITTEE

- It wants the *Armed Forces Special Powers Act (AFSPA) to be repealed, gay sex decriminalized, and at least 50 % reservation for women at all levels of legislature, right up to the Parliament.*
- To deal with **violence against women**, the committee called for several legislative interventions.
- Calling for **50 % reservation of seats for women** in the local bodies, state legislative assemblies, Parliament, cabinet and all decision-making bodies of the government, the committee noted: "*Gender parity in governance and political participation is a pre-requisite to the realisation of gender equality.*"
- The committee called "India's missing girls", the problem of skewed sex ratio due to cultural preferences for sons, a "national shame". While proposing **a gender score card** for all those in public life, it also recommended that all elected representatives — MPs, MLAs and members of Panchayati Raj Institutions and Urban Local Bodies — should be accountable for the sex ratio in their respective constituency, inviting rewards and recognition for progress, and prosecution for negligence, inaction, and complicity.

1. Write on the issue of gender equality in India. (2003)

## PWC AND SAVE THE CHILDREN RELEASED A REPORT ON PLIGHT OF URBAN CHILDREN

- Price Water house Coopers and International NGO Save the Children have come out with the report, 'Forgotten Voices: the world of urban children in India'
- With **every fourth child in India (27.4 % of total children) living in urban areas**, the report has given a reality check on the situation of urban children as varying patterns of migration to cities across India make them increasingly vulnerable to a variety of risks.
- **Ill-health, poor access to water and sanitation, insufficient education, urban disasters and lack of protection** continue to plague urban children from the disadvantaged section, noted the report.

### HEALTH AND SANITATION

- Though the urban population in India has better access to sanitation, coverage is failing to keep up with the population growth — one in five households in India do not have a household toilet.
- It indicated that children living in slums are 1.3 times more likely to suffer from **diarrhoea** than in non-slum areas.
- Rising prevalence of **child obesity**, especially in the middle and upper-middle classes is another problem highlighted in the report. Private schools of Delhi has 29 to 32 % of children (14-18 years) reporting as overweight.

### LACK OF PROTECTION

- **Employing minors for jobs** was highlighted as a set-back for children. In India, where it is lucrative for employers to employ child workers since it is a cheaper option and labour laws are poorly implemented, the number of urban child workers in small and medium-scale hazardous industries, service establishments, and informal businesses is huge.
- A large number of children also work as **domestic helps**. In this segment, 70 per cent children reported physical abuse, slapping, kicking, burns, etc. and 32.2 per cent reported sexual abuse.

### VULNERABLE TO CRIMES

- Highly urbanised States such as **Delhi and Maharashtra are among the worst urban centres** for children with crimes against them having registered a significant rise. There was a 24 % increase in crimes against children between 2010 and 2011 and a further 52.5 % increase from 2012 to 2013.
- The **girl child** is especially affected due to the proliferation of sex work in cities.
- A higher-than-average crime rate clearly means that children in the cities are not only victims to such violence but also are in the danger **of becoming a part of organised crime rackets**, especially when faced with disruption in schooling and lack of parental care.

### KEY NOTES

- Every eighth urban child (0-6 years) also lives in slums, often situated next to high-rises and swanky malls. Keeping this in mind, a smart city cannot be a city meant for investors, tax-paying classes and gadget users only. It has to be a **'city with a heart', a city that is inclusive and just**
- Urban schemes should be designed to address the specific needs of children and sufficient budgets should be allocated for this.

## GOVERNMENT TO INTRODUCE SC/ST ATROCITIES BILL 2014 IN MONSOON SESSION

### PROVISIONS OF THE BILL

SC and ST (Prevention of Atrocities) Act, 1989	SC and ST (Prevention of Atrocities) Amendment Bill 2014
<p><b>Offences</b></p> <ul style="list-style-type: none"> <li>Forcing an SC or ST individual to vote or not vote for a particular candidate in a manner that is against the law is an offence under the Act.</li> <li>Wrongfully occupying land belonging to SCs or STs is an offence under the Act.</li> <li>Assaulting or sexual exploiting an SC or ST woman is an offence under the Act.</li> </ul>	<ul style="list-style-type: none"> <li>The Bill adds that impeding certain activities related to voting will also be considered an offence.</li> <li>The Bill defines 'wrongful' in this context, which was not done under the Act.</li> <li>The Bill adds that: (a) intentionally touching an SC or ST woman in a sexual manner without her consent, or (b) using words, acts or gestures of a sexual nature, or (c) dedicating an SC or ST women as a devadasi to a temple, or any similar practice will also be considered an offence.</li> </ul>
<p><b>Role Of Public Servants</b></p> <p>The Act specifies that a non SC or ST public servant who neglects his duties relating to SCs or STs shall be punishable with imprisonment for a term of six months to one year.</p>	<p>The Bill specifies these duties, including: (a) registering a complaint or FIR, (b) reading out information given orally, before taking the signature of the informant and giving a copy of this information to the informant, etc.</p>
<p><b>Role Of Courts</b></p> <ul style="list-style-type: none"> <li>Under the Act, a Court of Session at the district level is deemed a Special Court to provide speedy trials for offences.</li> <li>A Special Public Prosecutor is appointed to conduct cases in this court.</li> </ul>	<ul style="list-style-type: none"> <li>The Bill substitutes this provision and specifies that an <u>Exclusive Special Court</u> must be established at the district level to try offences under the Bill, and ensure that cases are disposed of within two months.</li> <li>Appeals of these courts shall lie with the high court, and must be disposed of within three months.</li> </ul>

Other than these changes/additions to the existing provisions, the Bill adds some new features also which are:

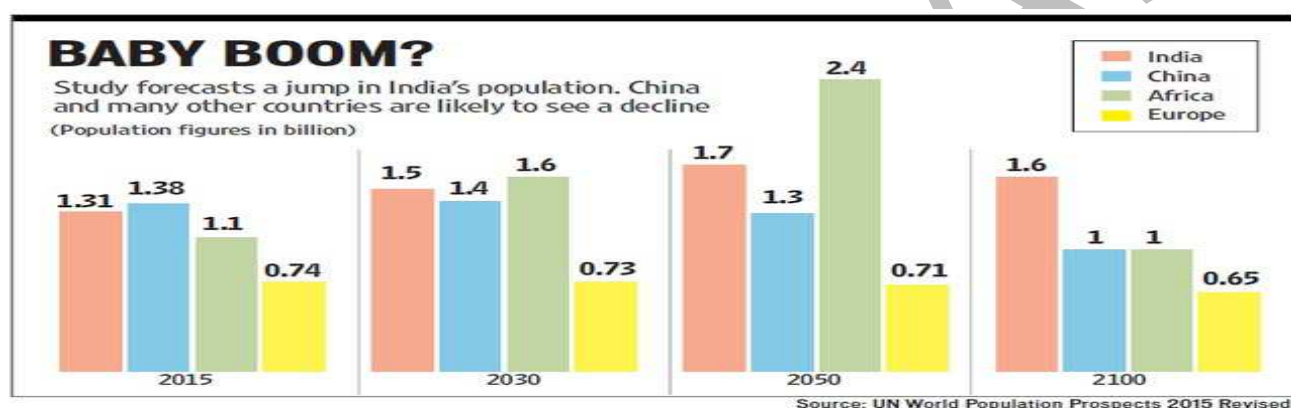
- New offences added under the Bill include:** (a) garlanding with footwear, (b) compelling to dispose or carry human or animal carcasses, or do manual scavenging, (c) abusing SCs or STs by caste name in public, (d) causing physical harm on the allegation of practicing witchcraft, and (e) imposing or threatening a social or economic boycott.
- The court shall **presume that the accused was aware of the caste or tribal identity** of the victim if the accused had personal knowledge of the victim or his family, unless the contrary is proved.
- The Bill adds **a chapter on the rights of victims and witness**. It shall be the duty of the state to make arrangements for the protection of victims, their dependents and witnesses. The state government shall specify a scheme to ensure the implementation of rights of victims and witnesses.

1. What are the protections afforded to ST in the fifth schedule of Indian Constitution? (UPSC-2005)



## INDIA TO BE MOST POPULOUS NATION BY 2022, SAYS UN REPORT

- India is on course to be the world's most populous nation by 2022, surpassing China sooner than previously estimated, according to the UN's 2015 Revised World Population Prospects report. In its earlier version, the report said India would overtake China in population size only by 2028.
- The estimates forecast a remarkable quickening of India's population growth between 2015 and 2050, while China's is projected to remain flat and then start declining.
- ***In 2030, India would be home to 1.5 billion and a staggering 1.7 billion in 2050.***
- The country's population will rise despite a fall in its fertility rates, mainly because of its ***mostly poor but younger population in states such as Bihar and UP.***
- India is expected to remain a relatively young country in the decades going forward. Its ***median age in 2015 is 26.6 years and this would grow to 31.2 years in 2030, 37.3 years in 2050 and 47 years in 2100.***
- The population pressures mean the country has to prepare to deal with the stress and also reap what we call as India's current "demographic dividend", or a positive population scenario of more younger, employable people than old.
- Overall, the world's population is projected to be 8.5 billion by 2030.



## POOR MIGRATION POLICY HAS WORSENERD THE PLIGHT OF MIGRANTS

The number of Indian migrants is about **16 million**, of which 8 million live in the Gulf region. According to the World Bank figures, India is the leading country in remittances, **drawing in \$70 billion from its global migrant workforce in 2014.**

Despite these remittances contributing so much to India's foreign exchange reserve, to society, and to families in India, sadly, *India lacks a good migration policy.*

### FLAWS WITH MIGRATION POLICY

- A look at the governing structure at each stage shows that India is probably the only country in the world where ***migration is managed by three different Ministries***: the passport is issued by Ministry of External Affairs (MEA), emigration clearance for Emigration Check Required (ECR) passports comes under the MOIA, and departures are managed by the Bureau of Migration of the Ministry of Home Affairs (MHA).
- A major drawback of the existing system is the application of the ***Emigration Act of 1983.***
  - The 1983 Act also brought into force a new system of "emigration clearance" under which "no citizen of India" was permitted to emigrate without PGE authorisation.
  - Subsequently, subscribing to the logic of "protection by exception", two kinds of passports were created: Emigration Check Required (ECR) and Emigration Check Not Required (ECNR). Though the Passports Act 1967 talks of only three types of passports, ordinary, official and diplomatic, in practice there are two classes of ordinary passports: ECR and ECNR. This system needs to be abolished at the earliest because ECR passports can be imaginatively interpreted as 'Exploitation

Compulsorily Recommended'. These passport holders are exploited at every stage of migration: at passport offices, by the protector of emigrants officers, recruitment agencies, travel agents, airports, and emigration and customs officials.

- Emigration clearance is managed from **just nine locations across India, with an approved 1,439 recruitment agencies** as of 2012. Of these, about 58 % exist only on paper. "The administrative apparatus itself has accentuated corruption as a result of the nexus formed between erring government officials and recruiting agencies.
- Equally bad is the **cost of migration**. According to the Kerala Migration Survey 2008, a person migrating from Kerala to Saudi Arabia spent Rs.74,606 — almost four times more than the PGE-approved service charges of Rs. 20,000 for unskilled workers. Nurses report that they pay about Rs. 3 lakh at the time of recruitment.
- Another problem is at the **destination where workers depend on the Indian Embassies**. For instance, in both Saudi Arabia and the UAE, which host about 20 lakh Indian migrants each, the direct contact for most workers on any issue is the labour attaches affiliated to the Indian Embassy. In both countries, only two labour attaches are available in both the embassies and the consulates. Assuming that each attache has 20 workers to help them handle labour issues, 40 aides per 20 lakh people is very meager. Another problem is the **lack of a rehabilitation policy when migrants return**.

## CONCLUSION

- It is high time India gave its migrants their share of rights in return for the amount we receive in remittances. The **governance structure** needs a complete revamp to make migration easy.
- As Indian workers, both skilled and unskilled, are in demand everywhere, the **costs of migration** should be brought down to a minimum or to "zero cost of migration". The Indian government has to **deploy far more labour officers** at the destination countries, especially in the Gulf where half the Indian migrants are concentrated.

An **effective rehabilitation policy** will help migrants use their enhanced skills when they return home. A **strong migration policy** is the only way forward.

# INTERNAL SECURITY

## GUJARAT CONTROL OF TERRORISM AND ORGANISED CRIME (GCTOC) BILL, 2015

- After an objection by the Ministry of Information and Technology (IT), the controversial Gujarat Control of Terrorism and Organised Crime (GCTOC) Bill, 2015 has been returned to the state.
- For any Bill passed by a state assembly on issues contravening Central laws, it has to have a Presidential assent to become a law.
- It was rejected thrice by two former Presidents- late APJ Abdul Kalam in 2004 and later on by Pratibha Patil in 2008 and 2009.

## CONTROVERSIAL PROVISIONS IN THE BILL

- IT ministry objected to the provision in the Bill, which “allows authorisation of interception of telephonic conversations and their admissibility as evidence in the court of law.
- Increasing the period to file chargesheet from 90 to 180 days.
- Strict conditions for granting bail to an accused.
- Section 25 of the Bill, which makes the government immune from any legal action for “anything, which is in good faith done or intended to be done in pursuance of this Act.

## CRITICISMS

- Critics say that GCTOC is similar to draconian anti-terror laws such as the TADA and the POTA. Both were considered failed experiments that led to gross abuse.
- TADA came into being during the years of the Punjab militancy and POTA after the Parliament attack of 2001, and the genesis of MCOCA was from the Mumbai serial blasts of 1993. Knee-jerk reactions lead to severe laws.
- GCTOC, like MCOCA, allows confessions secured in police custody to be admitted as evidence in courts. This provision about confessions made to law enforcement by an accused will be grossly abused, and confessions will be extracted by the police under torture.
- It allows the custody of an accused for 180 days rather than the 90 days provided under normal law.
- May promote police tyranny.
- May lead to abuse of the law in order to settle political scores especially using ruling party-driven law enforcement.
- Authorization of interception of telephonic conversations and their admissibility in evidence. This will promote snooping and can be misused.
- This makes the government immune from any legal action for “anything, which is in good faith done or intended to be done in pursuance of this Act.” There is anxiety that the executive will exploit this section and become less accountable to the law for its commissions and omissions.
- The most troubling aspect of MCOCA has been the way that it has been used as a charge in all manner of cases ranging from real estate deals, prostitution and match-fixing, as the police seek to stack the odds in their favour in order to secure a conviction.
- The above practice has repeatedly met with censure from the courts and there is no guarantee that GCTOC won't go down the same path.

## NEED OF SUCH ACTS

- The common thread running through all these controversial pieces of legislation is the notion that regular process, as outlined by the Code of Criminal Procedure, is not enough to deal with a changed internal security situation.
- Being situated on the border with Pakistan, Gujarat has every reason to protect itself as well as it can, and the new piece of legislation fits into the scheme of things in the State.

- Organised criminal syndicates make common cause with terrorist gangs and foster macro terrorism, which extends beyond national boundaries. There is a reason to believe that organised criminal syndicates are operating in the state and there is immediate need to curb their activities.

#### SUGGESTIONS

- To make a claim or take the position that an anti-terror law such as the one Gujarat is now steering will eliminate terror would be dishonest and hypocritical. At the same time, to portray GCTOC as being a tool to serve the ruling dispensation's political ends would also be unfair.
- The focus should rather be on better resources and training for investigators who can continue to work under the existing Code of Criminal Procedure, which is already comprehensive in scope.

### ANTI-HIJACKING BILL 2015

The government has approved amendments to anti-hijacking law.

#### AMENDMENTS

- Now it provides for death penalty even if ground handling staff and airport personnel are killed during such acts. In the earlier Bill, hijackers could be tried for death penalty only in the event of death of hostages, such as flight crew, passengers and security personnel.
- The Bill has enlarged the definition of hijacking and includes not just those who physically commit the offence but also their accomplices.
- It also provides for an enhanced punishment to the perpetrators as well as the area of jurisdiction

#### BACKGROUND

- The Bill comes nearly 16 years after IC 814, an Indian Airlines aircraft, was hijacked to Kandahar in Afghanistan.
- The Anti-Hijacking Bill 2014, introduced in Rajya Sabha in December last, was referred to the Parliamentary Standing Committee on Transport, Tourism and Culture.

#### SUGGESTIONS BY COMMITTEE

- Making hoax calls a punishable offence
- To provide adequate compensation for victims of hijacking.

#### PROVISIONS IN THE BILL

- The proposed law would also give teeth to concerned agencies or security forces to immobilise an aircraft or prevent its take-off and also allow the Indian Air Force to scramble its fighters to intercept a hijacked aircraft and force it to land.
- A hostile plane could also be shot down if there is evidence that it could be used as a missile to hit a vital installation.
- The legislation would provide that anyone, alone or in concert with others, who commit acts like seizure or control of an aircraft by force or any form of intimidation would be deemed to have committed the offence of hijacking.

# SCIENCE AND TECHNOLOGY

## MERCURY POLLUTION

### SOURCES

- Burning coal for power and heat a major source of mercury.
- Mercury is contained in many products, including: batteries, measuring devices, such as thermometers and barometers, electric switches and relays in equipment, lamps (including some types of light bulbs), dental amalgam (for dental fillings), skin-lightening products and other cosmetics, pharmaceuticals.

### IMPACT

- Mercury is considered by WHO as one of the top ten chemicals or groups of chemicals of major public health concern.
- Exposure to mercury – even small amounts – may cause serious health problems, and is a threat to the development of the child in utero and early in life.
- Mercury may have toxic effects on the nervous, digestive and immune systems, and on lungs, kidneys, skin and eyes.
- Skin rashes and dermatitis; mood swings; memory loss; mental disturbances; and muscle weakness
- Symptoms include these: tremors; emotional changes (e.g., mood swings, irritability, nervousness, excessive shyness); insomnia; neuromuscular changes (such as weakness, muscle atrophy, twitching); headaches; disturbances in sensations; changes in nerve responses; performance deficits on tests of cognitive function. At higher exposures there may be kidney effects, respiratory failure and death.

Ex-workers of the thermometer-manufacturing unit of Hindustan Unilever Ltd. (HUL) in Kodaikanal, Tamil Nadu have been demanding justice.

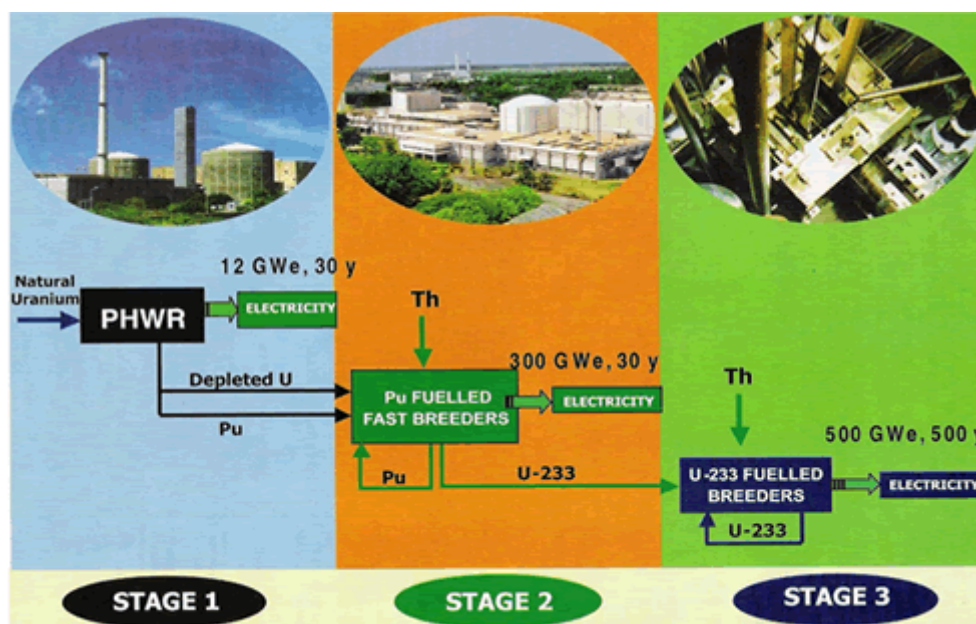
### MINAMATA CONVENTION ON MERCURY

The Convention obliges government Parties to take a range of actions, including addressing mercury emissions to air and to phasing-out certain mercury-containing products.

## KALPAKKAM FAST BREEDER REACTOR TO BE COMMISSIONED SOON

- The 500-MWe Prototype Fast Breeder Reactor (PFBR) at Kalpakkam is getting ready to be commissioned in September.
- It will signal India's triumphant entry into the second stage of its three-stage nuclear power programme.
- **Fuel:** plutonium-uranium oxide
- **Coolant:** liquid sodium
- **What is FBR:** A reactor, which produce more fuel than it consumes. India's FBRs will produce xxx while generating power.
- **Current status:** The PFBR construction had been completed and equipment energised. The agency is awaiting clearance from the Atomic Energy Regulatory Board (AERB) for sodium charging, fuel loading, reactor criticality and then stepping up power generation.
- **Who build reactors:** Bharatiya Nabikhiya Vidyut Nigam Limited (BHAVINI), a public sector undertaking of the Department of Atomic Energy.

## INDIA'S 3 STAGE NUCLEAR PROGRAMME



- **India's three-stage nuclear power programme** was formulated by Dr. Homi Bhabha in the 1950s to secure the country's long term energy independence, through the use of uranium and thorium reserves found in the monazite sands of coastal regions of South India.
- Motivation behind this programme: India has 25% of world thorium reserves but only 1-2% global uranium reserve. So it will enable the thorium reserves of India to be utilised in meeting the country's energy requirements.
- The recent Indo-US Nuclear Deal and the NSG waiver, which ended more than three decades of international isolation of the Indian civil nuclear programme, have created many hitherto unexplored alternatives for the success of the three-stage nuclear power programme.

### STAGE 1: PRESSURISED HEAVY WATER REACTOR

In this natural uranium fuelled pressurised heavy water reactors (PHWR) produce electricity while generating plutonium-239 as by-product.

### STAGE II – FAST BREEDER REACTOR

- In the second stage, fast breeder reactors (FBRs) would use a mixed oxide (MOX) fuel made from plutonium-239, recovered by reprocessing spent fuel from the first stage, and natural uranium.
- In the second stage, fast breeder reactors (FBRs) would use a mixed oxide (MOX) fuel made from plutonium-239, recovered by reprocessing spent fuel from the first stage, and natural uranium.
- In FBRs, plutonium-239 undergoes fission to produce energy, while the uranium-238 present in the mixed oxide fuel transmutes to additional plutonium-239.
- Thus, the Stage II FBRs are designed to "breed" more fuel than they consume.

### STAGE III – THORIUM BASED REACTORS

- A Stage III reactor or an advanced nuclear power system involves a self-sustaining series of thorium-232-uranium-233 fuelled reactors.
- This would be a thermal breeder reactor, which in principle can be refueled after its initial fuel charge using only naturally occurring thorium.



- According to the three-stage programme, Indian nuclear energy could grow to about 10 GW through PHWRs fueled by domestic uranium, and the growth above that would have to come from FBRs till about 50GW.
- The third stage is to be deployed only after this capacity has been achieved.
- Full exploitation of India's domestic thorium reserves will likely not occur until after the year 2050.

## RASHTRIYA AVISHKAR ABHIYAN

- **Aim:** to inculcate a spirit of inquiry, creativity and love for Science and Mathematics in school children.
- Developed by the Ministry of Human Resource Development
- It seeks to Develop Scientific Temper Among School Children,
- To encourage students to learn sciences beyond the classrooms.
- Under Rashtriya Avishkar Abhiyan, government schools will be mentored by Institutes like IITs/ IIMs/ IISERs and other Central Universities and reputed organisations through innovative programmes, student exchanges, demonstrations, student visits, etc. to develop a natural sense of passion towards learning of Science and Maths.

## MAJOR INTERVENTIONS

- Sensitization of Parents and Community
- Organised visits to Science Museums, Innovation hubs and Science fairs and Mathematics Melas
- Participation of Students in Inter-school, State/ National Science and Mathematics competitions/ Olympiads etc.
- Expand outreach of programmes of Ministry of Science and Technology to promote science learning
- Science, Mathematics and Technology Clubs for Children
- Promotion of Science & Mathematics Teacher Circles
- School Mentoring
- Strengthening teacher support institutions through use of technology
- Use of Technology in Science and Mathematics teaching
- Provision of Teaching-learning equipment and materials
- Strengthening School Science and Mathematics Laboratories
- Assessment Design for Science and Mathematics for students
- Teacher Preparation for Science, Mathematics and Technology

## ISRO SUCCESSFULLY LAUNCHED 5 UK SATELLITES

- Heaviest ever payload (1,440kg)
- Launched by 44.4 metre tall **Polar Satellite Launch Vehicle PSLV-C28**
- Satellites launched
  - UK's three identical optical earth observation satellites
  - A Micro and a Nano satellite from UK
- Will give a boost to ISRO's commercial launch capabilities
- ISRO's previous 'heavy' commercial payload was SPOT-7, a French satellite weighing 712kg that a PSLV put in orbit in 2014.
- Major application areas of satellites include surveying the resources on earth and its environment, managing urban infrastructure and monitoring of disasters.

## AKASH AIR DEFENCE MISSILE SYSTEM

The Govt. formally handed over to the Indian Air Force (IAF) the indigenously designed, developed and produced **Akash Air Defence missile system**.

### FEATURES

- The Akash SAM (surface to air missile ) system can employ multiple air targets while operating in fully autonomous mode.
- The Akash system protects a moving procession of vehicles using an electronic counter countermeasures (ECCM) system.
- Can be launched from static or mobile platforms
- Can handle multiple targets and destroy maneuvering targets, such as unmanned aerial vehicles, fighter aircraft, cruise missiles and missiles launched from helicopters.
- The missile is capable of destroying aircraft within the range from 30km to 35km and at altitudes up to 18,000m (medium range surface to air missile system)
- The system provides air defence missile coverage for an area of 2,000 km<sup>2</sup>.
- Can carry conventional and nuclear warheads.
- Can operate in all weather conditions.
- Developed under the integrated guided-missile development programme (IGMDP).
- Built by India's state-owned Defence Research and Development Organisation (DRDO).
- The IAF has ordered 1,000 Akash missiles and the Indian Army 2,000 missiles.

## SAARC SATELLITE EXPECTED TO BE LAUNCHED IN DECEMBER 2016

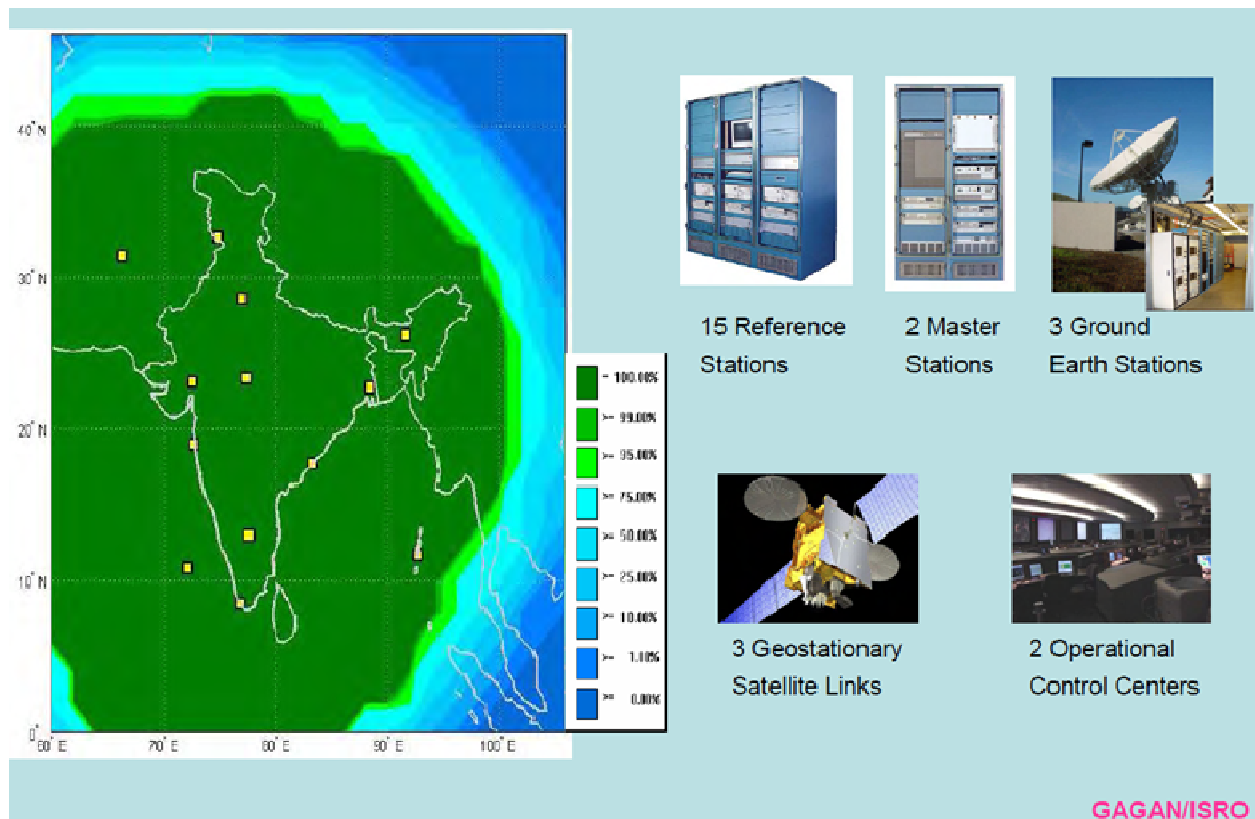
**SAARC Satellite** is a proposed communication-cum-meteorology satellite by Indian Space Research Organisation (ISRO) for the SAARC region.

### FEATURES

- Will have twelve 'Ku' transponders
- PM Modi in June 2014 had asked ISRO to develop a SAARC satellite which can be dedicated as a "gift" to the neighbouring countries
- It will be a communication satellite and will provide them opportunity to make use of the transponder for their own use, whether it is education, tele-medicine or disaster monitoring and other need based services.
- It will have the capability to interconnect all these eight countries. Interconnection will be like
  - Hot contact for the political level
  - MEA interconnection
  - Disaster monitoring constellation
  - Meteorological data decimation

## GPS-AIDED GEO AUGMENTED NAVIGATION (GAGAN) SYSTEM

- Government launched the GPS-Aided Geo Augmented Navigation (GAGAN) system thereby joining a select league comprising the US, Europe Union (EU) and Japan which have similar systems. The Indian Space Research Organisation (ISRO) and the Airports Authority of India (AAI) developed the system.

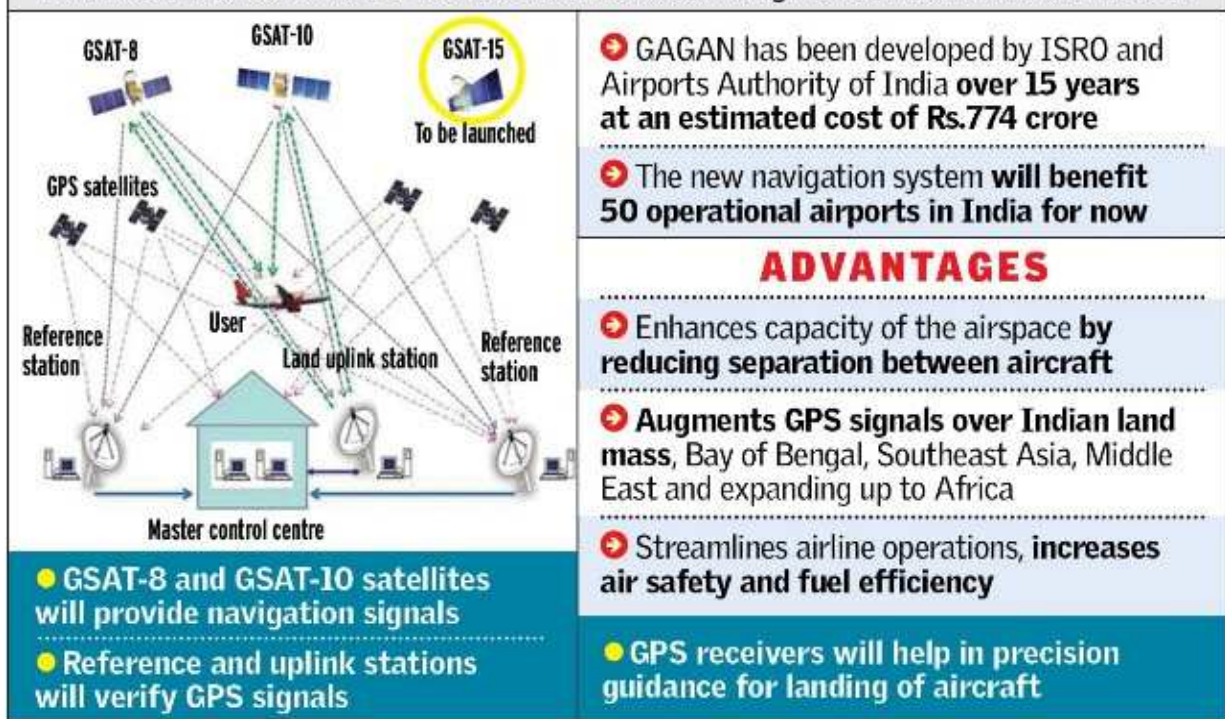


## FEATURES AND SIGNIFICANCE

- Gagan works by augmenting and relaying data from GPS satellites with the help of two augmentation satellites and 15 earth-based reference stations.
- 3 Geostationary Satellites: GSAT-8, GSAT-10 and GSAT-15
- GAGAN system corrects any anomalies in the position data and gives accurate routes, landing guidance and time saving information to the pilots.
- The system also bridges the gap in the coverage areas of the European Union's European Geostationary Navigation Overlay Service (EGNOS) and Japan's Multi-functional Satellite Augmentation System (MSAS).
- GAGAN will provide augmentation service for the GPS over the country, the Bay of Bengal, South East Asia and Middle East and up to Africa.
- The guided approach landing with the help of GAGAN would immediately benefit nearly 50 airports in India.
- The system would be available for the member states of the South Asian Association for Regional Cooperation (SAARC).
- It will be able to help pilots to navigate in the Indian airspace by an accuracy of 3 m. This will be helpful for landing aircraft in tough weather and terrain like Mangalore and Leh airports.
- Some more benefits are
  - Improved efficiency,
  - Direct routes,
  - Increased fuel savings,
  - Significant cost savings because of the withdrawal of ground aids and reduced workload of flight crew and air traffic controllers and Accurate guidance for planning shorter routes and safer landing patterns is expected to provide the aviation sector cost-saving options.

## FOR A SAFE AND SMOOTH FLIGHT

India becomes fourth nation to offer satellite-based navigation services to aviation sector



### CRITICISMS

The technology has one major drawback that only those aircraft that are fitted with satellite-based wide area augmentation system (SBAS) will be able to use the new technology.

## NET NEUTRALITY

### WHAT IS NET NEUTRALITY

It is a principle that Internet service providers should enable access to all content and applications regardless of the source, and without favouring or blocking particular products or websites. If ISPs reduces speed of content from some serve, or block content from some serves then it is against Net Neutrality.


### BACKGROUND

- Globally, the debate has been on for a long time, but in India, Airtel triggered it last December by announcing plans to start charging subscribers for VoIP services such as Skype and Viber, which allows making calls using the Internet.
- While cellphone users came out against the move, telecom operators called for a level-playing field to run a "viable" business and demanded that same rule apply for same services, even VoIP.



**FOR A FREE INTERNET**

Panel says it "unhesitatingly recommends that the core principles of Net Neutrality must be adhered to"



**'Save the Internet' March in support of Net Neutrality**  
16th April 2018, New Delhi

**MAIN PROPOSALS FLOATED BY GOVERNMENT COMMITTEE**

<ul style="list-style-type: none"> <li>Controversial plans such as <b>Airtel Zero</b> be allowed with prior clearance from TRAI, but not platforms such as <b>Inter-net.org</b> or Facebook</li> <li>Content and application providers such as Facebook <b>"cannot be permitted to act as gatekeepers"</b> and profit out of "network operations"</li> <li>Over-the-top apps</li> </ul>	<ul style="list-style-type: none"> <li>should be actively encouraged as they enhance <b>consumer welfare and increase productivity</b></li> <li>Apps offering <b>domestic calling</b> should be brought under the regulatory framework prescribed for telecom operators</li> <li>VoIP apps providing international calling services <b>should be exempted</b> from licensing requirements</li> </ul>
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## THE INDIAN NAVAL INDIGENISATION PLAN 2015-2030

- This plan aimed at enabling the development of equipment and systems through the Defence Research and Development Organisation (DRDO) and Indian industry over a 15-year period.
- According to the plan, Navy will achieve full indigenisation in all phases of warship construction, from ship-building to systems to weapons.
- The Navy wants to involve private industry in a big way in this initiative.
- Current status:** A warship can be broadly divided into three segments — float, move and fight. Float category- 90% Indigenisation, move (propulsion) category- 60% Indigenisation, fight (weapons) category- 30% Indigenisation
- There is a huge opportunity for indigenisation of our future naval aviation assets like helicopters.
- The Navy issued its first 15-year indigenisation plan in 2003 and then revised it in 2008. The current revision was done to dovetail it with the 'Make in India' pitch.

## GOING LOCAL

Navy aims to achieve full indigenisation in all phases of warship construction from ship-building to weapon making



**INDIA'S FIRST INDIGENOUS AIRCRAFT CARRIER INS VIKRANT**

- The indigenisation plan 2015-2030 is aimed at enabling **development of equipment and systems** through the DRDO and the Indian industry

- The plan's objective is to have a **200-ship Navy by 2027**

- Navy has achieved 90% indigenisation in the float category; propulsion and weapons components stand at **60% and 30%**

### ATAL INNOVATION MISSION (AIM)

NITI Aayog has constituted an Expert Committee to work out the detailed contours of Atal Innovation Mission (AIM) and Self-Employment & Talent Utilisation (SETU).

#### TERMS OF REFERENCE OF THE PANEL

- It is set up to review the existing initiatives aimed at promoting innovation and entrepreneurship in India, especially those efforts that result in widespread job growth and the creation of globally competitive enterprises.
- It will make short- and medium-term recommendations for actionable policy initiatives aimed at creating an innovation and entrepreneur friendly ecosystem including such elements as creation of world class innovation hubs and digital SMEs and innovation driven entrepreneurship in such sectors as education and health.
- Besides it will also address any other related issues with innovation and job creation
- The Expert Committee is expected to submit its report in August

#### WHAT IS AIM

- AIM is an Innovation Promotion Platform in the NITI Aayog, involving academics, entrepreneurs and researchers and draw upon national and international experiences to foster a culture of innovation, R&D and scientific research in India.
- The platform will also promote a network of world-class innovation hubs and grand challenges for India.
- It has an initial fund of 150 crore for R&D announced in this year's budget.
- It will provide funds to a network of institutions to conduct research on innovations that can improve economic growth and job creation.



- The mission will also provide inputs to all central ministries on innovation and suggest a funding mechanism for result-oriented research.
- It has replaced the National Innovation Council, a significant difference between the two will be the powers to disburse funds.

#### OBJECTIVES

- To create an umbrella structure to oversee innovation ecosystem of the country
- To provide platform and collaboration opportunities for different stakeholders
- To study and suggest best and novel practices to be adopted by different stakeholders in the innovation chain
- To provide policy inputs to NITI Aayog and various government departments and organisations
- To create awareness and provide knowledge inputs in creating innovation challenges and funding mechanism to govt.
- To develop new programmes and policies for fostering innovation in different sectors of economy

#### WHAT IS SETU

- The Government has established a mechanism to be known as SETU (Self-Employment and Talent Utilisation) under NITI Aayog. SETU will be a Techno-Financial, Incubation and Facilitation Programme to support all aspects of start-up businesses, and other self-employment activities, particularly in technology-driven areas.

#### BARAK 8

- **Indo-Israeli surface-to-air missile**
- Being developed by the Defence Research and Development Organisation and Israel Aerospace Industries for the Navy over the last five years.
- An Army version is being ground tested and an Air Force variant is in the works, both as medium-range or MR-SAMs.
- Designed to defend against any type of airborne threat including aircraft, helicopters, anti-ship missiles, and UAVs as well as cruise missiles and combat jets
- The radar system provides 360 degree coverage and the missiles can take down an incoming missile as close as 500 meters away from the ship.
- Maximum speed Mach 2

# ECOLOGY AND ENVIRONMENT

## GREEN CLIMATE FUND

The \$100-billion **Green Climate Fund (GCF)** will soon become operational in India and the process of accrediting organisations, which can access the funds, is going on.

### WHAT IS GCF?

- The **GCF** is a fund within the framework of the UNFCCC (United Nations Framework Convention on Climate Change) founded as a mechanism to redistribute money from the developed to the developing world, in order to assist the developing countries in adaptation and mitigation practices to counter climate change.
- It aims 'to make a significant and ambitious **contribution to the global efforts towards attaining the goals** set by the international community to combat climate change.'
- It was formally established by a UNFCCC decision in **Durban**, South Africa in December 2011.
- The groundwork for GCF was laid in the earlier, non-binding '**Copenhagen Accord**' of 2009.

### OBJECTIVE OF GCF

- The objective of the GCF is to **raise \$100 billion per year** in climate financing by 2020. The GCF will support projects, programmes, policies and other activities in **developing country** Parties.
- However, **disputes** remain as to whether the funding target will be based on **public sources**, or whether **leveraged private finance** will be counted towards the total. Only a fraction of this sum has been pledged so far, mostly to cover start-up costs.
- It will be headquartered in **Songdo (Incheon), South Korea** and will have an independent GCF secretariat. It will have a board comprising 24-members called the GCF Board, composed of equal number of members from developing and developed countries.

### ISSUES

The process of designing the GCF has raised several issues. These include ongoing questions on:

- How funds will be raised.
- The role of the private sector.
- The level of "country ownership" of resources.
- The transparency of the Board itself.
- In addition, questions have been raised about the need for yet another new international climate institution, which may further fragment public dollars that are put toward mitigation and adaptation annually.
- There is some concern amongst developing countries that inadequate adaptation financing will be offered, in particular if the fund is reliant on "leveraging" private sector finance.

## LOSS OF POLAR BEAR HABITAT

About a third of the world's polar bears could be in imminent danger from greenhouse gas emissions in as soon as a decade.

## REASONS

- Global warming that's reducing polar bears summer sea ice habitat.
  - Polar bears use sea ice for feeding, mating and giving birth. When the ice retreats in the summer, polar bears are forced to the land.
  - The land-based food would not help it adapt to the loss of sea ice.
- Polar bears are the largest land carnivores in the world, rivaled only by the Kodiak brown bears of southwestern Alaska. Polar bears sit at the top of the food chain in the biologically rich Arctic. The most carnivorous of the bear species, polar bears feed primarily on the fat of ice-dependent seals. The remains of these seals provide food for many other Arctic wildlife species, giving polar bears a vital role in their ecosystem.
  - The World Conservation Union (IUCN) estimates that there are between 20,000-25,000 polar bears in the world.
  - Polar bears are found in the Arctic. The most important habitats for polar bears are the edges of pack ice where currents and wind interact, forming a continually melting and refreezing matrix of ice patches and leads (open spaces in the ocean between sea ice). These are the areas of where polar bears can find the greatest number of seals.

## FEATURES OF POLAR BEARS

- Large, heavy bear weigh 350-700 kg.
- Status: vulnerable (IUCN Red Data Book)
- Habitat: native range lies largely within the Arctic Circle, encompassing the Arctic Ocean, its surrounding seas and surrounding land masses.
- Polar bears hunt their preferred food of seals from the edge of sea ice, often living off fat reserves when no sea ice is present.

## KASTURIRANGAN REPORT ON WESTERN GHATS

The government has said that as per the Kasturirangan report, commercial mining and polluting industries would be strictly banned in areas identified as eco sensitive zones.

## RECOMMENDATIONS

- The Kasturirangan panel has sought to balance the two concerns of development and environment protection.
- The Kasturirangan panel was set up to study the Gadgil committee report on the Western Ghats.
- The Gadgil panel report had faced unanimous opposition from state governments for recommending that almost three-fourth of the hills, including plantations, cultivated lands and large habitations, be turned into a restricted development zone.
- The Kasturirangan report seeks to bring just 37% of the Western Ghats under the Ecologically Sensitive Area (ESA) zones — down from the 64% suggested by the Gadgil report.
- Recommended prohibition on development activities and commercial activities like mining, thermal power plants, polluting industries and large housing plans in Ecologically Sensitive Area (ESA) zones.
- The villages falling under ESA will be involved in decision making on the future projects. All projects will require prior-informed consent and no-objection from the gram sabha (village council) of the village.
- A complete ban on mining activity in this zone and current mining activities should be phased out within five years.

- It has not recommended a ban on hydroelectric projects in the zone, but put a regime of stricter clearances for dams and other projects.
- For dams, it has demanded an uninterrupted ecological flow of at least 30% level of the rivers flow. Also, not more than 50% of the river basin should be affected at any time.
- It has also favoured a new authority to regulate the region's development and economic growth.

#### CRITICISMS

- Kerala and Maharashtra have been particularly opposed to the Kasturirangan report, arguing it will seriously hamper development projects and hit livelihood prospects.
- Many saw the Kasturirangan report as a serious dilution of the original Gadgil report on the Western Ghats.

#### INTERNATIONAL SYMPOSIUM ON ANTARCTIC EARTH SCIENCES

- Goa hosted the 12th International Symposium on Antarctic Earth Sciences (ISAES), from July 13 to 17.
- Around 400 scientists from nearly 40 countries participated.
- Globally the scientific progress and state of the studies in earth sciences is reviewed in a gathering of all polar nations at an interval of four years in the form of International Symposium on Antarctic Earth Science (ISAES) since 1963.
- It is organised by National Centre for Antarctic and Ocean Research (NCAOR), Ministry of Earth Sciences.
- The themes for the symposium were:
  - Antarctica and Supercontinent Evolution
  - Antarctic Surface Processes, Landscapes, Links with Cryosphere and Climate,
  - Antarctic Solid Earth Structure and Interactions with the Cryosphere: Antarctica, the Southern Ocean, and Evolution of Climate and the Global Cryosphere
- The international symposium on Antarctic Earth Sciences (ISAES) is a (Scientific Committee on Antarctic Research) SCAR-initiative aimed at showcasing Antarctic geoscience research, taking stock of the accomplishments of the international fraternity and providing guidance for future studies.
- The deliberations are expected to lead to consolidation of the status of scientific studies and provide guidance for future research.
- India currently has two permanent stations, **Maitri and Bharati, in Antarctica. The first Indian station, Dakshin Gangotri, located on shelf ice is now buried and lost.**
- Earth science and related activities have constituted not only an integral but also an unbroken part of Indian expeditions.

#### NATIONAL RENEWABLE ENERGY BILL, 2015

##### OBJECTIVES

- To consolidate the renewable energy sector and give it an institutional structure.
- It also aims to set up dedicated renewable electricity investment zones.

##### PROVISIONS

- After it is passed by Parliament it would enable a National Renewable Energy Policy, Renewable Energy Corporation of India, an advisory group and a committee on the same.
- Till now, the renewable energy sector was governed by the **Electricity Act 2003**, which is also undergoing amendments.
- The law would cover all aspects of the renewable energy supply chain.

- The corporation would support project development and the advisory group will suggest amendments in the law and the policy from time to time.
- The various segments, which are the focus of the policy, are: Renewable energy resource assessment, technical and safety standards, monitoring and verification, manufacturing and skill development and data management.

## SIGNIFICANCE

- Through a separate law, MNRE (Ministry of National Renewable Energy ) would get freedom to execute projects and not depend on other ministries and departments for necessary clearances.
- The government has already announced scaling up of renewable power generation to 1.75 lakh GW by 2022 – out of which solar power alone is envisaged at 100 GW.
- The law makes it clear who will finance, who will plan and monitor and what support will come from where.
- The MNRE would work with its nodal agencies and state governments to enforce the mandated **Renewable Purchase Obligation** through appropriate mix of incentives, penalties, and legal action as defined in National RE Policy and Plan.
- The Bill would be placed in Parliament next year.

## NATIONAL RENEWABLE ENERGY FUND

### PURPOSE

To financially support the sector and the projects, the central government would set up a **‘National Renewable Energy Fund’** and also push states to set up their own **‘State Green Funds’**.

The fund may be used for supporting all the objectives of this Act, such as, but not limited to, R&D, resource assessment, demonstrations and pilot projects, low cost financing, investments for skills development, supporting RE technology manufacturing, infrastructure development, promoting all forms of decentralised renewable energy etc. provided such activities are selected in a transparent manner, and in line with the provisions of the National RE Policy/Plan.

### **Adding Muscle to the green force**

**Ministry of National Renewable Energy to have overarching powers**

**State governments to manage & finance respective projects**

**National Renewable Energy Policy: umbrella policy for all RE initiatives across the country**

**National Renewable Energy Committee: enable inter-ministerial coordination relating to the implementation of the Act**

**National Renewable Energy Advisory Group: technology watch group, utilisation of funds and the Central government on effective implementation of RE Act**

**Renewable Energy Corporation of India: act as a national level RE procurement entity and support development of ‘Renewable Energy Investment Zones’ across the country**

**National Renewable Energy Fund by the central government, State Green Funds by state nodal agencies**

## ARTIFICIAL BREEDING OF GREAT INDIAN BUSTARD

Under an integrated collaborative effort, the Union ministry of Environment, Forest and Climate Change (MoEFCC) along with the state governments of Rajasthan, Gujarat and Maharashtra will soon undertake an artificial breeding programme for the Great Indian Bustard (GIB).

### REASONS

- To boost the population of the species as it is critically endangered species currently. Lack of protection and rampant hunting have been the main reasons for the decline in its population.
- The operations to artificially breed GIBs will commence next year and take place across the three states.

### PROGRAMME

- The first initiative, as part of the programme, will be to establish a captive stock of the bird, which will lay eggs.
- This will be followed by hatching of the eggs, which would then go on to become chicks.
- The chicks would then be reared to become adults, which again after mating in captivity, will lay eggs before being released in semi-captivity.
- Technical expertise for the breeding programme would be provided by Dehradun-based Wildlife Institute of India (WII), an autonomous institution of the MoEFCC.

#### Great Indian bustard

- A large bird with a horizontal body and long bare legs giving it an ostrich like appearance.
- This bird is among the heaviest of the flying birds.
- As few as 250 individuals were estimated in 2011.
- Now found in central India, western India and eastern Pakistan

**Habitat:** Arid and semi-arid grasslands, open country with thorn scrub, tall grass interspersed with cultivation. It avoids irrigated areas.

#### UPSC-2012

Which one of the following groups of animals belongs to the category of endangered species?

- (a) Great Indian Bustard, Musk Deer, Red Panda and Asiatic Wild Ass.
- (b) Kashmir Stag, Cheetal, Blue Bull and Great Indian Bustard.
- (c) Snow Leopard, Swamp Deer, Rhesus Monkey and Saras (Crane).
- (d) Lion-tailed Macaque, Blue Bull, Hanuman Langur and Cheetal.



# ECONOMICS

## REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)

### RCEP – COMPOSITION AND OBJECTIVE

- Started in May 2013, RCEP comprises the 10 economies of the ASEAN region—Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam—and six of its free trade partners—Australia, China, India, Japan, New Zealand and South Korea.
- The grouping envisages regional economic integration, leading to the creation of the largest regional trading bloc in the world, accounting for nearly 45% of the world's population with a combined gross domestic product of \$21.3 trillion.
- The regional economic pact aims to cover trade in goods and services, investment, economic and technical cooperation, competition and intellectual property.

### INDIA'S INTERESTS

- India's interests lie mostly in services, the removal of technical barriers to trade such as those taken under sanitary and phyto-sanitary measures, and trade in goods such as pharmaceuticals and textiles.
- India has proposed an initial offer of 40% tariff liberalization, which other members of the grouping consider too small.
- With the government aiming to make India a manufacturing powerhouse with its "Make in India" campaign and criticism that the previously signed FTAs have not benefited Indian companies, India is insisting on keeping ambitions low under the RCEP negotiations. At the same time, it does not want to lose out on the opportunity as it is not part of the other two mega-regional trade deals that are under negotiation—the Trans-Pacific Partnership (TPP), and the Transatlantic Trade and Investment Partnership (TTIP). Both are led by the US.
- So far, China and South Korea have been supporting India showing low level of ambition, mainly because of their rivalry with Japan. But India apprehends their positions will drift apart as talks progress. India is also facing pressure from other members led by Japan to agree to have a chapter on e-commerce trade among member countries, which it has so far resisted.
- Trade ministers of RCEP are meeting in Malaysia to align their positions and accelerate talks to close a deal as scheduled by year-end.
- However, India is getting increasingly isolated at RCEP negotiations, with domestic industry lobbies mounting pressure on the government against any tariff concessions to their rivals.

## FINANCING FOR DEVELOPMENT CONFERENCE

### Addis Ababa development finance summit:

- The **Third Financing for Development (FFD) conference to be held in the Ethiopian capital Addis Ababa.**
- The FFD comes ahead of UN member nations adopting a new set of **17 sustainable development goals (SDGs)** during the UN General Assembly session in September. These include gender equality and empowerment of all women and girls, securing availability and sustainable management of water and sanitation for all and promoting "inclusive and sustainable economic growth, full and productive employment and decent work for all."
- The SDGs will replace the millennium development goals (MDGs) outlined in the year 2000. The MDGs were time-bound and quantified targets for addressing extreme poverty—including income poverty, hunger, disease, lack of adequate shelter, and exclusion while promoting gender equality, education

and environmental sustainability.

- The Addis Ababa conference would help developing countries know what are the means of implementing the goals to finance an aspirational (SDG) agenda.
- One of the contentious issues in the run-up to the Ethiopia conference has been the trend in the allocation of overseas developmental assistance (ODA) by developed countries.
- India has flagged concerns over developed countries diverting money earmarked for development into funds meant for climate change mitigation.

#### WHAT IS THE ADDIS ABABA SUMMIT ALL ABOUT?

- At the UN's Third Financing for Development conference, in Addis Ababa, Ethiopia, world leaders will look for ways to pay for the ambitious and costly sustainable development goals (SDGs), which include ending poverty and achieving food security in every corner of the globe by 2030.
- It is about moving from billions in financing commitments to trillions.
- The specific targets for each goal, which have not been formally agreed yet, will take over from the millennium development goals (MDGs) at the end of the year. According to UN estimates, for the new goals to be met will require as much as \$11.5tn a year, \$172.5tn over the 15-year timeframe.

#### WHY IS THE CONFERENCE BEING HELD NOW?

- The summit comes at a crucial time, just months before the UN general assembly in September, when the SDGs will be formally agreed. Agreement on financing for environmental programmes will also be vital ahead of the conference of the parties in December, where governments are expected to produce a global climate agreement up to 2030, and potentially beyond.
- But the SDG targets will not be formally adopted until March 2016, meaning that the conference will have to decide on financing before figuring out how progress will be measured.

#### HOW MUCH MONEY IS CURRENTLY SPENT ON DEVELOPMENT?

- Domestic investment accounted for a third of all funding currently available for developing countries in 2012, while foreign aid made up just 0.4% of the total.

#### WHAT ARE SOME OF THE MAIN ITEMS ON THE AGENDA?

- Raising new development finance through domestic resource mobilisation, mainly by increasing tax collection, private finance, and international public finance.
- Improving international tax cooperation. Some countries are pushing for a global tax body, arguing that it would help the poorest nations earn more through tax revenues.
- Reducing illicit financial flows by 2030, with a view to eventually eliminating them. Campaigners have long noted that such illicit flows coupled with aggressive tax avoidance, repatriation of profits and debt repayments are depriving developing nations of much-needed resource.
- Pushing to bridge the global infrastructure gap – including \$1trn to \$1.5trn annual gap in developing countries.
- Setting out a new social compact to provide “fiscally sustainable and nationally appropriate social protection systems and measures for all”.
- Financing for low-carbon and climate resilient development. The draft outcome document says: “Public and private investments in innovations and clean technologies will be needed, while keeping in mind that new technologies will not substitute for efforts to reduce waste or efficiently use natural resources.”

## WHAT ARE THE MAIN CHALLENGES?

- The world's increasingly volatile financial outlook means that finding the money to pay for the SDGs will be difficult.
- The Greek debt crisis, China's economic slowdown and a host of pressing humanitarian emergencies, including Syria's civil war and Europe's migration crisis, are clamouring for donors' attention.

## WHAT OTHER ISSUES ARE UNDER DISCUSSION?

- The role of the private sector in sustainable development. This area is particularly controversial, with some campaigners fiercely arguing against public-private partnerships, while others seeing their potential.
- The role of official development assistance (ODA). Donor countries are urged to commit to spending 0.7% of their gross national income on ODA by the end of the year.
- Owning your own development policy. The draft accord says, "Each country has primary responsibility for its own economic and social development and the role of national policies and development strategies cannot be overemphasised." International systems do have a role to play, though, through trade, monetary and financial systems, and strengthened global economic governance.
- Guidelines for debtor and creditor responsibilities in sovereign borrowing and lending.
- Improved data to monitor impact of development spending and progress toward goals.
- Particular measures to help least developed countries, landlocked developing countries and small island developing states.

## SEBI CONCERNS ABOUT FORWARD CONTRACTS

### Difference between Forward and Futures Contracts

Under the Forward Contracts (Regulation) Act, 1952, which regulates commodity trading in India, a forward contract is a contract for the actual delivery of goods. On the other hand, a futures contract is one where the buyer can settle the contract in cash as well.

- Securities and Exchange Board of India (SEBI) is set to take over regulation of commodities markets as well. However, it is not comfortable with forward contracts in commodity exchanges.
- SEBI's concern stems from two facts:
  - One, unlike futures contracts, forward contracts are not standardised;
  - Two, there's greater counterparty risk associated with forward contracts.

Thus, the prime concern of SEBI is that a forward contract is not a standardized contract with complete counterparty risk guarantee, even though it is being traded on the exchange platform. Such an instrument is not allowed in the securities market and SEBI does not want to start regulating commodities with such grey areas.

- Forward contracts were introduced in the commodity market last year, but they are not permitted in stock market.
- Globally, the bulk of the forward contracts in commodities happen outside the exchange platform. Only futures and options are traded on leading commodity exchanges.
- Currently, the National Commodity and Derivatives Exchange Ltd (NCDEX) and the National Multi-Commodity Exchange of India Ltd (NMCE) offer forward trading in various commodities. While NMCE recently launched forward contracts in rubber, NCDEX has a basket of more than 25 commodities for forward trades. Multi-Commodity Exchange of India Ltd (MCX) currently does not offer forward contracts.

### 1. What is Forward Currency Market ? (UPSC-2006)

## CHINA'S STOCK MARKET PLUNGE

### WHY DID THE MARKET SURGE?

- China's stock market surge started in late 2014 despite the economy experiencing its slowest growth in 24 years.
- The borrowing-fuelled rally began after the central bank cut interest rates in November 2014 and the launch of a scheme linking trading between the Shanghai and Hong Kong stock exchanges.
- The rally continued in 2015 with the benchmark Shanghai index climbing to the symbolic 5,000-point level in early June, driven higher by margin trading, through which investors only need to deposit a small proportion of the value of their trades, generating bigger profits but also potentially exposing them to bigger losses.
- When it peaked on 12 June it had risen more than 150% over the previous 12 months.

### WHY DID IT FALL?

- On the same day as the market reached its peak, China's securities regulator said it would tighten rules on margin trading for individual investors. The following day, the China Securities Regulatory Commission (CSRC) also banned trading with funds borrowed outside the margin trading system.
- When markets reopened investors started to take profits on worries of over-valued stock prices and increasing market risk.
- The de-leveraging process soon became uncontrollable, resulting in Shanghai plunging almost 30% over three weeks. Market sentiment worsened as investors who traded on margin were forced to liquidate their stock holdings to make payment.

### WHAT WAS DONE TO SUPPORT THE MARKET?

- The Shanghai index plunged 7.4% on 26 June and the next day China's central bank announced cuts in both interest rates and the reserve requirement ratio—the amount of money banks must put aside.
- The market regulator then announced a relaxation of margin trading rules and reduced stock transaction fees.
- Soon after the government announced proposals to let social security pension funds enter the stock market.
- The CSRC cut back on the number of initial public offerings (IPOs), then went a step further by halting them for the near future.
- China's central bank said it would provide funds through the state-backed China Securities Finance Co. to "protect the stability of the securities market", while the 21 largest brokerages said they would invest at least 120 billion yuan (\$19.3 billion) in so-called "blue chip" exchange traded funds (ETFs).

### WHAT HAPPENS NEXT?

- Investors forced to sell could drive prices lower, or bargain-hunters could see a buying opportunity and step in.
- With investors' confidence towards the market shattered, it may take some time to stabilize and recover from recent falls.

### WHAT ARE THE POSSIBLE CONSEQUENCES?

- Some analysts believe the stock market plunge may hurt the economy, the world's second largest, and could spark social unrest though the single-party state keeps a tight grip on dissent.
- There are estimates that stock-trading activity added more than half a percentage point to China's economic growth in the first quarter, and a slowdown in the financial sector could have a wider impact.

## INDIA-US PACT ON EXCHANGE OF TAX DATA

- India and US have signed an agreement to implement the Foreign Account Tax Compliance Act (FATCA), which will allow automatic exchange of tax information between the two countries starting September 30.
- The agreement makes it obligatory on the part of the two nations to exchange information on offshore accounts of each other's citizens in their respective territories.
- Under FATCA, foreign financial institutions in the U.S. will have to provide information about Indian account holders to the U.S. government's Internal Revenue Service (IRS), which will forward the information to the Indian government.
- The Indian government will provide similar information to the IRS. For example, the State Bank of India will have to provide information regarding the investments by any U.S. citizen, even NRIs, to the Indian revenue authorities in a prescribed format regularly. The Indian government will then forward that information to the IRS.
- The government in December got the go-ahead of the Special Investigation Team on black money to sign international treaties that included confidentiality clauses, an issue that had until then prevented India from agreeing to FATCA.
- Last month, India joined 59 countries in the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account Information. This agreement obliges signatories to exchange a wide range of financial information among themselves periodically and automatically.
- The U.S. government enacted FATCA in 2010 to obtain information on accounts held by US taxpayers in other countries. As of now, the U.S. has such agreements with more than 110 jurisdictions and is engaged in related discussions with many other jurisdictions.
- Financial institutions such as banks, brokerages or mutual funds that do not comply with this agreement will face a 30 per cent withholding tax on all payments from the U.S.

## JOINT SKILL DEVELOPMENT AGENDA

- India aims to skill train 420 million people between now and 2022 to take advantage of the demographic bulge but lack of coordination among departments and ministries, centre and states, and the lack of capacity is hindering the process.
- With this being a major concern, several ministries are coming together for a common skill development agenda.
- The ministry of steel and mines has joined hands with the ministry of skill development and entrepreneurship to share resources for the purpose of skill development.
- Public sector units under the ministry of steel and mines will allow the opening of skill training schools in their existing infrastructure and spend money from their CSR kitty for skill development.
- The skills ministry has tied up with the ministry of chemicals and fertilizers. The skills ministry has already tied up with the ministry of coal and power and will tie up with railways and defence on similar lines.
- The new initiative is the result of the government seeking to roll out an asset-light model of skill development, deciding to utilize existing resources like railway stations and steel factories for training purposes.
- Ministers are calling it the third level of the government's reform agenda after infrastructure and financial reforms.
- For all these activities, the ministry of skill development and entrepreneurship is the nodal ministry

## IRAN NUCLEAR DEAL

- Iran and six world powers have sealed a historic accord that would curb Iran's nuclear programme in return for ending sanctions.
- Iran is the world's fourth largest crude reserves holder. Sanctions had however cut the country's crude exports by more than half from a peak of more than six million barrels a day in the 1970s.
- With the lifting of sanctions, new oil flows are expected to hit an already oversupplied market, resulting in further lowering of oil prices.
- Full implementation depends on Iran meeting obligations to curb its nuclear programme and address concerns about possible military dimensions of its work. Iran has until 15 December to answer 12-year-old questions about its weapons capabilities. Once inspectors verify compliance, Iran will be allowed to ramp up energy exports, re-enter the global financial system, and access as much as \$150 billion in frozen assets.
- Iran agreed to cut 98% of its stockpile of enriched uranium and eliminate two-thirds of its centrifuges
- Relief, including sales of aircraft by companies including Boeing Co., would be phased in after 15 December if Iran complies. The United Nation's (UN) International Atomic Energy Agency will negotiate access to all suspect sites, including military bases such as Parchin.
- The US Congress has 60 days to review the document in Washington, where it may meet resistance from lawmakers who oppose making any nuclear compromises with Iran.

## LIKELY IMPACT ON INDIA

- Oil-importing countries such as India could use the period of subdued oil prices to strengthen their monetary policy framework along with fuel pricing and taxation reforms.
- Low oil prices could boost India's gross domestic product (GDP) by 0.4-0.6 percentage point over this year and next.

### Boon for Oil Importers

India follows the US, China and Russia in energy use, accounting for 4.4% of global energy consumption. Petroleum product consumption in India has been growing. According to the oil ministry, it grew 3.14% to around 163.17 million tonnes in 2014-15.

In its report titled Global Implications of Lower Oil Prices, IMF said: "Oil importers, in deciding how much of the windfall to save, should balance rebuilding policy space with managing domestic cyclical risks. Those with significant vulnerabilities should save much of the windfall, while those facing large output gaps should spend it."

It added that "countries should use this period as an opportunity to strengthen their monetary policy frameworks; evidence of second-round disinflationary effects could open space for reducing policy rates in some countries".

According to IMF, countries such as India will reap modest benefits from lower global oil prices, as it does not fully pass on the benefits to consumers.

While lower oil prices are expected to boost global growth by one percentage point in 2015 and 2016, the IMF said India's GDP is expected to get a boost of between 0.4 and 0.6 percentage point in the same period.

- The fall in prices has also presented countries such as India an opportunity to revise terms of imports. India has made a pitch for price and terms correction with the Organization of the Petroleum Exporting Countries (OPEC) and has asked for a concession rather than having to pay the so-called Asian premium. India is one of the major consumers of OPEC's production, with the group accounting for 85% and 94% of India's crude oil and gas imports, respectively.



## TRADE FACILITATION COUNCIL

- In a bid to follow a bottom-up approach to boost exports and rationalize non-essential imports at a time when foreign shipments have been contracting for five months in a row, the government has decided to constitute a trade facilitation council involving the state governments and will urge them to frame their own trade policies.
- The move is aimed at achieving the \$900 billion exports target by 2019-20.
- The Commerce Ministry is also working with the states to prepare a list of infrastructure projects, which would ensure full potential of growth in exports. It is also working on other measures including dis-segregation of exports data state-wise. The foreign trade policy (2015-20) released by the ministry in April also talked about mainstreaming trade by involving state governments.
- Seeking to involve states for promoting exports, the Commerce Ministry had asked them to appoint commissioners and prepare export strategy. As many as 21 states have appointed export commissioners while 14 states including Madhya Pradesh and Gujarat have framed strategies for outward shipments.
- The trade facilitation council will be headed by commerce minister Nirmala Sitharaman and will have representation from state industry ministers and secretaries.

The Directorate General of Commercial Intelligence and Statistics (DGCI&S), under the Ministry of Commerce, is an official organisation for collection, compilation and dissemination of India's trade statistics and commercial information.

## SIMPLIFYING INDIA'S INVESTMENT REGIME

- Foreign direct and portfolio investments will be clubbed together with investments by non-resident Indians (NRIs) under a composite sectoral cap to simplify India's investment regime and give companies greater leeway in choosing how they plan to raise capital.
- Companies can raise foreign portfolio investments (FPIs) of up to 49% without prior government approval or compliance with any sectoral conditions.
- The government also gave the freedom to companies to either source foreign direct investment (FDI) or foreign portfolio investment or NRI investment within the overall foreign investment sectoral caps.
- The move simplifies procedures and leaves room for further investments by overseas entities.
- The process towards a composite cap was started by the United Progressive Alliance government when P. Chidambaram was the finance minister. A committee under then finance secretary Arvind Mayaram recommended clubbing FDI and FPI limits under the overall foreign investment sectoral cap.
- The overall foreign investment limit now will comprise of FDI, FPI and investments by non-resident Indians, foreign venture capital investments, qualified foreign investment and investments by limited liability partnerships.
- While foreign currency convertible bonds in the nature of debt will not be treated as foreign investment, any conversion of debt instruments held by a resident outside India into equity will be treated as foreign investment.
- The onus of compliance with the aggregate foreign investment limit has now been shifted to the investee company from the Reserve Bank of India.
- Currently, in sectors such as multi-brand retail (51%), single-brand retail (100%), non-scheduled air transport services (74%), private security agencies (74%), only FDI caps have been prescribed. With the composite cap notification, companies in such sectors can also raise portfolio investment from the equity market. For example, in passenger airlines, where 49% FDI is allowed, a company will have the flexibility to either raise FDI or FPI.
- The cabinet decision also paves the way for retail companies to receive portfolio investment of up to 49% from equity market, despite the government's reservations on allowing FDI in multi-brand retail.
- However, it is still not clear whether the notification will override sectoral sub-limits put forth under the current regulation. For example, the defence sector prescribes a limit of 24% for portfolio investment

within the overall sectoral limit of 49%. If one goes by the cabinet decision, a defence company can raise portfolio investment of up to 49% without seeking government approval or abiding by sectoral regulations.

- The government has clarified that foreign investment in sectors under government approval route resulting in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities will be subject to government approval.
- However, portfolio investment up to aggregate foreign investment level of 49% will not be subject to either government approval or compliance of sectoral conditions, as the case may be, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities.

## NEW HURDLE FOR INDIA'S PHARMACEUTICAL PATENT LAW

- The patent law for pharmaceutical products in India and other developing countries, including provisions that define what constitutes inventions, could face a legal challenge because of a controversial new norm being pushed by the US and Switzerland.
- The norm, which would adversely affect Indian pharmaceutical companies, calls for applying non-violation complaints (NVCs) to the World Trade Organization's (WTO) trade-related intellectual property rights (TRIPS) agreement.
- NVCs enable a WTO member to raise a dispute against another member's actions or policies that caused it a loss, even if there is no violation of a WTO agreement.
- So far, NVCs are applied only to the WTO's provisions governing trade in goods and trade in services but not to the TRIPS agreement because of an existing moratorium.
- The US and Switzerland, which represent the interests of the largest pharmaceutical companies want to terminate the moratorium on the application of NVCs to the TRIPS agreement at the WTO's 10th ministerial conference in Nairobi, Kenya, later this year.
- Despite raising numerous concerns on the amended Indian patent Act, particularly the 3(d) provision that prevents pharmaceutical companies from extending their 20-year product patents by making minor changes or improvements, the US and Switzerland chose not to bring a dispute at the WTO.
- But NVCs provide a special legal instrument to the US and Switzerland to take Indian pharmaceutical firms to task at the WTO on the ground that the Indian patent provisions are causing a material loss even as they remain consistent with the trade body's IPR provisions.
- The US and Switzerland could also be pushing the NVC issue on systemic considerations and not exclusively for their industry interests.
- But a large majority of countries drawn from Asia, South America, Africa and even industrialized countries such as Norway and Canada have consistently opposed the demand from the US and Switzerland to introduce the application of NVCs to the TRIPS provisions.
- Notwithstanding a near-isolation on the NVC issue, the US and Switzerland have not relented on their stand and continue to remain inflexible.

## INDIA-EU FTA

- India and European Union (EU) will resume talks at the chief trade negotiators' level in August 2015 to break the deadlock on the proposed free trade agreement (FTA).
- However, lack of clarity on domestic laws regarding bilateral investment treaty (BIT) and the government procurement law may delay the progress in negotiations. The previous United Progressive Alliance (UPA) government had introduced a public procurement bill in the Lok Sabha in 2012, but it lapsed when the 15th Lok Sabha's tenure ended in 2014. The model BIT is under consultation, and no final decision has been made in this regard.
- The negotiations on the FTA, called Broad Based Trade and Investment Agreement (BTIA), began in 2007, but the two sides have missed at least four deadlines to clinch a deal even after 15 rounds of talks.

- A prolonged recession in the EU, and its focus on concluding Transatlantic Trade and Investment Partnership agreement with the US, also delayed the progress.
- India now seems to be ready to accommodate demands to lower tariffs for wines and spirits, which has been a contentious issue due to domestic industry lobbies, but unlikely to yield on the demand for a stringent intellectual property rights regime, including a more stringent geographical indications regime.
- India is also likely to insist on data security status from the US, which is expected to increase knowledge-outsourcing jobs to India.
- In services agreements, India specifically focuses on the clause that allows greater flexibility in the movement of skilled professionals without restrictions like those pertaining to their experience in the field. Since the EU does not have a common working visa, it restricts Indian professionals from moving freely across EU nations. A problem arises when a person working in a company has to move from a branch in one country to a branch in another. India is also unhappy as EU wants to put sectoral caps on visas for Indians.
- But it is the lack of domestic regulatory clarity on the investment treaty and government procurement, which is likely to bind the hands of the Indian negotiators if both sides moderate their ambitions and wish to clinch a deal at the earliest.
- EU is keen to have a substantive government procurement chapter and eyes India's lucrative tenders by the government agencies. However, India is not keen to give greater market access to EU in this area beyond bringing in more transparency in its procurement practices.
- The new draft BIT under discussion proposes to curb foreign investors' right to take the Indian government for international arbitration by forcing them to first exhaust domestic legal remedies.

## REVISED DRAFT INDIAN FINANCIAL CODE

### Indian Financial Code (IFC)

The IFC is intended to create a single unified and internally consistent law replacing a large part of the existing Indian legal framework for governance of the financial sector.

Several of the over 60 laws are outdated; there have been dramatic changes in the global financial architecture since the original laws were written, and many of the developments in finance (and the emergence of new instruments) sometimes fall between regulators (or across them), resulting in conflict.

The Financial Sector Legislative Reforms Commission (FSLRC) headed by retired Supreme Court judge B.N. Srikrishna, was constituted in March 2011 to study possible reforms in the financial sector. The commission, in its report submitted in March 2013, suggested a merger of multiple financial regulatory agencies into one overarching authority that would have oversight over the capital market, insurance sector, pension funds and commodities futures trading, except the RBI.

The first draft of the IFC report submitted by FSLRC proposed to give the RBI governor the right to overrule the monetary policy committee's decisions.

## CHANGES PROPOSED IN THE REVISED DRAFT

- The revised draft of the Indian Financial Code (IFC) proposes diluting the influence of RBI, particularly its governor.
- It proposes to vest the Union government with the right to appoint four members to the seven-member monetary policy committee (MPC) of the RBI.
- At the same time it is taking away the veto power of the RBI governor on monetary policy changes; instead it proposes to vest the governor with a casting vote in the event of a tie in the MPC.

- The modifications to the draft IFC now put out by the finance ministry also relate to strengthening the regulatory accountability of financial agencies, removing the provision empowering Financial Sector Appellate Tribunal (FSAT) to review regulations, rule-making and operational aspects of capital controls, monetary policy framework and composition of the MPC, regulation of systematically important payment systems and removing the provision of special guidance.

#### DIFFERENCES BETWEEN THE FIRST AND REVISED DRAFTS

- The first IFC draft proposed that in “exceptional and unusual circumstances”, if the central bank governor disagrees with a decision taken at a meeting of the monetary policy committee, the governor will have the right to supersede such a decision. However, the revised draft IFC has withdrawn this clause. Instead, it says, “in the event of a tie amongst the members of the monetary policy committee, the Reserve Bank chairperson will have a second and casting vote”.
- While the old draft proposed that two members be appointed by the government in consultation with the RBI apart from three that it can appoint, the new draft proposes that the government can appoint four members of its own while the RBI governor can nominate an employee of the central bank to the committee. The other member in the committee apart from the RBI governor will be an executive member of RBI. The central government has to appoint its share of four members drawn from candidates short-listed by a selection committee. Members of the MPC—scheduled to meet once every two months—will serve for four years and enjoy privileges equivalent to those provided to an executive member of the RBI board. Each member will have one vote and the decisions of the MPC will be carried by majority. The draft says that each member will have to submit a line justifying their vote and that the decisions of the MPC will be binding on RBI.
- Also, the revised draft IFC says inflation target for each financial year will be determined in terms of the Consumer Price Index by the central government in consultation with RBI every three years. If the inflation target is not met, then RBI must explain and initiate remedial actions and set out a time period within which the inflation target would be achieved. In the monetary policy framework agreed by the government and RBI released in February, it was decided that RBI would try to contain consumer price inflation within 6% by January 2016 and within 4% with a band of 2 percentage points for all subsequent years.
- The draft also proposes to dilute the powers of the proposed FSAT that will replace the existing Securities Appellate tribunal and hear appeals against RBI and other regulators. FSAT will not be able to set aside any regulations but can only hear appeals filed by institutions challenging the regulator’s order. The earlier version of the draft IFC had given the tribunal powers to set aside any regulation and instruct a regulator to issue a new order. However, the revised code retains the provision wherein decisions taken by RBI against banks can be questioned in the tribunal. So far, only decisions taken by the Securities and Exchange Board of India and more recently, by the Insurance Regulatory and Development Authority of India, can be appealed against in SAT.

#### NOTIFICATION OF KYC REGISTRY RULES

- The government will soon notify rules to set up a central Know Your Customer (KYC) registry that will link different identity proofs of an individual and track details of all financial transactions at one place in an attempt to curb tax evasion.
- The Supreme Court-appointed special investigative team (SIT), looking into ways to tackle black money recommended establishing such a central KYC and allowing all law enforcement agencies and financial institutions access to the database.
- The central registry and steps taken by the government to increase the use of electronic payments are aimed at curbing tax evasion in a country where the tax-to-gross domestic product ratio is just about 11%. With the new measures, the government is trying to widen the tax base by tracking what people spend and then reconciling it with what they claim to have earned.

- Instances of individuals using multiple PAN cards for different financial transactions have been reported in the past. The registry will help track such transactions to an individual with the help of another identity proof, such as a passport, as it is easier to obtain multiple PANs than multiple passports.
- Also, a linkage between passport and PAN will help the tax department track foreign trips undertaken by an individual which are not explained by known sources of income.
- A central KYC registry will also help reduce paperwork. Individuals may not need to provide their identity and address proofs every time while conducting a financial transaction once they are part of the registry.
- The concept of a central KYC registry was initially introduced in the 2012 budget by then finance minister Pranab Mukherjee for implementation in 2012-13.
- The department of revenue has framed rules for this registry under the prevention of money laundering rules and is awaiting the legal department's approval before notifying them.
- The Indian tax department has already started seeding PAN with Aadhaar numbers to weed out duplicate PAN holders. To this effect, it is seeking Aadhaar numbers in the income tax return form from all taxpayers who have a UID. Once completed, it will eliminate the use of multiple PANs by the same person.
- To curb the generation of black money within the country, the government has introduced the Benami Transactions (Prohibition) (Amendment) bill 2015 to amend the Benami Transactions (Prohibition) Act 1988 in the Lok Sabha. The bill provides for confiscation of benami properties and a fine of up to 25% of the fair value of the asset and imprisonment of up to seven years. The term property covers movable, immovable, tangible and intangible assets.

## NATIONAL PENSION SYSTEM

### HOW NPS WORKS?

- NPS is a defined contribution pension plan that needs one to keep contributing till 60 years of age.
- The minimum contribution to the pension (or Tier I account) is Rs.6000.
- Investments are market-linked and one can choose any of the three funds currently on offer—government securities fund, fixed-income instruments other than government securities fund and equity fund.
- Maximum equity exposure is 50% and only through the index funds.
- At 60 years of age, one can have up to 60% of this money and buy an annuity product, it offers pension, with the rest.
- For early exits from NPS before 60 years of age, one will have to use 80% of the accumulated corpus to buy an annuity.
- However, one can also make a partial withdrawal up to 25% of the contributions after 10 years of being in the scheme for specific purposes.
- While the Tier I account is basic, the Tier-II account works like a savings account to offer liquidity.

### CAN NRI'S INVEST IN NPS?

- The Pension Fund Regulatory and Development Authority (PFRDA) recently sought clarification on the eligibility of NRIs to invest in the NPS.
- While NRIs were always allowed to invest in NPS but it wasn't a stated item under the Fema (Foreign Exchange Management Act) guidelines.
- However, the RBI (Reserve Bank of India) has clarified that NRIs can invest in NPS.
- An NRI can invest in NPS through a rupee denominated non-resident (external) rupee (NRE) account or non-resident ordinary rupee (NRO) account or local sources.
- Given that almost all banks in India work as distributors (called "points of presence" or PoP) for NPS, one can approach his bank to open an NPS account.



- According to the PFRDA, know-your-customer (KYC) process done by bank will suffice to open an NPS account.
- Once the account is open one will get a permanent retirement account number and his NPS account becomes completely portable.

## GREECE CRISIS

### START OF THE GREECE CRISIS

- The Greece crisis hails back to 2009, which finds its roots in the European debt crisis supposed to have arisen out of the Great Recession.
- The crisis affected Greece the most supposedly due to the weak financial structure of the country.
- Greece's debt to GDP ratio was a whopping 146 per cent in 2010.

### DOORS TO PRIVATE CAPITAL LENDING CLOSED

- The credit rating agencies downgraded the Greece's government debt to junk bond status, thus closing the doors for the country to raise funds via capital lending market.

### BAILOUT BY TROIKA

- The 'Troika' of Eurozone countries, European Central Bank (ECB) and International Monetary Fund (IMF) issued two bailouts of a total of 240 billion euros on condition of implementation of austerity measures by Greece.
- The austerity measures included pension and wage cuts to reduce government's budget deficit.
- A delay of implementation of austerity measures by Greece is said to have exacerbated its financial stability.
- IMF also agreed to issue a third bailout of 8.2 billion euros during January 2015-March 2016.

### TOWARDS GROWTH

- In 2014 the situation improved for Greece and there was positive economic growth and improved outlook for the economy to the extent that it was able to access private lending market.
- Through sale of bonds the government was able to fill the financing gap for 2014.

### HURDLE IN RECOVERY

- Just when the Greek economy seemed to be on the path of recovery, the decision to hold a premature snap election in December 2014 spoiled it all.
- The new government refused to adhere to the austerity conditions set by the creditors, which made the Troika suspend all pending bailout measures to Greece.

### FAILED TALKS WITH TROIKA

- The new government headed by Prime Minister Alexis Tsipras failed to renegotiate the terms of bailout on June 14, which was considered as its "last attempt" towards recovery.
- Tsipras refused more conditional austerity measures, including more pension and wage cuts.
- Tsipras has in fact accused the creditors of trying to "humiliate" Greeks.
- Tsipras rejected the EU and IMF demands of spending cuts and tax hikes calling it as a "blackmail" attempt.

## DEBT DEFAULT

- Greece, which became the first developed country to default IMF debt, was supposed to repay 1.6 billion euros (\$1.8 billion) by June 30.
- Moody's cut its rating on Greece to 'Caa3' from 'Caa2'.

## GREXIT

- The crisis headed for an impasse as EU and IMF have expressed their inability to negotiate further.
- Analysts said after Greece being a debt defaulter, the country's membership to the currency bloc came under the scanner.

## GREECE CAPITAL CONTROLS

- From June 28, the government put in place capital control measures with the banks and stock markets being closed till July 6.
- A daily limit of withdrawal of 60 euros from ATMs was also put in place.

## GREECE PROTESTS

- Tens of thousands of Greeks rallied to support their leftwing government's rejection of a tough international bailout.
- While at the same time there were huge rival rallies against the decision.

## GREECE REFERENDUM

- PM Tsipras put the bailout deal to a referendum.
- Greece has voted in the referendum to reject the austerity terms demanded by its European creditors.

# INTERNATIONAL/INDIA AND WORLD

## SCO SUMMIT 2015

THE 15th Shanghai Cooperation Organisation (SCO) summit was held in Ufa, Russia on July 2015. India and Pakistan were accepted as full members of the Shanghai Cooperation Organisation (SCO). India, which has had an observer status for the past 10 years, will technically become a member by next year after completion of certain procedures.

The SCO currently has China, Russia, Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan as members.

### SIGNIFICANCE OF INDIA'S MEMBERSHIP

- It opens up trade, energy and transit routes between Russia and China that pass through Central Asia, that were hitherto closed to India.
- Iran's observer status will ensure the SCO serves as a platform for India to discuss trade through the Iranian ports of Bandar Abbas and Chabahar, and link them to the Russian proposal for a North-South Transport Corridor.
- The security grouping provides a platform for India and Pakistan to discuss bilateral issues.
- With Russia and China taking the lead, the SCO could even prove a guarantor for projects such as the TAPI (Turkmenistan-Afghanistan-Pakistan-India) and IPI (Iran-Pakistan-India) pipelines that India has held off on security concerns.
- The SCO summit will provide a valuable interface to engage with Afghanistan's neighbours
- The SCO is an important counter-balance to India's perceived tilt towards the U.S. and its allies on security issues.

(Details about SCO covered in February 2015 current affairs notes)

## BRICS SUMMIT 2015

The **7th BRICS summit** was held in Ufa, Russia on July 2015. The theme of the summit was 'Partnership: A powerful factor for global development', with a firm emphasis on economic cooperation.

Prime Minister Narendra Modi proposed a 10-point initiative calling it 'Das Kadam: Ten Steps for the Future. The proposed initiatives for the BRICS include a trade fair, a Railway Research Centre, cooperation among supreme audit institutions, a Digital Initiative and an Agricultural Research Centre.

### OUTCOMES OF SUMMIT

Leaders of BRICS countries have adopted the Ufa declaration.

- The Ufa declaration asserted that "the NDB (New Development Bank" shall serve as a powerful instrument for financing infrastructure investment and sustainable development projects in the BRICS and other developing countries and emerging market economies".
- The Ufa declaration also makes references to the 70<sup>th</sup> anniversary of the defeat of Nazi Germany, "fascism" & "militarism" during World War II and denounces attempts to rewrite history but stops short of mentioning Japan.
- The BRICS leaders vowed to work close with the UN to uphold international treaties, while criticizing the adoption of "double standards".
- The Ufa communique also said the BRICS "strongly condemn human rights violations by all parties to the conflict" in Syria

- In the declaration, China and Russia said that they support the aspirations of India, Brazil and South Africa for permanent membership of the UNSC.
- Criticising “double standards,” the BRICS nations promised to work closely with the UN to uphold international treaties.
- The BRICS countries have regularly criticized the interventionist foreign policy approach of Washington, including air strikes in Middle eastern countries, like Syria and Iraq.
- The BRICS also adopted an “Action Plan” that maps the 2016 trajectory of the group.
- The BRICS countries also rallied behind Russia by opposing the Western sanctions against Russia over the Ukraine conflict.
- The Russia-proposed “**Strategy of BRICS Economic Partnership**,” a blueprint for the group’s trade, investment and commerce ties up to 2020. Among other things, it will be aimed at increasing the competitiveness of BRICS countries in the global economy.
- The five foreign ministries also signed an agreement on creating a joint BRICS website, which will act as a virtual secretariat of the group.
- The Central Banks of the five countries have also signed cooperation agreements with the New Development Bank.
- India and four other members of the BRICS said there should be no “political approaches” and “selective application” in dealing with terrorism.

#### ABOUT BRICS

- BRICS countries hold 40 per cent of the world’s population and a quarter of all economic output.
- BRICS accounted for over 17 percent of global trade, 13 percent of the global services market and 45 percent of the world’s agricultural output in 2014.
- The combined GDP (purchasing power parity) of the five BRICS countries surged from \$10 trillion in 2001 to \$32.5 trillion in 2014.

Compare the significance of IBSA and BRICS in the context of India’s multilateral diplomacy. (UPSC-2012)

#### RUSSIA'S NEW NAVAL DOCTRINE

The Russians unveiled their new naval doctrine on board the frigate Admiral Gorshkov, and in the presence of President Vladimir Putin.

Moscow’s naval doctrine that singles out China as its core partner in the Pacific, signaling Moscow and Beijing’s push towards countering the Japan backed “Asia Pivot” of the United States.

#### OBAMA’S ‘ASIA PIVOT’

Military activity in the Pacific has been accelerating following President Barack Obama’s “Asia Pivot” or “Rebalance” doctrine, which has led Washington to position 60 per cent of its forces in the Pacific. In Beijing, the “Asia Pivot” doctrine is seen as a China-containment policy.

#### THE KURDISTAN WORKERS' PARTY

The Kurdistan Workers' Party, commonly referred to by its Kurdish acronym, PKK is a Kurdish militant organization based in Turkey and Iraqi Kurdistan. The group has been fighting Turkey for autonomy since 1984 and is considered a terrorist organisation by Ankara and its allies.

The PKK is listed as a terrorist organization internationally by several states and organizations, including the North Atlantic Treaty Organisation (NATO) and the European Union. However countries such as India, China, Russia, Switzerland and Egypt have not designated the PKK as a terrorist organization.

It is the first time Turkish jets have struck Kurds in northern Iraq since a peace deal was announced in 2013 between Ankara and the rebel group, **the Kurdistan Workers' Party, or PKK.**

## WTO MEMBERS SEAL IT TRADE DEAL

- World Trade Organization (WTO) members finalised a deal to cut tariffs on \$1 trillion worth of **information technology products** in a boost for producers of goods ranging from video games to medical equipment.
- The agreement to update the WTO's 18-year-old **Information Technology Agreement (ITA)** adds more than 200 products to the list of goods covered by zero-tariff and duty-free trade.

## IRAN NUCLEAR DEAL

A landmark Iran nuclear agreement was reached after clearing final obstacles, it included a compromise between Washington and Tehran that would allow U.N. inspectors to press for visits to Iranian military sites as part of their monitoring duties.

- But access at will to any site would not necessarily be granted and even if so, could be delayed, a condition that critics of the deal are sure to seize on as possibly giving Tehran time to cover any sign of non-compliance with its commitments.
- Under the deal, Tehran would have the right to challenge the U.N request and an arbitration board composed of Iran and the six world powers that negotiated with it would have to decide on the issue. (march current affairs )

## INDIA'S REACTION

- India "welcomed the successful conclusion of negotiations on the Iranian nuclear issue", between Iran and the Europe 3 (Britain, France and Germany) +3 (U.S., Russia and China) and the U.N. atomic energy agency IAEA.
- India has hopes of strengthening economic engagement with Iran which, despite good intentions and close political ties, had ground to a halt over sanctions.
- India and Iran have an annual bilateral trade of about \$14 billion, with an extremely high balance of trade problem,

(Details about nuclear deal are covered in March 2015 current affairs notes).

## CHINA'S RENMINBI (RMB)

China's renminbi (RMB) may become the world's fourth most-used international currency, replacing the Japanese yen

The International Monetary Forum had raised the RMB Internationalisation Index from 0.02 in 2009 to 2.47 in 2014. The top three currencies are the dollar, the euro and the British pound.



## ASIAN DEVELOPMENT BANK (ADB) DECISION

The Asian Development Bank (ADB) decided to start supporting deals denominated in their local currencies under its Trade Finance Programme (TFP) as intra-regional trade transactions using **the renminbi and the rupee**.

## SREBRENICA MASSACRE

The Srebrenica massacre, also known as the Srebrenica genocide was the genocidal killing, in July 1995, of more than 8,000 Muslim Bosniaks in and around the town of Srebrenica during the Bosnian War.

- On July 8, 2015, Russia vetoed, by request of the Republika Srpska and Serbia, a UN resolution condemning the Srebrenica massacre as genocide, Serbia calling the resolution "anti-Serb".
- Serbia and Bosnian Serbs deny the killings were "genocide," and claim that the death toll has been exaggerated.

## PRIME MINISTER CENTRAL ASIA VISIT:

Prime Minister visited to the five Central Asian States — Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan. All central Asian countries are very rich in energy resources.

At present the five Central Asian republics account for trade of only about \$1.6 billion with India, compared to about \$50 billion with China that has made them a key to its Silk Road Economic Belt (SREB) initiative.

### INDIA AND KYRGYZSTAN

- India and Kyrgyzstan signed four agreements including one to boost defence cooperation and hold annual joint military exercises.
- A joint exercise between India and Kyrgyzstan **Khanjar 2015** has just been completed.

List of agreement signed during the Prime minister visit:

1.	Agreement on Defence Cooperation
2.	Memorandum of Mutual Understanding and Cooperation in the field of Elections
3.	MoU between Ministry of Economy of Kyrgyzstan and Bureau of Indian Standards (BIS) on cooperation in the sphere of Standards.
4.	Agreement on Cooperation in Culture

### INDIA AND UZBEKISTAN

On his first visit to Central Asian countries, Prime Minister held talks with Uzbekistan President Islam Karimov on key bilateral and regional issues including the situation in Afghanistan as the two countries inked three pacts to boost cooperation between their foreign offices and in the field of culture and tourism.

The two leaders also discussed ways to implement the contract for supply of uranium from mineral-rich Uzbekistan signed in 2014. The pact was signed for supply of 2,000 metric tonnes of the yellow cake.

List of agreement signed during the Prime minister visit:

1.	Intergovernmental Agreement on cooperation in the field of tourism.
2.	Protocol on Cooperation between the Ministry of Foreign Affairs, Republic of Uzbekistan, and Ministry of External Affairs, Republic of India.
3.	Intergovernmental Programme of Cultural Cooperation for 2015-17

## INDIA AND KAZAKHSTAN

- India and Kazakhstan focused on boosting trade, energy, defence and security cooperation as Prime Minister held talks with Kazakh President Nursultan Nazarbayev in Astana.
- Kazakhstan, a leading uranium producer globally, will supply 5,000 tonnes of uranium to India during 2015-19.
- Both leaders welcomed the establishment of a Joint Study Group between India and the Eurasian Economic Union on the feasibility of a Free Trade Agreement (FTA), which would boost trade.

List of agreement signed during the Prime minister visit:

- Agreement on Transfer of Sentenced Persons
- Agreement on Defence and Military – Technical Cooperation between Republic of India and Republic of Kazakhstan.
- Memorandum of Understanding between Ministry of Youth Affairs and Sports of Republic of India and Ministry of Culture and Sports of Republic of Kazakhstan on Cooperation on Physical Cultural and Sports.
- Memorandum of Understanding between Ministry of Railways of Republic of India and the Kazakhstan Temir Zholy of Republic of Kazakhstan on Technical Cooperation in the field of Railways
- Long term contract between Department of Atomic Energy of Republic of India and JSC National atomic company "KazAtomProm" for sale and purchase of natural uranium concentrates.

## INDIA AND TURKMENISTAN

- Prime Minister pitched for early implementation of the \$ 10 billion TAPI gas pipeline project during his talks with Turkmenistan President Gurbanguly Berdymukhammedov as both countries inked seven pacts to ramp up engagement in key areas, including defence.

List of agreement signed during the Prime minister visit:

- Memorandum of Understanding on supply of Chemical Products between the Indian Public Sector Undertaking 'Rashtriya Chemicals and Fertilizers Limited' and the Turkmen State concern 'Turkmenhimiya.'
- Memorandum of Understanding between the Foreign Service Institute of the Ministry of External Affairs of the Republic of India and the Institute of International Relations of the Ministry of Foreign Affairs of Turkmenistan.
- Agreement between the Ministry of Youth Affairs and sports of the Republic Of India and the State Committee for sport of Turkmenistan on Cooperation in the field Of sports.
- Programme of Cooperation in Science and Technology between the Government of the Republic of India and the Government of Turkmenistan for the Period of 2015-2017.
- Memorandum of Understanding between the Government of the Republic of India and the Government of Turkmenistan on Cooperation in Yoga and Traditional Medicine.
- Memorandum of Understanding between the Government of the Republic of India and the Government of Turkmenistan on Cooperation in the field of Tourism.
- Agreement between the Government of the Republic of India and the Government of the Republic of Turkmenistan on Cooperation in the field of Defence.

## INDIA AND TAJIKISTAN

India and Tajikistan pledged to intensify cooperation against terrorism, with Prime Minister noting that the two countries are located in the "proximity of the main source" of the menace, an apparent reference to Pakistan and Afghanistan.

List of agreement signed during the Prime minister visit:

- Programme of Cooperation (POC) between Ministries of Culture of India and Tajikistan in the field of Culture for the years 2016-18.
- Exchange of Note Verbale (NV) on setting up of Computer Labs in 37 Schools in Tajikistan.

## EURASIAN ECONOMIC UNION

The **Eurasian Economic Union (EAEU or EEU)** is an economic union of states located primarily in northern Eurasia. A treaty aiming for the establishment of the EEU was signed on 29 May 2014 by the leaders of Belarus, Kazakhstan and Russia, and came into force on 1 January 2015.

Member states	Acceding state
Armenia Belarus Kazakhstan Russia	Kyrgyzstan

Moving swiftly on its decision to consider a free trade agreement with the newly formed Russia-led Eurasian Economic Union (EEU), India has initiated the process of setting up a joint study group (JSG) to study its feasibility.

## PRIME MINISTER TO VISIT PAKISTAN

Prime Minister met with his Pakistani counterpart, Nawaz Sharif, on the sidelines of the Shanghai Cooperation Organisation summit in Ufa, Russia, ended with an announcement that he would visit Islamabad in 2016 for the SAARC summit.

Foreign Secretaries of both countries list out five steps to resume stalled dialogue process.

### Foreign Secretaries list out five steps to resume stalled dialogue process

- |   |   |
|---|---|
| <b>1</b> National Security Advisers to meet in New Delhi to discuss <b>all issues connected to terrorism</b>  | <b>3</b> Release fishermen in each other's custody, <b>along with their boats, within 15 days</b>     |
| <b>2</b> Early meetings of the Directors General of the Border Security Force and the Pakistan Rangers followed by that of the <b>Directors General Military Operations</b> | <b>4</b> Work out mechanism for <b>facilitating religious tourism</b>                                 |
|   | <b>5</b> Discuss ways to <b>expedite trial in Mumbai attack case</b> , provide additional information |

## ALSO IN NEWS (NOT VERY IMPORTANT)

### NEW HORIZONS SPACECRAFT

#### PLUTO FEATURES DISCOVERED BY NEW HORIZONS SPACECRAFT

- New Horizons became the first spacecraft to visit Pluto
- An extensive layer of atmospheric haze. Analysis shows distinct layers of haze in Pluto's nitrogen, carbon monoxide and methane atmosphere. The haze extends at least 100 miles (161 km) off the surface.
- close-up pictures of the ground reveal flows of nitrogen ice
- Pluto is home to mountains that stretch 11,000 feet above the surface, and that are likely built on a bedrock of water ice.
- New Horizons has also captured the first clear images of two of Pluto's smaller moons, Nix and Hydra.
- It will take 16 months to download all images captured by New Horizons.

#### NEW HORIZONS FEATURES

- **New Horizons** is an interplanetary space probe, launched by NASA.
- The spacecraft was launched to study Pluto, its moons and the Kuiper belt, performing flybys of the Pluto system and one or more other Kuiper belt objects (KBOs).
- launched in 2006

#### SPECIFIC OBJECTIVES

- characterize the geology and morphology of Pluto and Charon
- map the surface composition of Pluto and Charon
- characterize the neutral atmosphere of Pluto and its escape rate
- map surface temperatures on Pluto and Charon
- search for rings and additional satellites around Pluto
- conduct similar investigations of one or more Kuiper belt objects

#### KUIPER BELT

- The **Kuiper belt** is a region of the Solar System beyond the planets, extending from the orbit of Neptune to the Sun.
- Most Kuiper belt objects are composed largely of frozen volatiles (termed "ices"), such as methane, ammonia and water.

### CHARON

Charon is the largest of the five known moons of the dwarf planet Pluto. Human trafficking in India According to annual anti-trafficking report of U.S.

- The 2015 Trafficking in Persons report of a US State department faulted India over its failure to check human trafficking and forced labour, saying several of India's anti-human trafficking units are not functioning while official victim care services are unable to cope with the scale of the problem.
- The U.S. State Department retained India's classification as a "Tier II" nation for human trafficking concerns, which implied that the U.S. viewed India as a country whose government did not fully comply with its Trafficking Victims' Protection Act's (TVPA) minimum standards, but was making significant efforts to bring themselves into compliance with those standards.
- While India's ranking has been at the Tier II level since 2011, it was until 2010 ranked as a Tier II "Watch

List,” nation, implying that the absolute number of victims of severe forms of trafficking was highly significant or increasing; that there was a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year; or that the assessment of its progress in combating human trafficking was based on future commitments made by the Indian government.

- India does not make the grade as far as the US’s most comprehensive anti-trafficking law is concerned. The US classes countries that fully comply with its Trafficking Victims Protection Act’s (TVPA) minimum standards as Tier-I nations. India is among Tier-II countries, which do not fully comply with the TVPA’s minimum standards but are making significant efforts to bring themselves into compliance.
- The report is being seen as significant in recent years in the context of the controversy surrounding Devyani Khobragade. The indictment of Ms. Khobragade by a grand jury in New York in January 2014 stemmed from charges linked to human trafficking under the U.S. TVPA.

#### OBSERVATIONS MADE BY THE REPORT

- The report urged India to ramp up its reporting of anti-trafficking data, noting that India continued to be “a source, destination, and transit country for men, women, and children subjected to forced labour and sex trafficking.
- Human trafficking is a massive, global, shadow economy built on official complicity, egregious rights violations and abuse and criminal operations.
- Men, women, and children in debt bondage, sometimes inherited from previous generations, are forced to work in industries such as brick kilns, rice mills, agriculture, and embroidery factories.
- 90% percent of India's trafficking problem is internal, and those from the most disadvantaged social strata -- lowest caste Dalits, members of tribal communities, religious minorities, and women and girls from excluded groups -- are most vulnerable.
- Trafficking within India continues to rise due to increased mobility and growth in industries utilising forced labour.
- In India thousands of unregulated work placement agencies reportedly lure adults and children for sex trafficking or forced labour, including domestic servitude, under false promises of employment.
- Children, reportedly as young as six, are forcibly removed from their families and used by terrorist groups such as Maoists in Bihar, Chhattisgarh, Jharkhand, Maharashtra, West Bengal, and Odisha to act as spies and couriers, plant improvised explosive devices, and fight against the government.
- Boys from Bihar are subjected to forced labour in embroidery factories in Nepal.
- A large number of Nepali, Afghan, and Bangladeshi females -- the majority of whom are children -- and women and girls from Asia and Eurasia are also subjected to sex trafficking in India
- Prime destinations for female trafficking victims include Kolkata, Mumbai, Delhi, Gujarat, and along the India-Nepal border.
- West Bengal continues to be a source for trafficking victims, with children more increasingly subjected to sex trafficking in small hotels, vehicles, huts, and private residences than traditional red light districts.

#### SUGGESTIONS

- India should cease the penalisation of trafficking victims, including restrictions on their travel and increase prosecutions and convictions for all forms of trafficking, including bonded labour, respecting due process.
- India should also increase prosecutions of officials allegedly complicit in trafficking, and convict and punish those found guilty.
- The report recommended that India should also provide anti-trafficking training or guidance for diplomatic personnel to prevent their engagement or facilitation of trafficking crimes.

#### IMPACTS OF TRAFFICKING

- Human trafficking in India results in women suffering from both mental and physical issues.
- Mental issues include disorders such as depression and anxiety.

- Women who are forced into trafficking are at a higher risk for HIV, TB, and other STD's.

## LAWS RELATED TO TRAFFICKING

- The Government of India penalises trafficking for commercial sexual exploitation through the Immoral Trafficking Prevention Act (ITPA).
- Prescribed penalty under the ITPA – ranging from seven years' to life imprisonment – are sufficiently stringent and commensurate with those for other grave crimes.
- India also prohibits bonded and forced labour through the Bonded Labor Abolition Act, the Child Labor Act, and the Juvenile Justice Act.

## NCRB DATA ON ROAD ACCIDENTS AND SUICIDE

The National Crime Records Bureau's Accidental Deaths and Suicides in India report for 2014 was released recently. The numbers show **a slight increase in traffic accidents** and **a slight decline in suicides**.

### ROAD ACCIDENTS

- Over **1.4 lakh people died** in road accidents in **2014**, a slight increase over the previous year. This means that almost **Sixteen Indians died in road accidents every hour** in 2014, **a quarter of them on two-wheelers**, and a majority of them as a result of **overspeeding (50%)** or **reckless overtaking (42%)**.
- **Uttar Pradesh, Maharashtra and Tamil Nadu** account for a third of all traffic accident deaths.
- Among cities, the maximum road accident fatalities took place in **Delhi**, followed by **Chennai, Bhopal and Jaipur**.

### SUICIDES STATISTICS

- The National Crime Records Bureau's Accidental Deaths and Suicides in India shows that the number of suicides, which has been declining since 2011, decreased marginally to **1.3 lakh in 2014**. This amounts to a national **suicide rate of 10.4 per 1 lakh population**, which would place India in the top third of global suicide rates.
- **Maharashtra, Tamil Nadu and West Bengal** account for a third of all suicides.
- The southern states including Kerala and Tamil Nadu have **twice the national suicide rate** as a proportion of their populations.
- **Housewives and farmers** accounted for 20 % and 12 % of the total suicides respectively.
  - Housewives suicide can be curtailed by **improved access to mental and physical healthcare**.
  - Suicide by farming and student community can be addressed by **sensitive reporting by media** as many researches have shown that dramatizing the impact of suicide through pictures, TV etc may encourage potential victims. So the other things like poverty, unemployment, indebtedness, love affairs etc are relatively small cause.
- In Maharashtra, 30% of all suicides are farm suicides, but only 5% of all suicides are due to debt and bankruptcy.
  - While 30% is due to poor mental and physical health. So health reform in rural areas are going to have more impact in reducing suicides than forgiving institutional loans.
- **Health and family problems** explain nearly half the suicides in country.
- **Farmers' Suicide:** This is the first time that the NCRB has collected detailed data on farmer suicides.
  - In all, 12360 people working in agriculture committed suicide in 2014. However, the NCRB's definition of a farmer does not include agricultural labourers; as a result, 5650 of these were classified as 'farmer suicides', nearly half of them in Maharashtra alone.
  - Of all farmers who committed suicide, 45 % were classified as small farmers (one to two hectares) and 28 % were marginal farmers (with less than 1 hectare).



- Officially, 40 % of these suicides were classified as being on account of “farming related issues” or indebtedness and bankruptcy, 22 % were on account of “family problems” and 15 % attributed to illness.

## ENTIRE NAGALAND DECLARED ‘DISTURB AREA’ BY HOME MINISTRY

- The Union home ministry has declared whole of Nagaland as a "disturbed area" for a further period of one year from June 30, 2015.
- The Nagaland government has been seeking removal of the 'disturbed' area tag since 2005, citing the falling levels of insurgency-related incidents or deaths.
- The declaration comes a month after the Naga rebel outfit, NSCN (Khaplang), launched an ambush in adjoining Manipur, killing 18 Army personnel.
- Also, joint operations on the insurgents' hideouts in Myanmar are currently being discussed with the Myanmar government.

### Power to declare areas to be disturbed areas:

If, in relation to any State or Union Territory to which AFSPA extends, the Governor of that State or the Administrator of that Union Territory of the Central Government in either case, is of the opinion that the whole or any part of such State or Union Territory, as the case may be, is in such a disturbed or dangerous condition that the use of armed forces in aid of the civil power is necessary, then he may, by notification in the Official Gazette, declare the whole or such part of such State or Union Territory to be a disturbed area.

## IMPLICATIONS

- Declaring whole of Nagaland as a "disturbed" area under Section 3 of the Armed Forces (Special Powers) Act, 1958 will give the armed forces powers to search, raid and arrest without a warrant.
- It would allow use of force by the Army personnel even to the extent of causing death, against one who puts law and order in a 'disturbed' area, in peril.

(Note: Read more about AFSPA from earlier notes.)

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