AROUND-U GIST OF EDITORIALS





G	S 2 Indian Polity	3
	Inequality in India	3
	Elections in Urban Local Bodies	4
	Understanding NITI Aayog's action agenda	5
	Being humane- Law against torture	6
	The recalcitrant judge – Judge Karnan	7
	Police reforms	7
	The issues with Health insurance in India.	8
	Electronic Voting Machines	9
	Issues of Judicial support staff	10
	Bail law reforms	10
	The commendation: On award to Major Leetul Gogoi - Comment	11
	Shocking cover-up – Zika infection coverup	12
	The need for a clear language policy	13
	New cattle trade rules	14
	Marks and standards: the need for a better evaluation system	14
GS 2 International Relations		16
	India-Sri Lanka ties	16
	India-Turkey	16
	Towards a unique digital South Asian identity- Exporting Aadhar to	
	neighborhood	17
	Saving Kulbhushan Jadhav - Editorial	18
	Navigating the new silk road	19
	Nepal turns the corner - Lead	20
	India's outreach to Africa	21
G	S 3 Indian Economy	23
	Thought for food: on efforts to prevent food waste	23
1	Empowering RBI to deal with NPAs	24
	Banking Regulation ordinance	24
	Why a rail development authority?	25
7	The other debt issue- States' finances	26
	GST rates: welcome clarity, at last	27

The GST train chugs along	27
Ending India's nuclear dependency - Setting up indigenous nuclear populants	wer 28
Power play – New coal linkage policy	29
	30
Abolishing FIPB	
Why India should tax agricultural income	31
Why agricultural Income should not be taxed.	32
GS 3 Environment and Ecology	33
Carbon Tax	33
An unequal burden- Paris Agreement	34
GM mustard - a major step forward	35
Say no to GM mustard	36
GM crops, the answer to climate change	37
GS 3 Science and Technology	38
Food fortification	38
Duplication isn't synergy Science in India	39
TB timelines - Editorial	40
The issues related to prescribing generic medicines.	41
Held at ransom - Recent ransomware attacks	42
An opportunity being drained away - Wastewater management	42
GS 3 Security	43
Dealing with the extremist elements in Central India	43

GS 2 Indian Polity

Inequality in India

Interesting observations on the coexistence of Space Age wealth with Stone Age poverty in India, from a book written by a former IAS officer who is now Professor in a reputed university abroad.

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

Background

Anirudh Krishna, Edgar T Thompson Professor of Public Policy and Professor of Political Science at Duke University, US who visited the Madras Institute of

Development Studies recently for the launch of his book The Broken Ladder: The Paradox and the Potential of India's One Billion, says *the book "is the examination of the contradictions we see all around in India."*

Insights from the book about contradiction seen in India

Five factors explain the paradox between growing wealth and persistent poverty.

- 1. Urban-rural gap in education, healthcare and other factors, which has worsened over 20 years.
- 2. Changes in technology and production processes. Given these rapid changes, people from rural India, with their skill sets, are unable to get high-paying city jobs.
- 3. The high degree of vulnerability in downward mobility that lots of Indians experience. 3-5 per cent of people fall into poverty every year in India "because their lives are very precarious and risk-prone".
- 4. The poor quality of grassroot governance accentuates the urban-rural divide. *The challenge, is to add meaning and prospects for creativity to the jobs of grassroot-level bureaucrats to turn them into a higher performing force*
- 5. Attitudes, beliefs and values that hold people down, such as caste and gender inequalities.

Conclusion

Along with solving 19th-century problems such as building toilets and housing, India also has to grapple with 21st-century challenges such as investing in space research and biotech hubs. There are no standardised solutions to these problems, but empowering decision-makers at the grassroot level will help.

Mains Perspective

Model questions

Along with solving 19th-century problems such as building toilets and housing, India also has to grapple with 21st-century challenges such as investing in space research and biotech hubs. Discuss

Sources: The Hindu Business line

Elections in Urban Local Bodies

Local issues do shape contestation in urban local bodies, but they alone do not drive the outcome

Mains: **GS** 2 devolution of powers and finances up to local levels and challenges therein.formal/informal associations and their role in the Polity.

Importance of local self government institutions

- Decentralisation of public administration produces systems of governance that are better able to meet the needs of the poor.
- Citizens in small communities can hold elected representative accountable for policy decisions
- It helps in yielding policy outcomes more tailored to the needs of the society.

Rural local bodies

- Local governments in rural India, which, though also limited in their functionality, have significantly more power than their urban counterparts.
- Rural citizens associated with their local representatives more closely and also scrutinised their work more critically.

The issues faced by Urban local bodies in India

- Even though the political parties invest heavily in winning at the local level, the elected leaders are given only very limited power,
- In urban areas the State government exercises close control through unelected parallel bodies.
- Though local issues shape contestation in the city, the outcome also depends on other issues.
- Voters use elections to express their views on political parties and political parties seeing the elections as a preparatory ground for winning assembly elections.
- Politics determines both the strategy and mode of campaigning and voters' behaviour.

Mains Perspective

Model questions

"The Indian party system is passing through a phase of transition which looks to be full of contradictions and paradoxes." Discuss. **[UPSC Mains 2016]**

Sources: The Hindu

Understanding NITI Aayog's action agenda

NITI Aayog's Three Year Action Agenda forms part of a larger vision document which spans a seven-year strategy and a 15-year vision till FY32

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

Background

NITI Aayog released its Three Year Action Agenda document, a comprehensive framework for proposed policy changes to be implemented in the short term in India. The Action Agenda forms part of a larger Vision Document which spans a seven-year strategy and a 15-year vision till fiscal year 2031-32.

Highlights of NITI Aayog Three year action agenda.

Issues faced

- All the three sectors of the economy are suffering from low productivity.
- Unevenness across the country in access to the digital network and in the ability to benefit from such services.

The way ahead

 Workers should be moved away from relatively low-productivity activity agriculture and productivity in agriculture itself be improved to increase yields

and benefit those workers who remain in the sector.

- Use of high-yield seeds, improved irrigation techniques, removal of the tariff inversion problem (where the high level of trade barriers on intermediate inputs relative to final goods disincentivizes domestic production).
- The use of a modern land-leasing law that balances and protects the rights of the tenant and landowners.
- **Manufacturing**: Development of a few Coastal Economic Zones (CEZs) operating under a liberal economic environment and with an abundance of land
- India needs a strong digital network and an ability to provide reliable end-to-end e-services.
- Productivity-enhancing reforms should be initiated in agriculture, manufacturing as well as services.

Conclusion

"Providing a base of knowledge and analysis" is perhaps the best way to summarise the elaborate three year and seven year vision documents released by the Niti Aayog that propose fundamental policy changes to bring about the radical transformation that the Indian economy sorely needs by tapping its agricultural wealth and enhancing productivity. Details of the measures suggested need to be studied to see whether the proposals are likely to see the light of day in the immediate future or whether they remain theoretical formulations.

Sources: Livemint

Being humane- Law against torture

Why India should enact a law against torture?

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

Background

Even though India had signed the UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, India is yet to ratify it.

Why India should ratify the conventions and enact law against torture?

- The absence of a stand-alone law prohibiting torture may prevent many countries from agreeing to India's extradition requests. (*India has pending requests for the extradition of its nationals from other countries*)
- India was subjected to close questioning during the Universal Periodic Review of its human rights obligations at the UN Human Rights Council.
- Present legislative and administrative framework is inadequate to prevent torture in India.
- the nature of custodial violence and policing requirement in India demands it

The way forward

• Provisions relating to prevent and punish torture already exists in the Indian penal code.

- A stand-alone law will be seen as a more tangible way of expressing commitment to eliminating torture.
- India will be better served when it comes to international cooperation in criminal matters if it can adhere to international treaties.

Conclusion

It is imperative that a strong law that criminalises torture, imposes stringent punishment for it and contains liberal provisions for those suffering torture to complain against their perpetrators, prosecute them and be compensated and rehabilitated, is passed at the earliest.

Mains Perspective

Model questions

Examine the need for a strong anti torture law in India.

Sources: The Hindu

The recalcitrant judge – Judge Karnan

Contempt of court proceedings against Judge Karnan

Mains: GS 2 Structure, organization and functioning of the Executive and the Judiciary

Background

- The Supreme court has ordered to sent sitting Calcutta High Court Judge to jail for his recalcitrant behaviour.
- the court ordered six month long prison term for contempt of court.

Significance-Issues faced by the judiciary

- 1. The order shows the total absence of any disciplinary mechanism short of impeachment to deal with improper conduct by a member of the higher judiciary.
- 2. It is disappointing that a case of proven misbehaviour did not led to impeachment
- 3. The collegium system's effectiveness in dealing with appointments..

Mains Perspective

Model questions

Maintaining internal discipline in the judiciary is an equally vexing issue as appointments to the higher judiciary. Discuss

Sources: The Hindu

Police reforms

The police's perception of public safety and their own role is changing, but too slowly **Mains**: **GS** 3 Role of civil services in a democracy.

Present challenges faced by the policing system

- 1. Common man's expectation : A demand for protection of life more than guarding individual property.
- 2. Increase in responsibilities

- 3. Low ratio of policemen per people.
- 4. Preoccupation with the problems of the political party in power and those of the rich and famous.
- 5. Rise in private security agencies accounts for the growing lack of trust in the state police.

The way forward

- Borrow the best practices from abroad
- Use of computer and data analytical tools to improve policing
- Conduct periodic surveys to obtain public opinion on police performance.
- spread of Internet use at all levels of the police.
- Use of social media in day-to-day policing.
- Information on crime incidents and criminals should be conveyed to the public in urban centres.
- Encourage citizens to report crime through email or over social media.

Mains Perspective

Model questions

Unless there is self-correction within the police,we cannot see a perceptible change in the manner in which policing is carried out in most parts of the country. Discuss

Sources: The Hindu

The issues with Health insurance in India.

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

Background

- the debate surrounding health insurance is focussed on budgetary allocation for public health insurance
- Evidences point out that not only Higher budgetary allocation but administrative measures also plays an important role in performance of health insurance policies.

The issues

Rashtriya Swasthya Bima Yojana (RSBY) even nine years after its implementation, has failed to cover a large number of targeted families. The reasons are

- 1. Prevalent discrimination against disadvantaged group
- 2. Lack of mandate on insurance companies to achieve higher enrolment rates
- 3. An absence of oversight by government agencies.

Other issues

- Collusion of doctors and hospitals in performing unnecessary surgical procedures on patients to claim insurance money.
- Absence of regulations and standards
- There is near-consensus that the RSBY has resulted in higher out of pocket

expenditures. Though it is a cashless scheme, many users are exploited by unscrupulous hospital staff.

The way forward

- Rather than specifying budgetary allocation administrative and technical efficiency should be brought into the system.
- Public should be involved more to deliberate on various health practices and policies.

Exam perspective

Significant, strategic shifts in the level of control that the government exerts on both the financing and provision of health are urgently required. Comment

Sources: The Hindu

Electronic Voting Machines

The EC's challenge to political parties to prove EVMs can be hacked is a welcome move

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

With several Opposition parties questioning the credibility of Electronic voting machines the election commission has challenged political parties to prove that EVMs can be hacked.

Safeguard taken by the election commission to ensure that EVMs are secure

- Time-stamping of key presses
- Dynamic coding in second-generation machines besides tamper-proofing
- Self-diagnostics in the third-generation machines that are now being deployed.
- Strict administrative protocol involving first-level checks after manufacture, randomised deployment, sealed strong rooms for storage, and conduct of mock polls.

The way forward

- From time to time several steps were taken by election commission to improve the credibility of EVMs
- The EC has decided to deploy voter verifiable paper audit trails which will add another layer of accountability,
- These is a case for constantly improving EVM design and security features to rule out sophisticated tampering attempts.

Conclusion

The more transparent the EC is about demonstrating the robustness of its safeguards and its determination to improve them further, the greater will be the public's trust in the electoral process.

Mains Perspective

Model questions

Explain the steps taken by Election commission to improve the credibility of EVMs. What additional measures should be taken to improve public's trust in electoral

process?

Sources: The Hindu

Issues of Judicial support staff

The exploitation of judicial support staff continues to be widespread

Mains : GS 2 Structure, organization and functioning of the Executive and the Judiciary Ministries

Background

The lower cadre of employees working in subordinate courts across the country have aired grievances from time to time which are related to the terms of their employment and deplorable conditions of work.

The issues faced by employees working in subordinate courts

- Court employees lack an efficient grievance redress mechanism,
- Written complaints are put aside and several injustices go unreported.
- Raising voice against the system results in notices issued, adverse annual confidential reports, fines, transfers etc
- Subordinate court staff are allegedly being made to work as personal servants in the houses of judges
- Poor working conditions.
- Mounting pendency of cases result in increased workload.
- Little or no on-the-job training

The way forward

- Clearly defined recruitment rules, transfer policies and training guidelines need to be put in place and adhered to.
- An effective grievance redress mechanism should be placed.
- Number of files that should be handled by employees should be limited.
- Employees post should be changed every three years
- Above all the Judiciary must ensure that the employees get a more fulfilling and just working environment.

Mains Perspective

Model questions

What are the reform measures that should be adopted by the government to address inefficiencies in the Judicial system? What are the constraints in doing so and how can it be addressed?

Sources: The Hindu

Bail law reforms

The Law Commission's report on bail law reforms deserves urgent attention

Mains : GS 2 Structure, organization and functioning of the Executive and the Judiciary Ministries

Background

- The Law Commission, in its 268th Report remarked that it has become the norm for the rich and powerful to get bail with ease, while others languish in prison.
- The commission observed that the existing system of bail in India is inadequate and inefficient to accomplish its purpose

The issues

- poverty appears to be the main reason for the incarceration of many prisoners
- Inconsistency in the grant of bail.
- needless arrests and mechanical remand orders by magistrates.

The way forward

- Make it easier for all those awaiting trial to obtain bail
- Bail practices should be fair and evidence-based.
- Those detained for an offence that would attract up to seven years' imprisonment be released on completing one-third of that period, and those charged with offences attracting a longer jail term, be released after they complete half of that period.
- For those who had spent the whole period as undertrials, the period undergone may be considered for remission.

Conclusion

Bail law reform is not the panacea for all problems of the criminal justice system. Be it overcrowded prisons or unjust incarceration of the poor, the solution lies in expediting the trial process. For, in our justice system, delay remains the primary source of injustice.

Mains Perspective

Model questions

Examine the constraints faced by the poor and vulnerable in accessing the judicial system. What reform measures should be adopted to address these constraints?

Sources: The Hindu

The commendation: On award to Major Leetul Gogoi - Comment

The Army commending a soldier still under probe for use of a human shield is unfortunate

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

Background

The army commending on a soldier who is under probe for use of human shield is unfortunate

The issues

• The commendation was awarded before a Court of Inquiry has concluded its probe into the Major's role in the use of a human shield.

- The timing of the award sents an unfortunate message.
- The commendation is regarded as tacit approval of the army's action

The way forward

- The Indian Army must accept that the rules of conduct for army men must be adhered to, despite the difficulties in doing so.
- some improvisation in standard operating procedures is inevitable But the use of a human shield, in this instance of a civilian, can hardly be justified on this ground,
- It would have been proper if this incident was met with stern disapproval rather than being exploited, as it has been in some hyper-nationalistic quarters, to reinforce an us-versus-them binary and pit the security forces against the Kashmiri street.

Sources: The Hindu

Shocking cover-up – Zika infection coverup

The health ministry's decision to keep the three reported cases of Zika virus infection a secret is not a well thought out decision

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

Background

The surveillance system put in place by the Health Ministry identified three adults infected with Zika virus in Gujarat, but the Ministry withheld the information from everyone.

The issues

- 1. China had earlier withheld information regarding the outbreak of SARS and by doing so it was responsible for spreading SARS to other countries.
- 2. The virus was transmitted within India as the patients hadn't travelled outside India. Based on the local circulation of the virus, the WHO warned that "new cases may occur in the future", particularly as the Aedes aegypti mosquito that transmits the virus is widely found in India.

the way forward

- Secrecy about Zika outbreaks, even if seen only in isolated cases, can lead to a public health disaster.
- Given that local transmission is already present, and many infected people exhibit no or only mild, nonspecific symptoms, up-to-date health bulletins and advisories are vital.
- It is necessary to keep the WHO and the global community informed, about infectious diseases for both global risk assessment and risk preparedness.

Prelims Perspective

Similar Question from [UPSC Prelims 2015]

Among the following, which were frequently mentioned in the news for the outbreak of

Ebola virus recently?

- (a) Syria and Jordan
- (b) Guinea, Sierra Leone and Liberia
- (c) Philippines and Papua New Guinea
- (d) Jamaica, Haiti and Surinam

Mains Perspective

Questions related to health sector [UPSC Mains 2015]

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

Sources: The Hindu

The need for a clear language policy

India urgently needs a language policy for its own good

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

Background

The constitutional mandate is to promote Hindi as India's lingua franca. However, a case is gaining momentum in favour of revisiting Part XVII of the Constitution which envisages, in essence, the replacement of English language with Hindi at the national level and with other languages in the Eighth Schedule in their respective states.

The issues

- The language issue can affect both the efficacy of our educational system and the integrity of our judiciary.
- Three states have been allowed to use Hindi in their High Courts while the same right has been withheld from Tamil Nadu and Gujarat and Chhattisgarh which sought permission to use Tamil, Gujarati and Hindi respectively.
- A State's official language being the sole language for all administration, it would be illogical to exclude that State's sole official language from being used in its High Court.
- The Supreme Court has recognized the rights of students and minorities with regard to education in mother tongue.
- Some state governments are promoting non-Hindi Indian languages in the states.

The way forward - Rethink necessary

It is time for India to relook its language policy under Part XVII which became obsolete more than 50 years ago. There's no point in reinventing the wheel. Instead, the nation must adopt mother tongue plus English, with Hindi accorded a pride of place for ceremonial occasions at national and international levels.

Mains Perspective

Model questions

It is time for India to relook its language policy under Part XVII of the Indian

constitution which became obsolete more than 50 years ago. Discuss

Sources: The Hindu

New cattle trade rules

Centre's new Prevention of Cruelty to Animals notification suffers from various drawbacks and is not a well thought out move.

Mains: GS 2 GS3 Issues related to rights, food processing industry agriculture Background

- The Centre has notifies new rules to regulate livestock markets under the Prevention of Cruelty to Animals act.
- Under the new rules cattle a category that includes cows, buffaloes, bulls and camels come under a slew of special restrictions which, when effected, could have an extremely serious impact on the meat and livestock industry, livelihoods and dietary choices of millions of people.

The issues

- Cumbersome rules are framed for the sale of cattle.
- Purchase and sale of cattle for slaughter in animal markets has been prohibited.

The notified rules are contradicts the prevention of cruelty to animals act.

- The prevention of cruelty to animals recognises that animals may constitute food for mankind
- The prevention of cruelty to animals acts prohibits only the "infliction of unnecessary pain and suffering" when animals are consumed as food.
- legal infirmities in the notifications are bound to be challenged in court
- Economic costs of this decision Trade in livestocks will be crippled.

Conclusion

While there is a case to retain most of the rules prohibiting the cruel treatment of animals, the ban on the sale of cattle for slaughter in animal markets must go.

Mains Perspective

Model questions

Examine the social, political and economic impact of the ban on cattle slaughter at animal markets. Give your suggestions

Sources: The Hindu

Marks and standards: the need for a better evaluation system

Our school system needs a better evaluation mechanism for students

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

Background

CBSE along with state boards decided to de away with the system fo moderation while finalising marks of students. A Delhi High Court directive that asked CBSE to put off the

decision for this year poses the immediate question of how various State boards of education that have not adopted the practice will respond.

The issues evaluating students

- 1. challenges in achieving comparability while assessing students for undergraduate studies from different systems.
- 2. High importance on a single external examination has led to tailoring the learning process only to score marks.
- 3. Students are not assured that the same tasks are being assessed on the same standards.
- 4. Tools such as moderation raises questions on the actual scores.
- 5. Perfect scores in non-quantitative subjects such as English and Political Science gives the impression that the questions require to be answered only within a limited framework laid out in a textbook and leaves little scope for creative responses that reflect the quality of teaching in the classroom.
- 6. The Annual Status of Education Reports points out the poor quality of education received by the students.
- 7. Access to private tuitions for a better examination score, affects less-privileged students.
- 8. Encouraging students to enroll in schools maynot result in achieving high outcomes in actual learning.

The way forward

- A consensus among the States regarding evaluation system would eliminate litigation on grounds of uneven competition and benefit student.
- Reform should recognise the role of the teacher in ensuring genuine learning and encouraging creativity.
- An external test that evaluates sound learning is the answer, although the challenge is not to stifle educational innovation that individual State boards are capable of.

Mains Perspective

Model questions

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

Sources: <u>The Hindu</u>

GS 2 International Relations

India-Sri Lanka ties

Sri Lankan Prime Minister's meeting with Indian Prime Minister recently is in keeping with the refreshed Indo-Lanka ties that followed the regime change in Colombo.

Mains : GS 2 India and its neighborhood- relations.

India Sri Lanka relations

- India and Sri Lanka has flagged off partnerships in a host of economic and development projects through a Memorandum of Understanding.
- India's Sri Lanka policy, following the regime change in Sri Lanka is centred on economic cooperation and security concerns, and less on political matters.
- Several ministries are executing specific projects in Sri Lanka
- Concern: India is concerned about the increasing presence of China in Sri Lanka.
- India and Sri Lanka have agreed to undertake developmental projects around eastern port town Trincomalee.

The way forward

- India must continue to closely engage on these in political concerns of the region too for the benefit of Sri Lanka.
- India should explore the potential for generating livelihoods in the war-battered northern economy
- Resolution of the long-standing Palk Bay conflict between fishermen of both countries is central to this

Conclusion

While New Delhi's anxiety over Chinese presence might be justified, it should avoid using the China lens to view Sri Lanka, respecting the country's autonomy to engage with any willing partner.

Mains Perspective

Similar questions

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

Sources: The Hindu

India-Turkey

Highlights of Turkish President's visit to India

Mains: **GS** 2 International relations.

Background

- Turkish President Erdogan's visit though preceded by undiplomatic exchanges between India and Turkey however did manage to meet lowered expectations.
- Turkish President said the Kashmir issue could be resolved through "multilateral negotiations", and offered himself as an intermediary with Pakistan.

• India has made provocative gesture by inviting Cyprus President Nicos Anastasiades just days before Mr. Erdogan was due, while Vice President Hamid Ansari made a previously unannounced visit to Armenia. (Turkey doesn't maintain diplomatic ties with these two countries)

Highlights of the visit

- Both countries decided to Revive bilateral trade, improve air connectivity and increase tourist arrivals.
- Turkey supported India's bid for the UN security council membership.
- Turkey supported India's NSG bid with the caveat of support for Pakistan.

Conclusion

The visit is a start that could lead to deeper engagement on the two issues. The sustained contact will refresh the relationship in a way that reflects shared concerns

Mains Perspective

Model questions

Examine diplomatic ties between India and Turkey. What needs to be done to improve ties between both the nations

Sources: The Hindu

Towards a unique digital South Asian identity- Exporting Aadhar to neighborhood

Executed properly, Aadhaar could become a central pillar of India's 'neighbourhood first' policy

Mains: GS 2 India and its neighborhood-relations.

Background

Executed properly, Aadhaar could become a central pillar of India's "neighbourhood first" policy, culminating in the creation of a unique digital South Asian identity.

Advantages of exporting Aadhar to neighbourhood

- Could led to integration of its markets
- Bring communities closer.
- Allow governments to offer a wider range of governance services.

Why identity scheme for south Asian nations is required?

- South Asian economies are in varying stages of implementing their own "national identity" schemes.
- South Asian governments, lacking capacity to capture dynamic trends in their population. Post-conflict societies in South Asia have not fully rehabilitated excluded minorities or former combatants.
- Digital identity schemes are easier to implement, can strengthen local governments and support the financial inclusion of marginalised sections.
- South Asian governments have not been able to create digital ID-enabled applications.

Strategic benefits for India and

- Aadhaar could be Indian foreign policy's biggest asset to promote economic and political convergence in the region.
- While China is able to supply the digital networks for much of South Asia Aadhaar-like platforms can be used to provide Big Data for governments and businesses alike. It will help in surpassing fixed investments by China.
- Creating a critical mass of Aadhaar-enabled applications will lead to stakeholders developing encryption standards and data protection guidelines based on Aadhaar standards.

The way forward

- Aadhar platform unlike other biometric ID programmes allow applications to be be built atop them (for example, the Bharat Interface for Money or BHIM app) and enable identity-driven transactions. Such platforms will be invaluable to an economy working to integrate its communities.
- Learning from India's mistakes Aadhaar can be made foolproof
- A national ID programme would also be a trigger south asian nations to enact strong data protection laws.

Mains Perspective

Model questions

Leveraging ICT is be the best way in which India can place itself in a much better position vis-a-vis China' in its neighbourhood. Discuss

Sources: The Hindu

Saving Kulbhushan Jadhav - Editorial

India got a stay on Pakistan's death sentence to arrested former Navy official Kulbhushan Jadhav at International Court of Justice.

Mains: **GS 2** Important International institutions, agencies and fora- their structure, mandate. India and its neighborhood- relations.

Background

India's decision to approach the International Court of Justice (ICJ) to stall the possible execution of Kulbhushan Sudhir Jadhav in Pakistan is an unusual move

India and ICJ

- India's decision to move the ICJ appears against its position of not internationalising its disputes with Pakistan.
- This is the second times India approached the world court against Pakistan In 1971, it wanted the ICJ to decide the limited question whether the Council of the International Civil Aviation Organisation had the jurisdiction to question India's suspension of overflight rights to Pakistani aircraft.
 - India has every claim to approach the ICJ to protect the life and rights of its nationals.
 - The move by India does not amount to giving up its stated position on resolving other issues on a bilateral basis.

The way ahead

While Pakistan is free to cite legal and technical points in its favour, it hardly requires iteration that it should avoid any precipitate move that would frustrate the ongoing proceedings before the ICJ. Pakistan's adherence to international law will be under test.

Mains Perspective

Model questions

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

Sources: The Hindu

Navigating the new silk road

China's Belt and Road Initiative reflects global trends and a new paradigm which India can support and shape

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

Background

The Belt and Road Summit-China's first international conference of all the 60-plus countries that have signed up to be a part of the infrastructure corridor also known as the New Silk Route and the One Belt One Road (OBOR) project is not going to be attended by India.

Why India should respond to China?

- India's participation in the Forum will be as a partner shaping the changing world order not mere as a member of a Chinese initiative.
- Countries are now gaining influence more through the strength of their economy than the might of the military.
- China is filling in the vacuum created by the withdrawal of America from TPP and playing a central role in integrating the Asian market.
- India should add elements to it that serve its national interest as part of its vision of the 'Asian Century'.

How should India respond to China's initiatives?

India's response should be based on its long-term interest and not short-term concerns.

- 1. Support Belt and Road Initiative (BRI), enlarge areas of cooperation, push for India as the southern node and a 'Digital Asia'.
- 2. Develop common standards with the fastest growing economies in Asia that are on the periphery of the B&R Initiative, such as Bangladesh, Vietnam and Indonesia, to facilitate trade, investment and business engagement.
- 3. Offer a new cooperation framework in South Asia around global challenges:

share meteorological reports, region specific climate research and the 'Aadhaar' digital experience.

4. Thought leadership : Cultural contact (Hinduism and Buddhism) provides an avenue to increasing global influence.

Mains Perspective

Model questions

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

Sources: The Hindu

Nepal turns the corner - Lead

If there were more curiosity about Nepal in Delhi circles, there'd be fewer geopolitical blunders and self-goals

Mains: **GS2** India and its neighborhood- relations.

Background

Local body elections are being held after a gap of 20 years which saw large changes in Nepal's polity. Lack of curiosity to the developments in Nepal is leading to decreased influence of India in Nepal

The issues

- Even though marked by massive presence at the centre of the subcontinent India is not able to take South Asia together on its plans.
- On several global issues- Brexit South China Sea, the Belt and Road Initiative and the multiple crises India's position and perspective are not sought by the majority.
- India lacks of curiosity to the developments in Nepal even though the country lies adjacent to India's most important and impoverished States by politics and population density.
- Nepal joining the belt and road initiative should be no surprise given India's approach.

The way forward

- Democratic stability, social transformation and economic growth in Nepal will have an immediate downstream impact states in India.
- Issues such as open border, job migration, security concerns, mutual economic growth, environmental issues including pollution and climate change, and India's increasing desperation for water should be figure in India Nepal talks.
- Improvement of infrastructure for the benefit of both countries.

Mains Perspective

Model questions

Examine the ties between India and Nepal. Explain how the ties can be improved for the development of both the countries.

Sources: The Hindu

India's outreach to Africa

India begins the heavy-lifting needed to transform economic partnerships in Africa.

Mains: **GS 2** International relations.

Background

The decision to hold the annual general meeting of the African Development Bank in India is a signal of the importance African countries attach to India's growing role in its development.

Avenues of cooperation between India and Africa

- India can be a partner in low-cost technology transfers
- India can be a supplier of affordable generic pharmaceuticals.
- India can be a donor of unconditional aids
- In 2015 India announced export credit and grant which, despite being a fraction of the aid Africa received from China and blocs such as the European Union, was a significant sum for India.
- India is working on a maritime outreach to extend its Sagarmala programme to the southern coastal African countries
- Four African countries have signed on to the International Solar Alliance
- India has tapped other development partners such as Japan USA and Germany for the development of Africa.

The way forward

At a time when China is showcasing its Belt and Road Initiative as the "project of the century" and also bolstering its position as Africa's largest donor, a coalition of likeminded countries such as the one India is putting together could provide an effective way to ensure more equitable and transparent development aid to Africa.

Mains Perspective

Model questions

A coalition of like-minded countries could provide an effective way to ensure more equitable and transparent development aid to Africa. Discuss in the light of developmental initiatives undertaken by India in Africa

Sources: The Hindu

How RCEP adversely affects Indian Economy?

There's a rush to finalise RCEP this year. India is being pushed into covering most tariff lines, which will destroy its economy.

Mains: GS 2 India and its neighborhood- relations.

Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests

Background

The RCEP project if concluded could adversely affect Indian Economy.

The issues - How RCEP adversely affects Indian Economy?

- It has the potential to overthrow India's policies of rural development and industrialisation especially 'Make in India',
- It threatens the policy flexibility and sovereignty to pursue independent economic, social and environmental policies.
- Tariff reduction proposal for 80 percent of products will have serious implications for agriculture and industrial products.
- In agriculture and allied products, the plantation sector is already reeling from the impact of the India-Asean FTA even with relatively high protection of agriculture and a tariff-coverage of 73-80 per cent. If tariff cuts cover 92-80 per cent of products, the impact will be huge.
- New Zealand's export-oriented dairy products will decimate India's growing dairy sector, which is still largely small-scale.
- Even without an FTA, India faces a total trade deficit of ₹3.45 lakh crore in 2015-16 with China.
- E-commerce commitments, if any, will allow companies such as Alibaba from China to displace Indian manufacturing especially in the SME segment.
- Elimination of export subsidies on minerals and raw materials may threaten domestic raw material availability for industrialisation and encourage overmining.
- India's demand for liberalisation in services in unlikely to be granted while the effect of liberalisation in investment is unclear as India's outward FDI is not competitive in most services except for IT and ITES.
- RCEP pitches for strong provisions on IPR with several members pushing for provisions that go beyond TRIPS, with serious adverse consequences for access to generic medicines manufactured in India.
- Binding e-commerce rules in RCEP will have several implications including lose
 of potential customs duties, compromising regulation and control over the new
 and emerging trading space, threatening data privacy and security not only of
 individuals but also of the government,

The way forward

- India seems to have resisted the pressure to agree to specific commitments in goods, services, and investment and other areas in Hanoi.
- India needs to assess its own choices and weigh the impact on its whole policy space vis-a-vis the narrow base of the advantages that RCEP may offer.

Prelims Perspective

The term 'Regional Comprehensive Economic Partnership' often appears in the news in the context of the affairs of a group of countries known as *[UPSC Prelims 2016]*

a) G20

b) ASEAN

c) SCO

d) SAARC

Solution: B

Mains Perspective

Model questions

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

Sources: The Hindu BusinessLine

GS 3 Indian Economy

Thought for food: on efforts to prevent food waste

We need to hasten efforts to prevent food waste, at the consumer household level and in the supply chain.

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

Background

Despite adequate food production and unimaginable advances in technology, one in three persons worldwide is not getting enough of the right food to eat and approximately 800 million of seven billion sleep hungry every night.

How Food is wasted?

- 1. In developed countries "food waste" happens more at the consumer household level, where more is purchased than consumed;
- 2. In emerging economies, it is the supply chain that leads to "food loss" during harvest, storage or in transit, largely due to poor infrastructure and inadequately aligned processes.
- 3. With increasing wealth, India is, ironically, home to both food waste and food loss.

The way forward- what needs to be done

- Harnessing technology to increase agricultural productivity, where we lag both our potential and competitive benchmarks will be critical to our overall wellbeing.
- Investment in food system infrastructure: storage, transportation, processing, etc;
- Investment in information systems that help identify loss by crop and region so solutions can be specifically tailored to the problem
- Focus on diverse crops to address malnutrition.
- Use of technology to better connect supply and demand
- Public-private partnerships with companies to reduce spoilage and loss

- Creation of food banking networks that work with civil society and development agencies on getting food already available to those that need it.
- Among the several priorities we have, minimising food loss has the potential to be transformative in multiple ways.

Mains Perspective

Model questions

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

Sources: The Hindu

Empowering RBI to deal with NPAs

The ordinance enabling the RBI to act on bad loans must be accompanied by wider reform

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

Background

The Centre has empowered the Reserve Bank of India to get banks to take tougher steps, including insolvency and bankruptcy proceedings against defaulters, to address the growing volume of bad loans on their books. An ordinance to amend the Banking Regulation Act of 1949 has been issued in this regard.

Steps taken to address NPA menace.

- Reshuffle of certain public sector bank officials.
- Indradhanush road map to revitalise public sector banks.
- Setting up of a Banks Board Bureau.

What more needs to be done

- Amending the anti-corruption law.
- Fix the policy-level stress affecting sectors such as telecom, power and highways.
- Re-privatisation' of banks as mooted by the RBI.

Mains Perspective

Model questions

Will privatisation of banks help in solving the NPA menace. Discuss

Sources: The Hindu

Banking Regulation ordinance

The banking regulation ordinance puts its seal of approval on corporate subsidy at the cost of public banks

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

Background

The Banking Regulation (Amendment) Ordinance empowers the RBI to take decisions on the settlement of non-performing assets (NPAs) and a consequent cleaning up of bank balance sheets.

The issues

- 1. Most of the bad loans are the result of unsound lending activities undertook by the public sector banks.
- 2. In India, corporates rely on banks as the main source for funds.
- 3. India's top corporates were unable to make timely interest payments.
- 4. About half of the overall debt is owed by firms who are already highly indebted
- 5. The corporate bond market is not yet matured in India and bank financing is crucial for corporate groups.
- 6. Granting loans to corporates that lacked capital as well as expertise
- 7. Banks that are willing to settle for a haircut are faced by the dilemma how much haircut it should take.
- 8. There can be no justification for rewarding corporate groups for poor business acumen

Mains Perspective

Model questions

Examine the steps taken by the government and RBI in tackling the bad loan mence. What more needs to be done?

Sources: The Hindu

Why a rail development authority?

The impetus to corporatise Indian Railways and give it a professional direction can easily come from within the organisation

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

Background

• The decision to set up the Rail Development Authority of India is being seen as the most important action taken so far to bring about institutional change for reforms in the biggest departmental undertaking of the Government.

The issues with regard to RDA

- The authority will have developmental and regulatory function, but these are only advisory in nature.
- All the members of the authority will be from the government
- As ministers and governments come and go the threshold of willingness to accept advice will rise and fall.
- the authority will be an adjudicatory body too and it remains to be seen how much of an adjudicatory, as opposed to a developmental, role the authority finally has.
- The reforms needed in railways have been long overdue.

The way forward

- The authority will disseminate information regarding its decision. If the authority makes the railways less opaque, then that will be a great plus.
- With number of passengers and freight decreasing need of the hour is not the ability to raise prices but the ability to cut costs and canvas for fresh business
- The organisation should be corporatised and made to function professionally rather than having a separate think tank of development authority.

Mains Perspective

Model questions

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

Sources: The Hindu The Hindu

The other debt issue- States' finances

The deterioration in the finances of the States needs to be urgently addressed

Mains: GS 3 Government Budgeting.

Background

- For the first time in 11 years, in 2015-16 the combined fiscal deficit of India's 29 States as a proportion of the size of their economies breached the 3% threshold recommended as a fiscally prudent limit by successive Finance Commissions.
- The steady gains made in States' finances over the past decade seem to be reversing.

The issues

- UDAY restructuring exercise dented the state's fiscal health.
- States have had to resort to higher market borrowings even after the Centre hiked their share from tax inflows
- Centre relayed on special levies, surcharges, cesses and duties that are not considered part of the divisible tax pool.

The challenges

- With private investment remaining elusive, the States' focus on bolstering capital expenditure in sectors such as transport, irrigation and power is required.
- Potential stress points: Pay Commission hikes, rising interest payments, clamour for ad hoc loan waivers.

Conclusion

Not only the centre but the states also need to be fiscally prudent moving forward

Prelims Perspective

Budget related questions were asked in the preliminary examination several times. To see how questions can come from this portion visit our <u>IAS preparation page</u>.

Mains Perspective

Model questions

What were the reasons for the introduction of Fiscal Responsibility and Budget Management Act, 2003? Discuss critically its salient features and their effectiveness.

200 words. **[UPSC Mains 2013]**

Sources: The Hindu

GST rates: welcome clarity, at last

The Goods and Services (GST) Council agreed on the fitment of almost all commodities in the various tax slabs under GST.

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

Background

The Goods and Services Tax Council has released details of the rates at which over 1,200 goods will be taxed when the GST regime takes effect.

The merits

- Overall, the new tax regime will be revenue-neutral. Thus GST's influence on private spending will possibly remain muted.
- The four-slab structure of the GST regime makes it a progressive tax code.

Challenges ahead

- Discretionary levies can defeat the entire purpose of GST regime.
- additional discretionary taxes would compromise tax predictability.
- The four slab structure compromises simplicity of the tax regime.

The way forward

The Centre and States must keep their pressing fiscal demands from influencing tax rates upwards in the future. Otherwise, the decision to do away with tax competition among States, in favour of a simple centralised tax system, will be done no justice.

Also Read: All you want to know about-Goods and Services Tax or GST

Sources: The Hindu

The GST train chugs along

The ideal of a low, single rate and comprehensive coverage is still far away, but the journey has begun.

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

GST will be rolled out soon. though the ideal low single rated coverage system is still far away, the process has begun.

Major features of GST

- 1. it moves the tax system from production to consumption.
- 2. The tax base is now a much wider set of transactions and therefore the per capita tax incidence will be lower.
- 3. It eliminates a major bane of cascading, i.e. having to pay tax on tax increasing efficiency of taxation.

4. Tax evasions is a;most impossible no one person in the chain can evade tax because it hurts either his vendor or customer.

The remaining issues

- The basic premise of tax reforms is to aim for lower rates, simpler code and eliminate exemptions. On all these three goals much more needed to be done.
- The five slabs plus cess will increase the chance of classification disputes h five slabs of discretion and litigation.
- Though multiple rates are progressive as items consumed by the poor are taxed at lower rates the classification is problematic in a diverse fast moving economy.
- Multiple rates increase cost and complexity.
- Cost of auditing the classification of exempt, low rate and high rate slabs across every stage of production, distribution and consumption is very high.
- Since almost 60% of India's GDP is from services, and the rate is moving from 15 to higher, it is quite likely that inflation will inch up especially in the financial, telecom, hospitality and trade services.
- Since the IT systems are not fully in place and refunds are not instantaneous, the benefit of tax credit will be delayed which may affect working capital requirement.
- A large part of the economy is still not covered by the GST Potable alcohol, crude oil, natural gas, aviation fuel, diesel, petrol, electricity and real estate are currently out, and States will levy their own taxes on these.

Also Read: All you want to know about- Goods and Services Tax or GST

Prelims Perspective

A question relating to GST such as its objective, purpose, taxation... can be asked in UPSC prelims

Mains Perspective

□ Discuss the rationale for introducing Goods and Services Tax (GST) in India. Bring out critically the reasons for the delay in rollout for its regime **[UPSC Mains 2013]**

Sources: The Hindu

Ending India's nuclear dependency - Setting up indigenous nuclear power plants

The government's go-ahead to 10 indigenous reactors is a timely step towards nuclear energy self-sufficiency

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

- India has decided build 10 indigenous rectors to achieve energy security.
- All over the world nuclear power plants are affected by cost overruns, delay in execution.

- Nuclear power business group westinghouse has suffered losses and filed for bankruptcy proceeding in USA.
- Fukushima accident has questioned the safety of nuclear power projects.

The way forward

- With the nuclear power industry facing crisis across the world India was looking at other options to expand the nuclear capacity.
- Why India's decision to construct 10 indigenously developed nuclear power plants comes in the backdrop of this.

The merits of India's push towards indigenization

- The India's indigenous power plants have worked well.
- One of the indigenously reactors was on line for 765 days, the second-longest run in the world.
- The cost of power has been less than from coal in the same region.
- Indian industry is well placed to supply all the components and materials required for these reactors.
- It will be a boost to industries supplying components for nuclear power plants
- Enriched uranium fuel can be sourced from international suppliers, as such reactors can be placed under International Atomic Energy Agency safeguards.
- By about 2025 or so, India may itself supply enriched uranium from its own enrichment facilities.
- It will secure India a position of nuclear power plant supplier not only for application in India, but also as a potential exporter.
- It can also be part of India's strategy to minimise carbon emission in the long run

Mains Perspective

Model questions

Across the world nuclear power plants has faced issues related to safety and cost overruns. Along with this the fall in prices of renewable energy should be seen as an opportunity to have a serious rethink on the proposed nuclear power plants. Discuss

Sources: The Hindu pib

Power play – New coal linkage policy

SHAKTI is a welcome reform move but the Centre should closely watch over the health of existing coal-based power producers

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

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

Background

The Cabinet gave its nod to the new Coal Linkage Policy SHAKTI or Scheme for Harnessing and Allocating Koyla (coal) Transparently in India.

SHAKTI aims to reform the bureaucratic and often non-transparent process of coal allocation for power projects.

Present system

- Under the present system, an independent power producer (IPP) proposing to set up a coal-fired power plant will have to request the power ministry for coal linkage.
- SHAKTI proposes to do away with the discretionary element and introduce market-based pricing for IPPs. Those IPPs that have already stitched up power purchase agreements (PPAs) will have to bid for coal supply on the basis of discount over the tariff.

The positives

- It will enhance transparency in power sector.
- It is a welcome move at a time when the power sector in general and coal-based generation in particular are at a low ebb.

The way forward

- Though the focus is on generation of renewables the base load operations can only be fulfilled by coal.
- The Centre has acknowledged that coal based generation will be the bedrock well into the future.
- Keeping existing projects going should get higher priority than attracting newer ones, which are unlikely to come any time soon.

Prelims perspective

SHAKTI scheme recently in news pertains to

- a. women empowerment
- b. Revival of unused airstrips
- c. Coal allocation
- d. skill development of minorities

Mains Perspective

Similar questions [UPSC Mains 2015]

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

Sources: The Hindu

Abolishing FIPB

Abolishing the FIPB is just symbolism — to attract FDI, more reform is needed

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

Background

The Union Cabinet approved phasing out of Foreign Investment Promotion Board which was set up in the early 1990s as an inter-ministerial mechanism to vet investment proposals from abroad.

Why FIPB was abolished?

- The government believes that once the Board is history, red-tapism will shrink, ease of doing business will improve and investors will find India more attractive.
- Over 90% of investment flowing in already does not require an FIPB nod as it comes in through the automatic route.

What lies ahead?

- While the FIPB amy have delayed clearances the efficacy of the move will be determined by ability of individual ministries.
- Bureaucrats may remain cautious unless steps are taken by government to protect therm from investigative agencies for bona fide decisions taken in the line of duty.

The issues

- Though FDI limits have been raised significantly, there are riders and rules attached that officers need to interpret for each case.
- Cumbersome rules, not the FIPB, have been responsible for less than enthusiastic response from foreign investors in some sectors.
- Archaic land acquisition and labour laws continue to make it difficult for large factories to come up.
- The foreign investors are looking for a solution from the this government that have a formidable parliamentary majority.

Mains Perspective

Model questions

Foreign direct investment related questions were asked in the previous examinations. To know more visit our <u>IAS preparation page</u>

Sources: The Hindu

Why India should tax agricultural income

The political establishment must move beyond a reflexive rejection of the very concept of agricultural tax

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

News in Brief and Significance

This contains a brief history of academic studies conducted in the past about the highly politically sensitive subject of taxing agricultural income brought up into public discourse by a prominent member of the Niti Aayog and supported by no less a person than the Chief Economic Advisor. Though the idea was promptly shot down by the Finance Minister in his public pronouncement, fiscal constraints of the nation are bound to lead to fresh considerations of tapping the vast resource of farm wealth to augment government revenues in the coming days.

Present status regarding agricultural taxation

• Six states currently have agricultural tax legislation even if implementation varies substantially, from taxes not being levied at all to being levied only upon income

from plantations.

Why agriculture income should be taxed?

- Agricultural tax yields will lead to a substantial rise in revenue
- Mechanized farms are taking advantage of the exemptions provided to cooperative farms. In assessment year 2014-15, nine of the top 10 claimants for tax exemption of agricultural income were corporations; the 10th was a state government department.
- Agricultural income of non-agriculturists is being increasingly used as a conduit to avoid tax and for laundering funds,
- Low-income farmers would fall outside the ambit of any sensible tax regime.

Why agricultural income is not taxed at present? - The issues and challenges

- The issue is political and pressure by rural elite who can deliver votes and funds
- Taxing farm income is a State subject.
- The issue is political as the public image is farming being a poor man's venture.
- India's tax base is already among the lowest in the world.
- Not taxing rich farmers burdens more formal sectors of the economy by over taxation and handicaps government spending on the social sector.
- **Implementational challenges :** Problems of payments in cash or kind and a lack of standard account-keeping throw up barriers.

The way forward

- India has a presence of rich farmers who could afford to pay taxes.
- Tax policy should draw a distinction between rich and poor farmers.
- The government must address the structural issues facing the sector so that farming will become a sustainable enterprise in the long run.
- States should be persuaded to pass a resolution authorizing the Centre to pass a tax on agricultural income that would then be assigned to the respective states.
- Crop-specific levy on land rather than on self-declared output, assessed and implemented at the panchayat level for accuracy and flexibility

Mains Perspective

Agriculture income should be brought under the purview of personal Income Tax. Discuss

Sources: The Hindu Livemint

Why agricultural Income should not be taxed.

The net benefit of taxing agriculture isn't worth the cost of monitoring and rolling out such a system

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

Background

Recently a proposal from a NITI Aayog member on taxing agricultural income has

caught the attention of policymakers, but the problems associated with taxing of agriculture income are many.

The Pitfalls in the tax demand

- 1. The implementation would be difficult given the level of informal occupation prevalent in agriculture
- 2. Any agricultural tax system would have to evolve crop-specific norms of return to the land, while accommodating external shocks like droughts, floods or pests.
- 3. For imposing tax on value of goods produced, the mechanism would fail to take individual farm economics into account, thereby presenting a case wherein a farmer would be taxed even if he makes a loss on sale.
- 4. It requires administration to ensure exact estimate of crop productivity and realised sale price per crop harvested
- 5. Lack of clarity on land titles and cropping patterns based on lease/share-cropping
- 6. Complications could arise if farmers suffer from multiple crop failures followed by one successful crop, for the income in that period may be subjected for tax payment.
- 7. A tax based on sales will disincentivise farmers to sell produce through organised formal channels,
- 8. Any crop-specific taxation would have been locally based,
- 9. The tax rates for the same crop in different regions could be different, inequitably ensuring arbitrage for some farmers.
- 10. Amidst all this, it is hard to determine if there would be net benefit to taxing agricultural revenues, even for rich farmers, compared to cost of monitoring and rolling out such a system.
- 11. Even a progressively structured taxation system would encourage fictitious ownership splits amongst rich farmers and their relatives.

Mains Perspective

Should India tax agricultural income? Examine the hurdles faced by India in implementing the proposal to tax agricultural income

Sources: The Hindu

GS 3 Environment and Ecology

Carbon Tax

A carbon tax is less likely to face political opposition while creating avenues for businesses and growth

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

Why Carbon tax is one of the best method to tackle climate change?

- 1. It do way with the need of choosing a baseline as the natural baseline is zero carbon tax.
- 2. Price limits are related to flow of emissions while quantity limit are related to stocks Thus carbon tax policy will be able to adapt to the element of uncertainty which pervades the science of climate change
- 3. Carbon tax policy causes less volatility in prices of carbon emissions.
- 4. Quantity limiting policies are often accompanied by administrative arbitrariness and corruption
- 5. Price based approach is easier to implement as the debate of equity between high-income and low income countries is addressed better.
- 6. Carbon tax will essentially balance the marginal social costs and benefits of additional emissions.
- 7. It can act as an incentive for consumers and producers to shift to more energy-efficient sources and products.

The way forward

- 1. A general tax on energy consumption can be implemented
- 2. A technology-centric policy that promotes entrepreneurs and investors who develop low-energy intensive products should be implemented.
- 3. 'cap-and-tax' which combines the strengths of both quantity and price approaches.
- 4. Negotiating and sharing policy experiences and researches in the area.

Mains Perspective

A carbon tax policy might not seem a magic wand, but it is also less likely to face political opposition and compromise while creating new sectors for businesses and growth. Comment

Sources: The Hindu

An unequal burden- Paris Agreement

The Paris Climate Agreement recognises that all countries have responsibilities. However, the developed world needs to shoulder the major funding requirement

Mains : GS 2 International relations

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

Background

The Paris Climate Agreement (PA) was signed in December 2015 in an attempt to limit the release and the effects from greenhouse gases (GHGs) in the atmosphere.

Various countries developed and submitted national commitments - Nationally determined contributions- ahead of the meeting.

The present issues

 Several countries depend on help from industrialised economies to build capacity for implementation of the pledges they have made (NDC).

- Even if all the NDCs were implemented, estimates show that the planet would warm up by about 3°C from pre-industrial temperatures
- Recent policy actions by U.S. indicate that the U.S. may not be able meet its own NDC targets.
- U S is unlikely to fulfil its obligation to provide support for the implementation of NDCs by other countries. Therefore, not just the U.S., but other countries too may fail without the means to implement their proposals.
- Constraints in the flow of funds will prevent even the minimal level of support to deal with climate change.

The way forward

- Support system needed to be provided to the needy to adopt less polluting technology.
- Improving energy efficiencies across various sectors and expanding the use of renewables
- Upfront capital investments are crucial for sustainable futures, and without them poorer countries have few options.
- The GCF has the ability to bear risks, support innovation and leverage its own funds for further support, therefore making it a vital agency for poor countries

The Green Climate Fund (GCF) is an international agreement under which advanced economies should provide an annual assistance of \$100 billion.

Conclusion

• All countries have responsibilities towards mitigating climate change but without help and assistance the developing world cannot go far

Mains Perspective

How effective is the international agreements when it comes to mitigating the effects of Climate change?

Sources: The Hindu

GM mustard - a major step forward

Why India should allow cultivation of GM mustard?

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

Background

The Genetic Engineering Appraisal Committee (GEAC) recently cleared the proposal for cultivating genetically modified (GM) mustard .

Why India should allow cultivation of GM mustard?

- Dhara Mustard Hybrid will help Indian farmers increase mustard productivity which has been stagnant for several year.
- The technology, once approved, will help bring better hybrids using the same platform to improve the mustard crop yield significantly.
- GEAC has made the recommendation based on scientific evaluations and this is

backed by data and evidence

• GM mustard will help the country address its shortage of edible oil Currently, more than 60 per cent of the domestic demand of edible oil is met by imports

- **Misconception about safety is baseless:** For over 15 years, GM canola oil (a variant of mustard) and GM soya oil have been consumed globally without a single case of adverse impact. nIn India too, we have been importing nearly 4 million tonnes of these GM oils and consuming GM canola oil and GM soya oil for over a decade.
- GEAC has recommended this technology for commercialisation only after being satisfied about its safety.
- This technology is developed by a renowned Indian scientist in an Indian institution with the full support of public funds from NDDB and the Government.
- Allegations that with this technology, farmers will have to buy the seeds every year has got nothing to do with the technology. Even today, farmers buy hybrid seeds (without GM) of crops every year.
- The technology was tested well for its environmental safety by GEAC before it was recommended for release.
- GM crops have been grown for over 20 years globally without a single adverse case of safety. In India, after the approval of Bt cotton in 2002, no other biotech crops have been approved despite the huge success of Bt cotton.

Mains Perspective

Model questions

• Commercial approval for GM mustard will not only boost the morale of our scientists, but will also provide a new path for the growth of India's largest sector — agriculture. Evaluate

Sources: The Hindu BusinessLine

Say no to GM mustard

There are formidable social, economic and environmental reasons why it should not be cultivated

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

Background

The Genetic Engineering Appraisal Committee (GEAC) recently cleared the proposal for cultivating genetically modified (GM) mustard .There are several formidable reasons for it to be not cultivated.

The issues - Why GM mustard should not be introduced

1. Though India had introduced BT cotton owing to the alluring promises of higher yield and lower pesticide usage most of the countries that have higher cotton yields than India do not grow GM cotton.

- 2. The highest yields in mustard are from the five countries which do not grow GM mustard (based on FAO data).
- 3. GM mustard's yield increase claims have been successfully challenged now, prompting the crop developers and regulators to retract on that front
- 4. There have been numerous severe deficiencies in the evaluation process of GM mustard. The risks to health, environment and agriculture have not been evaluated
- 5. HT (herbicide tolerant) GM crops have been condemned by a number of medical professionals and other scientists for increasing chemical herbicide use, leading to serious health conditions
- 6. Studies have shown a strong correlation between growth of GM crops, the herbicides they promote, and diseases such as acute kidney injury, diabetes, autism, Alzheimer's and cancers
- 7. A herbicide-tolerant crop promotes constant exposure to a single herbicide which eventually results in weeds becoming resistant.

Conclusion

The main advantage trotted out in favour of GM mustard is increased yield — there is sufficient evidence that this claim is a myth. As against this alleged advantage, there are formidable social, economic and environmental reasons which cry out against GM mustard

Prelims Perspective

Previous year questions

The Genetic Engineering Appraisal Committee is constituted under the

- (a) Food Safety and Standards Act, 2006
- (b) Geographical Indications of Goods (Registration and Protection) Act, 1999
- (c) Environment (Protection) Act, 1986
- (d) Wildlife (Protection) Act, 1972

Mains Perspective

Model questions

What are the issues associated with cultivation of GM crops in India? What are the solution to these issues.

Sources: The Hindu

GM crops, the answer to climate change

Drought-resistant alternatives to rice and sugarcane need to be considered in increasingly water-scarce India

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

Background

With farmers adopting to cultivate crops that are more remunerative rather than suited to geographical conditions, adoption of technology is necessary to mitigate the effects of

climate change on agriculture.

The issues

The betterment of living standards due to rising incomes and a growing economy generally leads to three important shifts in agriculture:

- 1. reduced focus on cereal crops and a greater diversification to fruits, vegetables, other cash crops and livestock;
- 2. shift in focus from yield maximisation to quality of produce;
- 3. focus on value-addition in post-harvest segments.

In India, while the first shift has been successful, the second and third shifts have not largely due to the lack of availability of suitable technology or infrastructure.

- Yield maximisation, for example, is hit by climate change
- India is not keeping in pace with other countries when it comes to adoption of agricultural biotechnology.
- Reduced water availability for agriculture

Way forward

- Genetically modified crops are the best answer to mitigate yield related issues
- In water stressed ecosystem, agricultural biotechnology offers better variants of paddy that can thrive with significantly less water.
- Policymakers need to re-evaluate the long term relevance of agricultural biotechnology.
- The government needs to incentivise Indian companies and agricultural universities creating new climate-proof strains of crops.
- There needs to be concerted effort to utilise the benefits of agri-science to improve water use efficiency and battle climate change.

Mains Perspective

Model questions

Examine the impact of climate change on agriculture. Is technology the answer to it? Explain

Sources: The Hindu Businessline

GS 3 Science and Technology

Food fortification

Food fortification is one of the cheapest ways through which the problem of malnutrition can be addressed, but it must be regulated.

Prelims: General Science.

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

Background

The Food Safety and Standards Authority of India (FSSAI) released standards for food items such as milk, rice, oil, salt, wheat flour along with the logo, which companies can use in their labelling to indicate fortification.

Why food fortification?

- A diversified diet that meets all nutritional requirements is difficult to provide.
- WHO estimates that deficiency of key micronutrients affects a third of the world's population
- Processed foods with standards-based fortification can help advance overall health goals, Iron deficiency is associated with nearly half of all maternal deaths and problems with the newborn.
- Fortification is a low-cost solution.

The way ahead

- The efficacy of the fortification standards will depend on enforcement.
- FSSAI plans to get local flour mills to add premixed nutrients.
- Making affordable, good quality fortified foods widely available.
- A well-functioning public distribution system to channel fortified food to the needy.
- In long term, people should be encouraged to adopt a diversified and wholesome diet.
- Children should be provided cooked meal that is naturally rich, and augmented with vegetables, fruits, dairy and other foods of choice.

Mains Perspective

Model questions

Fortified foods can help fill the gaps, particularly in areas that are in need of speedy remedial nutrition. Explain the challenges faced in providing people with fortified food. Give your suggestions.

Sources: The Hindu

Duplication isn't synergy Science in India

Indian science needs hard work and a critically large base of experts, not more management.

Mains : **GS** 3 Achievements of Indians in science & technology; indigenization of technology and developing new technology.

Background

SPARK (Sustainable Progress through Application of Research and Knowledge) is a proposed initiative to synergise science activity in India. Though a more efficient way to manage science is welcome a lot of thought is to be put into before taking any action.

The issues with the science administration in India

1. **Overarching bodies :** Two similar bodies - Scientific Advisory Committee to the Prime Minister and the Principal Scientific Adviser to the Government of

India - though without much power.

- 2. The science departments are too different from one another to come under the purview of one "overarching" body like SPARK.
- 3. Lack of scientific expertise across all levels.
- 4. Failure of educational system to harness the enormous latent talent in the country and build a solid foundation of science.
- 5. Science does not go beyond premier institutions and reaches the masses.
- 6. The proposed initiative SPARK is not even required to closely work with industry and evolve public private partnerships.
- 7. Decision like SPARK should be taken only after consultation with various stakeholders and not in a centralized manner
- 8. Financial independence to the proposed new body is needed.

The way ahead

- India needs a management technique that effectively identifies scientific challenges and links the resulting breakthroughs with national problems.
- Setting up of independent authorities for science administration
- India needs hard work, honest management and a critically large base of experts.

Mains Perspective

Model questions

What are the problems plaguing science administration in India? Give your suggestions

Sources: The Hindu

TB timelines - Editorial

Tuberculosis disease in India

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

Background

A new study in the medical journal Lancet says that India's TB crisis is likely to get worse.

The problems

- An increased number of drug-resistant cases will come from direct transmission from infected people to others.
- The increased availability of drugs to fight drug-sensitive TB has led to the emergence of MDR-TB strains.
- Improved treatment outcomes in people might only reduce and not eliminate drug-resistant TB.
- Contact screening of family members and preventive treatment of all children below the age of five who have not developed the disease are already a part of the Revised National Tuberculosis Control Programme, but rarely done

The way forward

- Targeting early diagnosis
- Making drug-susceptibility testing universal and mandatory.
- Developing more accurate, cheaper and effective diagnostic tests.
- Improved treatment regimens that are less expensive and of shorter duration.

Mains Perspective

Similar questions

Can overuse and free availability of antibiotics without Doctor's prescription, be contributors to the emergence of drug-resistant disease's in India? What are the available mechanisms for monitoring and control? Critically discuss the various issues involved. [UPSC Mains 2014]

Sources: The Hindu

The issues related to prescribing generic medicines.

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

Background

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

The issues regarding medicines in India

- The core issues are affordable access to medicines and their rational prescription and use
- There exist a large number of fixed-dose combinations (FDCs), the vast majority of which have no therapeutic justification.
- Generic medicines, are not available to meet the needs of all in the market.
- Pharmacists will dispense the brand which offers them the biggest margin.
- Quality survey by the government found out that drugs of prominent companies are even not of standard quality (NSQ).

The way forward

- Periodic testing of the product should be conducted and stringent disincentives for poor quality should be enforced.
- an enlarged list of essential and life-saving medicines should be brought under price control
- elimination of all irrational FDCs
- No brands for drugs off patent.
- Briefer officially approved names to prescribe generics including rational FDCs

Mains Perspective

Model questions

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

Sources: The Hindu

Held at ransom - Recent ransomware attacks

The malware attack that took place recently must hasten moves towards global rules on cyber threats

Mains: **GS 3** basics of cyber security.

Background

Institutions in more than 100 countries were affected by computer malware spreading across the globe

Significance of the malware attack

- The spread of malware has exposed the lack of preparedness among government and private institutions.
- It raises the questions about cyber security preparedness of large institutions.
- The malware Wanna cry originated due to a tool developed by the National Security Agency in the U.S. This should serve as a wake up call for governments exploiting vulnerabilities in the system

The way forward

Cyberthreats are only likely to grow, and the world needs to push for global rules on such issues. It is more than obvious now that cyber vulnerabilities have massive global implications.

Mains Perspective

Model questions [UPSC Mains 2013]

Cyber warfare is considered by some defense analysts to be a larger threat than even Al Qaeda or terrorism. What do you understand by Cyber warfare? Outline the cyber threats which India is vulnerable to and bring out the state of the country's preparedness to deal with the same.

Sources: The Hindu

An opportunity being drained away - Wastewater management

Wastewater management receives too little social or political attention. Sound policies on wastewater treatment and use are vital to sustainable development

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

Background

- Wastewater management often neglected in the discussions surrounding water conservation.
- Population growth, accelerated urbanisation and economic development have resulted in an increase in the quantity of wastewater and the overall pollution load being generated.

Why wastewater is important?

- Over 80% of the wastewater generated is unused.
- A large number of people consume polluted water while some others lack access to improved drinking water resources.

• By 2030, the global demand for water is expected to grow by 50%.

In the above circumstances it becomes inevitable to tap water resources for the benefit of all. The opportunities for exploiting wastewater as a resource are enormous and safely managed wastewater is an affordable and sustainable source of water, energy, nutrients and other recoverable materials.

The way forward

- Water pollution prevention policies should be integrated into non-water policies that have implications on water quality such as agriculture and land use management, trade, industry, energy, and urban development.
- "polluter pay principle" Water pollution should be made a punishable offence.
- Plan to protect water resources must be made participatory allowing for consultation between government, industry and the public.
- Market-based strategies such as environmental taxes, pollution levies and tradable permit systems should be implemented.
- Incentive mechanisms such as subsidies, soft loans, tax relaxation should be included in installing pollution management devices.
- Adoption of technology in industrial pollution management.
- Sophisticated pollution management technology developed overseas should be introduced in India.
- The application of eco-friendly inputs such as biofertilizers and pesticides in agriculture and the use of natural dyes in textile industries.
- Wastewater generated in urban areas can be used for sub-urban agriculture, industry, and even sanitation and certain domestic applications after treatment.

Mains Perspective

Model questions

While wastewater management receives little social or political attention, water scarcity does. The lack of attention and resources devoted to effective wastewater management ignores one of the most potentially effective means of addressing the global water crisis. Evaluate

Sources: The Hindu

GS 3 Security

Dealing with the extremist elements in Central India

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

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

Background

- The Maoist rebels killed twenty five CRPF personnel in an attack recently.
- The attack raises questions about preparation, equipping, training and strategy of the CRPF that is bearing the brunt of the burden in the fight against Maoists
- While there has been a significant drop in Maoist violence the threat posed by

them still continues

Dealing with Maoist elements

- Even after five decades of fighting the forces do not have upper hand in maoist affected areas
- The only strategy to combat LWE is deploying inadquetely trained CRPF personnel in the areas.

The issues while dealing with Maoists in Central India

- Though the Maoist corridor is spread across several states a common plan for dealing with extremist elements in the area is lacking.
- shortages of armoured vehicles.
- Inadequate combat capability of police forces in Maoism-affected States
- dependency of State police forces on the Central government for anti-Maoist operations.
- Lack of institutionalised intelligence-sharing between States and regions
- The CRPF lags on strategy and tactics.

The way forward

- Only better training, equipment and tactics will help security forces prevail over the Maoists
- Replication of successful strategies: The Greyhounds special force of undivided Andhra Pradesh has by far been the most effective force in dealing with Maoist forces. Though the Home Ministry had proposed to replicate Greyhounds in five Maoism-hit States the proposal has remained in limbo.
- The use of technology (including drones) to increase surveillance around patrols
- Creation of an internal security ministry
- Coordination and pooling of the resources and leadership of all States involved and the Central government.

Mains Perspective

Model questions

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

Sources: The Hindu