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SEVEN IMPORTANT ISSUES

I. MUNICIPAL BONDS: FINANCING URBAN INFRASTRUCTURE

Why in News?

Following the footsteps of urban bodies like Hyderabad and Pune, Indore Municipal Corporation (IMC) listed its bonds on the debt market platform of the National Stock Exchange (NSE). It will be the third in the country to issue municipal bonds for implementation. Taking a cue from Indore, several Indian cities are planning to make use of municipal bonds to raise funds critical for town planning and infrastructure upgrade.

Introduction

Madhya Pradesh is taking the lead in 'muni bonds' as these instruments are called, with cities such as Gwalior, Jabalpur and Bhopal seeking to follow Indore and emulate the success there. The bonds issued by Indore Municipal Corporation were oversubscribed 1.26 times and collected Rs. 214.9 crore. Indore Municipal Corporation (IMC) received subscriptions amounting to Rs. 214.9 crore for the 10-year bonds against the original issue size of Rs. 100 crore plus a green shoe option of Rs. 70 crore. It accepted Rs. 139.9 crore at 9.25 per cent. The Swachh Survekshan had declared Indore as the cleanest city in the country in 2018. Gujarat, Rajasthan and Maharashtra are among other states that have shown interest in muni bonds. Although there is no clear estimate yet for the amounts these other cities want to raise, anything above Rs 200 crore each is a good number. Many countries including the US rely on the municipal bond market. Large sums of money are required for the development of social and physical

infrastructure and it is not feasible to just rely on the states and the Centre to keep pumping in money.

At present, infrastructure financing is primarily undertaken by the Centre and state governments. Municipal bonds are critical for infrastructure funding, especially as the entire process, in this case, is managed by urban local bodies. Investments for infrastructure must also come from these local municipal bodies and need not be totally driven by the Centre and the states. Last year, 94 cities across 14 states that are part of the Smart City Mission and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) received credit ratings from agencies, a move that will help them issue muni bonds.

Municipal Bonds

Municipal bonds are fixed income instruments or debt securities which are issued by municipal corporations, government and semi-government institutions to raise funds. Generally, they carry fixed interest rate and redeemed at par. Muni bonds are debt obligations issued by state and local government institutions to raise funds from the stock market to finance urban infrastructure. Their success has come as a huge relief for policymakers.

These bonds are generally of two types:

- General Obligation Bonds: These are issued for enhancing civic amenities such as water, sanitation and other works.
- **2. Revenue Bonds:** Revenue bonds are issued for a particular purpose

such as construction of a toll road or a toll bridge.

It's since 1997 that municipal bonds are in the market. Bangalore Municipal Corporation was the first urban local body (ULB) to issue municipal bond in India in 1997. Currently, retail investors are not allowed to invest in municipal bonds, besides most mutual funds have also been shy of these bonds, since these instruments are still new in the capital market. However, retail investors can buy these bonds once they hit the secondary market inside their allotted lot size. The major investment participants are financial institutions, mutual funds, High Networth Individual (HNIs) banks and pension funds. SEBI has placed several conditions to safeguard the interest of the bondholders. Municipal bonds enjoy tax-free status since 2001 (subject to certain conditions).

Financing Urban Development

The urban population is projected to grow up to 600 million by 2031. With increasing urban population, the need for providing better infrastructure and services in cities is increasing. The government has introduced several schemes to address different urban issues. These include the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart Cities Mission, Heritage City Development and Augmentation Yojana (HRIDAY), Pradhan Mantri Awas Yojana Housing for All (Urban) (PMAY-U) and Swachh Bharat Mission (Urban). The schemes suggest that cities may raise these funds through:

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- (i) Their own resources such as collection of user fees, land monetization, property taxes, etc.,
- (ii) Finance mechanisms such as municipal bonds.
- (iii) Leveraging borrowings from financial institutions.
- (iv) The private sector through Public Private Partnerships (PPPs).

Currently, the different sources of revenue that municipal corporations have access to include:

- (i) Tax revenue (property tax, tax on electricity, toll tax, entertainment tax).
- (ii) Non-tax revenue (user charges, building permission fees, sale and hire charges).
- (iii) Grants-in-aid (from state and central governments).
- (iv) Debt (loans borrowed from financial institutions and banks and municipal bonds).

While cities are now required to raise more financing for urban projects, they do not have the required fiscal and technical capacity. The cities in India are among the weakest in the world, both in terms of capacity to raise resources and financial autonomy. Even though cities have been getting higher allocations from the centre and states, their own tax bases are narrow. Further, several taxes that cities can levy are still mandated by the state government. Because of their poor governance and financial situation, cities also find it difficult to access external financing.

Method of Urban Financing

Value Capture Financing (VCF): The VCF policy framework was introduced by the Ministry of Urban Development in February 2017. VCF is a principle that states that people benefiting from public investments in infrastructure should pay for it. The different instruments of VCF include: land value tax, fee for changing land use, betterment levy, development charges, transfer of development rights, and land pooling systems.

Municipal Bonds: Municipal bonds are bonds issued by urban local bodies (municipal corporations or entities owned by municipal bodies) to raise money for financing specific projects such as infrastructure projects.

Credit Rating of Cities: September 2016, the Ministry of Urban Development started assigning cities with credit ratings. These credit ratings were assigned based on assets and liabilities of the cities, revenue streams, resources available for capital investments, accounting practices and other governance practices. Of the total 20 ratings ranging from AAA to D, BBB- is the 'investment grade' rating and cities rated below BBB- need to undertake necessary interventions to improve their ratings for obtaining positive response to the municipal bonds to be issued. By March 2017, 94 cities were assigned credit ratings, 55 of which got 'investment grade' ratings.

SEBI Guidelines on Municipal Bonds

As per the SEBI Regulations, 2015, a municipality or a Corporate Municipal Entity (CME) should meet certain conditions:

- The ULB should not have negative net worth in any of three immediately preceding financial years.
- Non-default: The municipality should not have defaulted in repayment of debt securities or loans obtained from banks or financial institutions during the last 365 days.
- Mow wilful defaulter: The corporate municipal entity, its promoter, group company or director(s), should not have been named in the list of the wilful defaulters published by the RBI or should not have defaulted of payment of interest or repayment of principal amount in respect of debt instruments issued by it to the public, if any.

 SEBI instructed that municipal bonds should have mandatory ratings above investment grade for pubic issue. The bonds should have a three-year maturity period and financial institutions including banks should be appointed as monetary agencies.

Municipal bonds in India have taxfree status if they conform to certain rules and their interest rates will be market-linked. Both pubic issue and private issue can be adopted for municipal bonds.

SEBI allowed urban local bodies to raise money through the issue of revenue bonds as well. Municipal bonds where the funds raised are kept for one project are termed revenue bonds. Servicing of these bonds can be made from revenue accrued from the project.

Urban Local Bodies

Enacted in 1992, the Constitution (74th Amendment) Act and also known as Nagarpalika Act, the legislation came into force on June 1, 1993 and was aimed at supplementing the inadequate Constitutional provision for local self government. ULBs should have financial autonomy and there should be ways of revenue generation to make them self-sufficient.

Twenty five years after the passing of the 74th Constitutional Amendment Act, 1992, aimed at strengthening democracy at grass root level through local bodies, only 11 states have managed to devolve municipal functions to urban local bodies. Municipal bodies are dependent on state for funds and decision making. The Central schemes such as AMRUT, Smart City and Housing for All are incentive based and open up huge opportunities for ULBs which have to come forward and grab them. The ULBs have to demonstrate their work through initiatives and should work to map their potential sources of revenue rather than depending on the Central and state grants.

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Issues and Concerns Regarding the 74th Amendment

Out of 18 delegated functions recommended under 12th schedule of the Constitution, Mumbai and Pune are the two cities which have devolved 14.5 functions (14 fully and one partially), while Jaipur has devolved only seven functions. Not even a single city in India can be a match to the cities like London, New York or even Johannesburg in terms of the city governance. There is urgent need to establish urban local bodies as viable units and the unfinished agenda of reforms in 74th amendment needs to be taken up with high priority. The task of strengthening urban local bodies has not been accomplished, particularly in the realm of physical planning. The Twelfth Schedule of the Constitution lists 18 functions, including urban planning, that must be entrusted to the local bodies. The objective of empowering local bodies to take charge of planning the areas they manage has not been realised even in the case of metropolitan areas. Only few metropolitan cities has constituted the metropolitan planning committee mandated by the 74th Amendment. These large cities have grown beyond their boundaries and have a vital impact on adjacent areas. Although institutions such as the Metropolitan Development Authority

have been constituted in different cities to address these regional issues, they are severely limited in ensuring adequate local representation in the planning process. The Metropolitan Planning Committee, with two-thirds of its members elected by and from the elected members of local bodies of the region, could be an effective answer to the problem.

These committees ensure that the priorities of the urban local bodies within the region are factored into the development plan. While this is a necessary first step, further measures must be adopted to strengthen local bodies as institutions of local selfgovernment. The committee formulates the plan; the responsibility of implementing and micro-managing it vests with the local bodies. While the committee is assisted by the technically competent development authority, such support does not exist at the local body level. Such technical support must be provided as a matter of priority. In this context, the Wards Committees at the local level must be empowered to participate in the planning process. Studies have repeatedly made the point that while the 74th Amendment has rightfully devolved several functions to the local bodies, it has not helped them gain commensurate resources and capabilities to perform the functions. Despite their resource base and potential, the local bodies remain

dependent on the state government. Financial autonomy combined with transparency and scrupulous respect for federal principles is the imperative if good governance is to be assured.

Conclusion

Participatory democracy, transparency and accountability are the the key pillars for new urban governance where formal participation procedures should be complemented by collaborative partnerships which go beyond consultation of policies/interventions, recognizing ward committees and area sabhas as active partners. Innovative and effective participation tools should be adopted to foster meaningful engagement bringing equality, liveability and democratic governance to the process of urban transformation.

Some financing mechanisms, such as municipal bonds, have been around in India for the last two decades, but cities haven't been able to make much use of them. It remains to be seen whether the introduction of indicators such as credit ratings helps the municipal bond market take off. While these mechanisms may improve the finances of cities, the question is would more funding solve the cities' problems. Or would it require municipal government to take a different approach to problem solving.

ULBs are at heart of delivery of goods and services to people, it is imperative to strengthen them greater decentralisation by by empower them meaningful devolution of the 3Fs i.e funds, functions and functionaries. Political decentralisation has progressed satisfactorily, administrative and fiscal decentralization has taken place at a snail's pace. The state governments were expected to devolve functional autonomy, administrative support and financial resources to the local bodies. but success on this front has been unsatisfactory.

Provisions of 74th Amendment Act

- > Constitution of municipalities (namely, municipal corporation, municipal council and nagar panchayat) in every Indian state.
- Constitution of wards committees within the territorial area of a municipality, to ensure people's participation in civic affairs at the grass-roots level.
- Regular and fair conduct of municipal elections by statutorily constituted State Election Commissions; no provision for supersession of municipal governments for more than 6 months.
- Adequate representation of weaker sections (i.e., Scheduled Caste, Scheduled Tribe and Backward Class) of the society and women in municipal governments through reservation of seats.
- > Specification by law, through the State Legislatures, of the powers (including financial) and functional responsibilities to be entrusted to municipalities and wards committees.
- > Constitution of State Finance Commissions, once in every 5 years, to review the financial position of municipalities and to make recommendations on the measures needed to improve their financial position.
- > Constitution of a District Planning Committee at the district level and a Metropolitan Planning Committee in metropolitan areas of every state, for the preparation and consolidation of development plans.

General Studies Paper- III

Topic: Infrastructure: Energy, Ports, Roads, Airports, Railways etc. **Topic:** Investment models.

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2. HIKE IN MINIMUM SUPPORT PRICE & ITS IMPLICATIONS

Why in News?

The government of India has approved a proposal to hike Minimum Support Price (MSP) by 50 per cent for 14 crops for the Kharif sowing season. The paddy has been given a hike of Rs 200 per quintal, with the government stating that the decision translated to 50 per cent increase to the input cost determined by the Commission for agricultural costs and prices (CACP). Incidentally, the MSP for the 2017-18 Kharif season was Rs 1550 per quintal which has now been enhanced to Rs 1750 per quintal.

Introduction

MSP for 24 agricultural commodities of Kharif and Rabi season are announced by the government based on the recommendations of the Commission for Agriculture Cost and Prices (CACP). However, procurement by central and state agencies is limited to rice and wheat and some amount of coarse cereals. The government also procures limited quantity of oil seed and pulses through National Agricultural Cooperative Marketing Federation of India Ltd (NAFED), Small Farmer's Agriculture - Business Consortium (SFAC) and some other agencies. The market intervention scheme (MIS) is implemented in case of the prices falling below the threshold level in perishable crops. The Three major MSP concepts are:

- The first option related to Market Assurance Scheme, which proposes procurement by states and compensation of losses upto certain extent of MSP after the procurement and price realization out of sale of the procured produce.
- Second option related to price deficiency procurement scheme.
 Under this scheme, if the sale price

- is below a modal price then the farmers may be compensated to the difference between MSP and actual price subject to a ceiling which may not exceed 25% of the MSP. No compensation would be due if modal price in neighboring states is above the MSP.
- Procurement and Stockist Scheme, which relates to procurement by private entrepreneurs at MSP and government providing some policy and tax incentives and a commission to such private entities which may be decided on the basis of transparent criteria and bidding for the empanelment of private players by the state government to do the procurement operations.

The states overwhelmingly welcomed efforts of NITI Aayog and the Ministry of Agriculture for providing a cafeteria of options. They deliberated extensively and gave their inputs on the three options and presented the views of the respective governments. More than one options may be adopted by the states depending upon their conditions. Third option of private procurement and stockist scheme offered great promise as it reduces the fiscal implications for the government, involves private entities as partners in agriculture marketing and improves the competition in the market. The governments liabilities for storage and post procurement management and disposal are also avoided. However, all the three options may not be implemented for the same crop.

Concept of Minimum Support Price

Minimum support price (msp) is the price at which government purchases crops from the farmers, whatever may

be the price for the crops. Minimum support price is an important part of India's agricultural price policy. The MSP helps to incentivize the framers and thus ensures adequate food grains production in the country. It gives sufficient remuneration to the farmers, provides food grains supply to buffer stocks and supports the food security programme through Public distribution system (PDS) and other programmes. Government's agricultural policy has three important components- the MSP, buffer stocks and issue of food grains through the PDS. The interconnectivity between the three is very clear. MSP helps to procure adequate food grains through Food Corporation of India (FCI), state agencies and cooperatives. The PDS network through the policy of issue price delivers it to the weaker sections.

MSP is price fixed by government to protect the farmers against excessive fall in price during bumper production years. The objective of the MSP is thus to ensure remunerative prices to the growers for by encouraging higher investment and production. It also aims to bring a balanced realization of sufficient food production and consumption needs at the same ensuring adequate and affordable food grains to all the people.

Thus the minimum support price is aimed to:

- (i) Assure remunerative and relatively stable price environment for the farmers by inducing them to increase production and thereby augment the availability of food grains.
- (ii) Improve economic access of food to people.
- (iii) Evolve a production pattern which is in line with overall needs of the economy.



The MSP was declared used first time in 1965 as a tool for agricultural price policy to meet the various objectives. Since then, the MSP performs an important function in realizing the various objectives related to agricultural price policy. The Cabinet Committee on Economic Affairs (CCEA) determines the MSP of various agricultural commodities in India based on the recommendations of the Commission for Agricultural Cost and Prices (CACP).

Government considers that some types of crops are vital for food security. To ensure and encourage the production of such crops the government follows a much liberal procurement policy known as open ended MSP. In this case, there is no procurement target. The government allows the procurement agencies like the FCI to buy whatever is offered by the farmers for sale at MSP. The major staple food items - rice and wheat are the two principal commodities where government's role is pronounced. At present, the MSP covers 24 crops that includes seven cereals (paddy, wheat, barley, jowar, bajra, maize and ragi); five pulses (gram, arhar/tur, moong, urad and lentil); eight oilseeds (groundnut, rapeseed/mustard, toria, sovabean, sunflower seed, sesamum, safflower seed and nigerseed); copra, raw cotton, raw jute and virginia flu cured (VFC) tobacco.

Procurement Price

Sometimes, the government procures at a higher price than the MSP. Here, the price will be referred as procurement price. The procurement price will be announced soon after the harvest. Normally, the procurement price will be higher than the MSP, but lower than the market price. The price at which the procured and buffer stocked food grains are provided through the PDS is called as issue price.

The minimum support prices are announced by the government at the beginning of the sowing season for certain crops. Support prices generally affect farmers' decisions indirectly, regarding land allocation to crops, quantity of the crops to be produced etc. It is in this angle that the MSP beceomes a big incentive for the farmers to produce more quanity.

Commission for Agricultural Costs & Prices

The Commission for Agricultural Costs & Prices (CACP) is an attached office of the Ministry of Agriculture and Farmers Welfare.

It is mandated to recommend support prices minimum (MSPs) to incentivize the cultivators to adopt modern technology raise productivity and overall grain production in line with the emerging demand patterns in the country. CACP submits its recommendations to the government in the form of Price Policy Reports every year, separately for five groups of commodities namely Kharif crops, Rabi crops, Sugarcane, Raw Jute and Copra. Before preparing aforesaid five pricing policy reports, the Commission draws a comprehensive questionnaire and sends it to all the state governments and concerned national organizations and ministries to seek their views. Based on all these inputs, the Commission then finalizes its recommendations/reports, which are then submitted to the government. The government, in turn, circulates the CACP reports to state governments and concerned central Ministries for their comments. After receiving the feed-back from them, the Cabinet Committee on Economic Affairs (CCEA) of the Union government takes a final decision on the level of MSPs and other recommendations made by CACP.

Determinants of MSP

While recommending price policy of various commodities under its mandate, the Commission keeps in

mind the various Terms of Reference (ToR). Accordingly, it analyzes

- 1) demand and supply;
- cost of production;
- price trends in the market, both domestic and international;
- 4) inter-crop price parity;
- terms of trade between agriculture and non-agriculture; and
- 6) likely implications of MSP on consumers of that product.

It may be noted that cost of production is an important factor that goes as an input in determination of MSP, but it is certainly not the only factor that determines MSP. Each year, the Commission for Agricultural Costs and Prices estimates the cost of production for various crops, using three definitions.

- The first is A2, which represents the actual amount farmers spend on growing a crop each season. This includes inputs such as seeds, fertilisers, pesticides and wages for agricultural workers.
- The second definition, A2+FL, represents the actual input costs as well as the implied economic value of family members working on the farm, which offsets the wages the farmer might otherwise have paid.
- The third definition is C2, which represents A2+FL and the value of capital assets, including rent and interest on the land.

The government has increased minimum support prices this year to at least 50% above A2+FL. Increasing the minimum support price to 50% above the cost of production was also a key demand of farmer groups that protested all through 2017 – though they believe the minimum support price should be 1.5 times C_2 , not A2+FL. However, only the minimum support price for bajra is close to 50% more than C_2 . The others are mostly around 14% above C_2 . Sesamum is just 3% more than C2. And the minimum



support price for paddy, an important crop in North India, is just 12% above C₂.

Minimum Support Prices Compared to C2 Production Cost				
Commodity	C2	Minimum support price (2018- 2019) in Rs	Percentage increase above C2	
Paddy common	1,560	1,750	12.2	
Jowar	2,183	2,430	11.3	
Bajra	1,324	1,950	47.3	
Ragi	2,370	2,897	22.2	
Maize	1,480	1,700	14.9	
Tur (Arhar)	4,981	5,675	13.9	
Moong	6,161	6,975	13.2	
Urad	4,989	5,600	12.2	
Groundnut	4,186	4,890	16.8	
Sunflower seed	4,501	5,388	19.7	
Soyabean	2,972	3,399	14.4	
Sesamum	6,053	6,249	3.2	
Nigerseed	5,135	5,877	14.4	
Medium staple cotton	4,514	5,150	14.1	

The demand itself originated in the 2006 report of the National Commission on Farmers led by agricultural scientist MS Swaminathan, which recommended, among others, that the minimum support price be at least 1.5 times C2. And for much of the last 10 years, the minimum support price for most crops has in fact been 50% more than A2+FL.

This year, the increase in minimum support prices ranges from 4% (tur or arhar dal, a crop with highly volatile, politically sensitive prices) to 52% (ragi). The minimum support price for nigerseed has gone up 45% over last year, which does represent the highest increase since 2009-2010.

Farmers: Minimum Support Price Hike

While the government promises minimum support prices for 23 crops,

in practice, it procures mostly paddy and wheat — both foodgrains that it can channel into the public distribution system for economically disadvantaged people — and some pulses. Even in the case of paddy and grain, most of the procurement is done in the Northern states of Haryana and Punjab. For farmers in other states, there is less certainty of whether the government will buy their crops.

As for other crops, the minimum support price remains for the most part on paper. The government is also experimenting with other schemes to support farmers when market prices fall. There is no gainsaying that the farmers will benefit if the MSP, that acts as a benchmark for the determination of commodity price in the open market, is hiked and implemented; however, there are many dimensions to this declaration. The recent announcement of the revision of MSP of 14 kharif crops for the Kharif Marketing Season (KMS) 2018-19 by the government grabbed headlines recently. The issue is of paramount significance, not because it affects farmers, the producers of food grains (rather they occupy the lowest slot in the hierarchy while deciding on redistribution of national income among the economic agents) but suits the incumbent political alliance, which is gearing up to face general elections next year and assembly elections prior to that in states of Chhattisgarh, Rajasthan and Madhya Pradesh; having a sizable rural vote bank.

It is not only the farmer who gains or loss in case the commodity prices fetch decent returns; it is the entire value chain in the production, distribution and marketing of agriculture commodities that derive benefit from this. The metrics of MSP, its implementation, scope, leakages, alternatives, economic repercussions and electoral gains and so on can

be evaluated from the perspectives of different stakeholders. Among all the variables, crucial in the food production and management in our country of 130 million people, farmers occupy the most important position.

Concerns

- The broad-based MSP hike can accelerate inflation, triggering rate hikes. The MSP hike is likely to raise inflationary pressures and we have revised up our inflation call for FY19 to 5.3% from 5%.
- In terms of impact on headline CPI (Consumer Price Index) inflation, we reckon that the 13% increase in MSP of rice can push CPI inflation higher by about 30-55 bps over the rest of the year.
- The fiscal cost could go up by 0.1-0.2% of gross domestic product.
- If the monsoon is deficient and the budget proposals on MSPs lead to higher food prices, headline inflation could rise above the baseline by around 80 bps.

Firms may be better positioned to pass on cost increases from rising food prices, higher wages and other input prices including fuel to consumers if rural demand increases. This has the potential to ignite an inflationary spiral.

According to the National Sample Survey Office report, more than 50% of farmers across different crops sell their produce to local traders rather than the government in mandis, largely at a discount to MSPs set by the government. Small farmers located in the hinterland often do not get the MSP for their produce due to small production quantities, lack of access to storage facilities and inaccessible procurement centres.

In this backdrop, it is surprising the government is yet to come up with the procurement mechanism

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which will determine how it will ensure that farmers get the MSPs. The experience with regard to pulses has been a cautionary tale. Higher MSPs led to overproduction, which depressed market prices.

RBI's monetary policy report said, Arhar and urad prices remain below their minimum support prices at the mandi level in the major producing states viz., Maharashtra, Madhya Pradesh, Gujarat, Uttar Pradesh and Karnataka reflecting the large gap in procurement relative to supply. Of course, if implementation is poor, both inflation and the pressure on the fiscal deficit will be lower to that extent.

Several other issues remain unanswered. For instance, are MSPs an effective way of supporting rural incomes? States such as Telangana are trying cash transfers.

As far as industry is concerned, it has to be seen if high local prices

(due to MSPs) will put industries such as textiles and rice exporters at a disadvantageous position vis-à-vis international peers. Since much will depend on the demand-supply position around October, at the time of the harvest, it's difficult to predict where prices will be and consequently the impact on costs.

Way Ahead

Most government programmes for farmer welfare have not given the desired results. Rather than opt for big ticket reforms, the government needs to look at marginal improvements. These, if consistently implemented over time, will deliver the required change. The system lacks the skill to diagnose its own incompetence. An independent commission of farmers must be constituted to review government programmes, which are supposedly benefiting the farming community.

While the idea of MSP is being sold as a silver bullet, crops with MSP account for only 28 per cent of the total value of agricultural output. In fact, less than 5.8 per cent of agricultural households across India are actually able to sell their produce to the government. Under such circumstances, it is important to re-analyse the economics of farm input cost, MSPs, farm income and also ensure that farmers get access to markets at the right time, which still remains an issue.

General Studies Paper- III

Topic: Issues related to direct and indirect farm subsidies and minimum support prices; Public Distribution System - objectives, functioning, limitations, revamping; issues of buffer stocks and food security; Technology missions; economics of animal-rearing.

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3. ONE CANDIDATE ONE SEAT: PROPOSED ELECTORAL REFORM

Why in News?

The government has told the Supreme Court that there should not be any restraint on candidates against contesting from more than one seat provision as it provides a wider choice to the polity as well as candidates. The government stand is contrary to the Election Commission, which is in favour of restricting a candidate to contest from one seat.

Background

Public interest litigation (PIL) has been filed before the Supreme Court seeking a direction to do away with the provision which allows one person to contest election from over one constituency simultaneously, for being unjust to

the voters and a financial burden on the exchequer. The PIL has been filed by advocate and social-political activist Ashwini Upadhyay praying that Section 33(7) of the Representation of the People Act, 1951, which allows a person to contest a general election or a group of bye-elections or biennial elections from two constituencies, be declared ultra-vires to the Constitution and its basic structure. Mr. Upadhyay has asked the court to direct the Centre and the Election Commission to 'discourage' independent candidates from contesting parliamentary and assembly elections.

The Supreme Court asked the Centre to file its response to a PIL seeking to restrict a candidate from contesting from more than one

constituency in a general election. The Election Commission of India (ECI), in its affidavit in December last year, had quoted its 2004 proposals on electoral reforms and said that the law should be amended to ensure that a person cannot contest from more than one seat. The poll panel had also said that its proposal to bar candidates from contesting from more than one seat was rejected by a parliamentary standing committee way back in 1998, which had taken note of the view of an all-party meeting favouring to retain the provision.

Introduction

A much contested feature of the country's electoral system is the provision to allow a person to



seek election from more than one parliamentary or assembly seat at the same time. Section 33(7) of the Representation of People Act, which allows simultaneous and multiple contests by a candidate, may have been formulated on the basis of the right of a citizen to represent the people in any part of the country. The citizens' freedom to move, live and work anywhere and the spirit of the Constitution, which allows the widest latitude for democratic rights. supported the provision. But it has been opposed for long on important grounds. If the candidate wins both the seats, one seat has to be vacated. This means an unfair rejection by the candidate of the people who voted for him, and a violation of the commitment made to the voters. An election is always a mutual agreement.

A re-election in the constituency means additional expenditure from the public exchequer, waste of time and effort on the part of the Election Commission and the official machinery and inconvenience and harassment caused to the voters. The Supreme Court is now hearing a private petition to strike down Section 33(7) on these grounds. The court has asked for the central government's response in the matter. The Election Commission has made it clear that it is against a candidate contesting multipleseats. The commission has taken this view for long. It had sought an amendment of the law to disallow multiple contests as part of a package of electoral reforms it proposed as early as 2004. The commission has also suggested that if the law is not amended, then the winning candidate should be made to bear the expenditure of the byelection caused by his forfeiture. The Law Commission has supported the EC's view.

Under the present system, the Representation of the People Act,

1951 permitted a candidate is allowed to contest from up to amaximum of two constituencies in the Lok Sabha and Legislative Assembly polls, while Section 70 of the Act prevented him or her from holding on to more than one seat in state or central legislatures. In the 2014 general elections, Narendra Modi had contested from Vadodara and Varanasi. Later, he retained Varanasi.

Representation of People Act

Elections form the support of Indian Democratic system. Indian democratic setup gives on us the right to elect the representatives of the state. The Representation of People Act (RPA), 1951 is an act of Parliament of India which provides the conduct of elections of the houses of Parliament and to the house or houses of the legislature of each state, the qualifications and disqualifications for membership of those houses, the corrupt practices and other offences at or in connection with such elections and the decision of doubts and disputes arising out of or in connection with such elections. The Act was endorsed by the provisional parliament under Article 327 of Indian Constitution, before the first general election. Art 327 states that subject to the provisions of our Constitution, the Parliament is empowered to make provisions by law, with respect to all matters relating to, or in connection with, elections to either house of Parliament or to the house or houses of the state legislature including preparation of electoral rolls, the delimitation of constituencies and all other necessary matters.

The Representation of People Act, 1951(RPA) is an act of Parliament of India, which provides for the following:

 Conduct of elections of the houses of Parliament and to the house or houses of the legislature of each state.

- Details about the structure of administrative machinery for the conduct of elections.
- Qualifications and disqualifications for membership of those houses.
- Corrupt practices and other offences at or in connection with such elections and the decision of doubts and disputes arising out of or in connection with such elections.

Representation of People Act, 1951 has undergone several amendments since it was enacted and currently it has 13 parts from Part I to Part XI with additional parts of IV A and V A. It had originally 171 sections, but at present there are 192 sections as several new sections have been inserted, while few sections were also repealed by the Parliament in the past.

The Representation of the People (Amendment) Bill, 2017

It seeks to amend the Representation of People Act, 1950 and the Representation of People Act, 1951 to allow for proxy voting and to make certain provisions of the Acts gender-neutral.

The 1950 Act provides for allocation of seats and delimitation of constituencies for elections, qualifications of voters and preparation of electoral rolls. The 1951 Act provides for the conduct of elections and offences and disputes related to elections.

The 1950 Act permits the registration of persons in electoral rolls who are ordinarily resident in a constituency. These persons include:

 Persons holding a service qualification (such as member of armed forces, member of armed police force of a state, serving outside the state, or central government employees posted outside India); and



 Persons holding certain offices in India declared by the President in consultation with Election Commission.

Under the Act, the wives of such persons are also deemed to be ordinarily residing in India. The Bill replaces the term 'wife' with 'spouse'. The 1951 Act permits an overseas voter to vote only in person. An overseas voter is a citizen of India who is absent from his place of ordinary residence in India. The Bill seeks to amend the 1951 Act to permit an overseas voter to cast their vote in person or by proxy in the constituency where the poll is taken. The 1951 Act provides for the wife of a person holding a service qualification to vote.

Section 33 (7) of RPA

Section 33(7) of the Representation of People Act permits a candidate to contest any election (Parliamentary, state assembly, biennial council, or byelections) from up to two constituencies, presumably to give greater flexibility to candidates and increase their chances of winning a seat. It was introduced in 1996. Prior to

this, there was no bar on the number of constituencies from which a candidate could contest. However, Section 70 of the Act specifies that a person who wins on both seats can hold one seat only and thus has to vacate one.

Election Commission's Proposal

The Election Commission (EC) had proposed to the government to amend Section 33(7) of the Representation of People Act (RPA), which allows a person to contest a general election or a group of by-elections or biennial elections from two constituencies. It also informed the court that it had proposed the amendment of Section 33(7) way back in July 2004. It was one of the 22 "urgent electoral reforms" the EC had suggested to a Rajya Sabha Parliamentary Standing Committee. It had pointed out that there had been cases of a person contesting from two constituencies and winning from both. The consequence is that a by-election would be required from one constituency, involving avoidable labour and expenditure.

It suggested that a candidate should deposit Rs. 5 lakh for contesting in two constituencies in an Assembly election or Rs. 10 lakh in a general election. This would be used for the conduct of a by-election in the eventuality that he or she had to relinquish seat.

The EC also made reference to a Law Commission report which had recommended the same change. The Law Commission had cited expenditure, time, election fatigue and harassment caused to voters as reasons behind the recommendation.

Law Commission's Recommendation

The Law Commission has agreed with the Election Commission's 2004 proposal that the Representation of the People Act, 1951 should be amended to provide that a person cannot contest from more than one seat at a time. The Goswami Committee Report in 1990 and the 170th Law Commission Report in 1999, also contain recommendation for restricting contest of one person to one seat. However, the Law Commission has not endorsed the Commission's alternative proposal to require winning candidates to deposit an appropriate amount of money being the expenditure for conducting the elections. The Law Commission gave the following recommendation in sub-section 7 of section 33:

- It delete the words "two Parliamentary constituencies" after the words "from more than" and insert the words "one Parliamentary constituency" instead.
- It delete the words "two Assembly constituencies" after "from more than" and insert the words "one Assembly constituency"instead.
- It delete the words "two Council constituencies" after the words "from more than" and insert the words "one Council constituency" instead.

More the merrier

WHY PRACTICE SHOULD END?

Person winning in both constituencies resigns from one and by-elections are held. This wastes taxpayer's money

Unfair to the people of the constituency from which the candidate resigns after winning

WHY IT SHOULDN'T END?

Constitution allows any person to contest from any constituency of his choice

People know they are voting for a candidate who is also contesting from another seat. They are can always vote against him

WHO HAS DONE IT?

Many leaders, including Indira Gandhi, Atal Bihari Vajpayee, Narendra Modi, Sonia Gandhi and J Jayalalithaa







- It deletes the words "two such seats" and inserts the words "one such seat" instead.
- It delete the words "two such Parliamentary constituencies" appearing after "from more than" and insert the words "one such Parliament constituency"in place.
- It delete the words "two such Assembly constituencies" after "from more than" and insert "one such Assembly constituency"in its place.
- It delete the words "two such seats" appearing after "filling more than" and insert the words "one such seat"in its place.
- It delete the words "two such Council constituencies" after "from more than" and add the word "one such Council constituency" in its place.

Arguments in Favour

One person, one vote and one candidate, one constituency is the dictum of democracy. However, as per the law, as it stands today, a person can contest the election for the same office from two constituencies simultaneously. When a candidate contests from two seats, it is imperative that he has to vacate one of the two seats if he wins both. This, apart from the consequent unavoidable financial burden on the public exchequer, government manpower and other resources for holding bye-election is also an injustice to the voters of the constituency which the candidate is quitting from.

Election Commission of India itself had proposed prohibiting Independent candidates from contesting polls, the election body said it had proposed enhancing of security deposit "to prevent proliferation of non-serious candidate and it applies uniformly to all candidates and there is no proposal moved by the ECI in the list of current pending proposals to prohibit independent candidates from contesting elections.

Argument Against

The government objected to a plea to stop candidates from contesting from two different constituencies, saying such a limitation infringes on a person's right to contest the polls and curtails the polity's choice of candidates. The government told the Supreme Court that one-candidateone-constituency restriction would require a legislative amendment. The government supported Section 33 (7) of the Representation of the People Act of 1951 which restricts candidates to contesting from two constituencies. Before the amendment, candidates could contest from any number of constituencies.

Way Forward

The solution to this provision does not lie in asking the winning leader or

> party to pay for will not these leaders contesting It is also not fair to upcoming leaders,

who have to vacate space to so that the bigger leaders can get their second seats. This is a violation of principle of equality, bringing to mind the Orwellian saying: "All are equal, but some are more equal than others."

The only way out is to make a leader's candidature void if he or she files a nomination from more than one constituency. Like "one person, one vote", the principle of "one leader, one constituency" should also be followed. Indeed, Section 70 of the RP Act prevents a leader from holding on to more than one seat. 'One candidate, one seat' must be the norm. The issues involved in an MP contesting for an assembly seat or an MLA contesting for a parliamentary seat are also similar to those involved in a candidate contesting for multiple assembly or parliament seats. The argument against multiple contests should, therefore, be extended to these cases, too and an MP or MLA must be required to resign from that office before he or she is allowed to contest for an assembly or parliament seat.

So, there can be no rationale in allowing a candidate to file nominations from more than one constituency. An ardent fan of a leader or supporter of a party might get excited by the fact that Narendra Modi is contesting from both Gujarat and UP or that Rahul Gandhi may stand from both the North and the South. But one must spare a thought for the larger notion of equity and fairness.

General Studies Paper-II

Topic: Parliament and State Legislatures - structure, functioning, conduct of business, powers & privileges and issues arising out of these.

Topic: Salient features of the Representation of People's Act.

OOO





Narendra Modi contested from two constituencies - Vadodara and Varanasi — in the 2014 Lok Sabha elections. He left Vadodara after winning both seats

Telangana CM K. Chandrasekhar Rao contested 2014 LS elections from Medak constituency and Assembly elections from Gajwel constituency. He held the Gaiwel MLA seat while gave up the Medak MP seat.



Sonia Gandhi contested 1999 Lok Sabha polls from Amethi and Bellary seats.



Samajwadi Party supremo Mulayam Singh Yadav contested 2014 general elections from Azamgarh and Mainpuri in Uttar Pradesh and relinguished the latter after

FIGHTING MORE THAN 2 FRONTS

TD founder N.T. Rama Rao contested from multiple seats in all the four Assembly elections of his political life. In 1985, he contested from three seats — Gudivada Hindupur and Nalgonda. He retained Hindupur and relinquished the other two.

Biju Patnaik, the veteran leader from Odisha. earned the dubious distinction of contesting the most number of seats simultaneously, running for four assembly seats and one Lok Sabha seat in 1971. the by-election. A monetary penalty deter so-called larger-than-life from from multiple seats. But apart from money, it is a waste of time for lakhs of voters.



4.THE GROWING MENACE OF LEPROSY IN INDIA

Why in News?

Leprosy is soon becoming even more of a disease of most marginalized and underserved populations in far-flung areas. The percentage of new Leprosy patients in India belonging to the tribals community is 18.8% much more than their proportion in the Indian population (8.6% of the total population) and that proportion is fast increasing. From 13.3% in 2009, it has increased to an alarming 18.8%. In the same period, overall number of new cases have remained almost the same at the national level.

Leprosy among Tribals

Leprosy is at risk of becoming a disease exclusively of the tribals in certain states like Gujarat, where despite constituting 14.8% of the state population, tribals bear 64.9% of the total new Leprosy case load. 21% of Madhya Pradesh's tribals bear 39.4% of the new leprosy case load in the state. Maharashtra, which has under 10% tribals, had 33.7% of all new Leprosv cases reported from the community. West Bengal's tribals report 20.3% of all new Leprosy cases when their proportion in the state population is just 5.8%. Tripura, with 31.8% tribals and Dadra and Nagar Haveli with 52% tribals report 64.7% and 98.2% new Leprosy cases from among the tribal communities, respectively.

Leprosy is still a major public health problem for the country and the fact that the strategies to contain it are simple and drugs are available in the public sector, draw into question the ethical priorities of our national and state health policies and their implementation. A report submitted to the Indian Council of Medical Research (ICMR) by a team of researchers cites poor ventilation, the thick forest cover

and hilly terrain as possible factors for the high incidence of the disease. Clearly, inadequate attention is being given to this silent emergency hitting the most underserved populations of the country because the emerging spread of the disease is away from the public gaze.

Indian Scenario

India officially eliminated Leprosy in 2005 by bringing the Prevalence Rate below 1/10000 at the national level. While official data says that the number of new Leprosy cases detected during 2016-17 is 135485 and the prevalence Rate per 10000 population as on March 2017 for India is 0.66, it is established that the number underestimates the real Leprosy burden. There may be 2,50,000 new Leprosy cases every year, based on a sample survey by ICMR. Interestingly, the results of this pan India survey have not yet been released to the public.

India has had major advances against Leprosy in the past. Internationally, prevalence was brought under one case per 10000 population by 2000 and there was pressure on most endemic countries like India to achieve the same at the national level at least by 2005, marking a significant milestone in the elimination of leprosy as a public health problem. The current global prevalence is estimated by the World Health Organisation (WHO) to be 0.23 per 10000 population. In 2017, India along with Brazil and Indonesia are the only countries where more than 10000 new cases are reported per year. For the year 2017, 135485 out of the 204686 new Leprosy cases detected globally were in India - a staggering 66%. In other words, two out of three new global Leprosy cases are detected in India.

What is Leprosy?

Leprosy, also known as Hansen's disease, is a chronic infectious disease caused by Mycobacterium leprae. The disease mainly affects the skin, the peripheral nerves, mucosal surfaces of the upper respiratory tract and the eyes. Leprosy is known to occur at all ages ranging from early infancy to very old age. Leprosy is curable and early treatment averts most disabilities.

The exact mechanism of transmission of leprosy is not known. At least until recently, the most widely held belief was that the disease was transmitted by contact between cases of leprosy and healthy persons. More recently the possibility of transmission by the respiratory route is gaining ground. There are also other possibilities such as transmission through insects which cannot be completely ruled out.

Clinical signs are easy to observe. In a country or area with a high incidence of leprosy, an individual should be regarded as having leprosy if he or she shows one of the following cardinal signs:

- Skin lesion consistent with leprosy and with definite sensory loss, with or without thickened nerves.
- Positive skin smears.

The skin lesion can be single or multiple, usually less pigmented than the surrounding normal skin. Sometimes the lesion is reddish or copper-coloured. A variety of skin lesions may be seen but macules (flat), papules (raised), or nodules are common. Sensory loss is a typical feature of leprosy. The skin lesion may show loss of sensation to pin pick and/or light touch. Thickened nerves, mainly peripheral nerve trunks constitute another feature of leprosy. A thickened nerve is often accompanied



by other signs as a result of damage to the nerve. These may be loss of sensation in the skin and weakness of muscles supplied by the affected nerve. In the absence of these signs, nerve thickening by itself, without sensory loss and/or muscle weakness is often not a reliable sign of leprosy.

Leprosy can be classified on the basis of clinical manifestations and skin smear results. In the classification based on skin smears, patients showing negative smears at all sites are said to have pauci-bacillary leprosy (PB), while those showing positive smears at any site are said to have multi-bacillary leprosy (MB).

is curable with Leprosy combination of drugs known as multidrug therapy (MDT), as the treatment of leprosy with only one antileprosy drug (mono-therapy) will result in development of drug resistance to that drug. The combination of drugs used in the MDT depends on the classification of the disease. Rifampicin, the most important antileprosy medicine, is included in the treatment of both types of leprosy. For the treatment of patients with multi-bacillary leprosy, World Health Organisation (WHO) recommends a combination of rifampicin, clofazimine and dapsone; for patients pauci-bacillary leprosy, MDT uses a combination of rifampicin and dapsone.

Prevention

The ideal ways to prevent the spread of leprosy are the early diagnosis and treatment of the condition in people to whom the disease has been transmitted. However, due to poor medical infrastructure and the stigmas attached to leprosy, education and provisions in various communities around the world are not enough to completely eradicate leprosy.

The following steps can be taken to promote the prevention of leprosy:

- Providing education and self-care support.
- Monitoring the condition and its symptoms on an on-going basis and referring severe cases.
- Managing day-to-day injuries and disabilities that develop, educate locals about injury prevention and wound cleaning.

Challenges

- Reaffirming political commitment and removing the sense of complacency.
- Strengthening referral systems.
- Developing effective tools for early recognition and management of leprosy reactions and nerve damage.
- Improving the quality of life of patients.
- Monitoring the development of drug resistance.

Social Stigma

Leprosy is a disease, which still strikes fear in the societies as a mutilating, disfiguring, contagious and incurable disease. Because of the horrifying nature of the enigmatic physical disfigurement and since no cure was discovered until the 20th century, leprosy has, for centuries, been a highly stigmatizing disease. Though leprosy is not a disease of the poor, yet it affects poor to a much greater extent because of their social and economic vulnerability.

Even to this day, when leprosy is completely curable with MDT (multi drug therapy), some parts of India uphold the belief that leprosy is a divine curse, a punishment of the past sins and a result of immoral sexual behavior. These beliefs reinforce the image of the 'leper' as being physically and morally unclean, to be blamed for contracting the disease and therefore to be ostracized. The repulsive physical image, the fear of infection and the

belief that it is incurable are the root causes of the inhuman treatment that is often meted out to those who have leprosy. The so-called 'leper colonies' still operate in India, China and some African countries.

Individuals bearing the scars of leprosy can earn significantly less money, chances of marriage can be significantly reduced, mothers with the disease may stop breastfeeding their babies and affected children can be shunned from their homes and villages permanently. The emotional stress and anxiety of leprosy can cause mental health problems, leading to further isolation and sometimes the cessation of treatment. Unemployment is common and begging is often the only option left, adding to stress, marginalization and feelings worthlessness.

Because of the fear of this stigma, people who have contracted leprosy sometimes hide their symptoms and do not seek help or treatment. This allows the condition to worsen and increases the risk of complications. It also increases the chances of transmission to others in the community. Despite global efforts to repeal laws that discriminate against those affected by leprosy, adults still face crippling social barriers and children are deprived of education or subject to bullying and rejection due to stigma associated with the disease.

India is also known to have had several discriminatory laws against persons affected by leprosy. One of the oldest laws (The Lepers Act of 1898), which sanctioned the arrest and segregation of persons affected by leprosy into 'leper asylums' was repealed only as late as in May 2016. Before the national level repealment, even though 12 states and five union territories of India had abandoned its application within their respective jurisdictions, it continued to be in force in the remaining states and union territories.



Government Initiatives

The National Leprosy Eradication Programme (NLEP) is a centrally sponsored health scheme of the Ministry of Health and Family Welfare introduced in 1983. While the NLEP strategies and plans are formulated centrally, the programme is implemented by the states/UTs. The programmes also supported as partners by the World Health Organization, the International Federation of Antileprosy Associations (ILEP) and few other non-government organizations.

Four premier leprosy institutes are working under. Ministry of Health & Family Welfare, viz. CLTRI (Central Training and Research Leprosy Institute), Chengalpattu and RLTRI **Training** (Regional Leprosy Research Institute), at Aska, Raipur and Gouripur are involved in research in leprosy and training of different categories of staff involved for Leprosy elimination. These Institutes also play important role in management of referral patients, providing quality care to chronic ulcer and disabled patients with the help of minor and major reconstructive surgeries. These Institutes also help in supervising and providing consultancy services to the state NLEP units for better programme planning and implementation.

In 1983, there was introduction of Multidrug therapy (MDT) in phases and in 2012 special action plan for 209 high endemic districts in 16 states/ UTs was introduced. In August 2016, India also developed and launched its own leprosy vaccine, piloting it in five districts across Bihar and Gujarat. The first-of-its-kind leprosy vaccine was developed as patients were showing signs of resistance against the conventional multi-drug therapy.

In its pathway to eradicate the stigmatised disease, the government launched programmes to screen and detect cases under National Health Mission in 2016. As a result, more than 32,000 cases were confirmed and put on treatment. The National Health Policy 2017 (NHP), which will guide the health policy direction of the country over the next decade or so, still has elimination of leprosy as a national level target. The government has prepared an action plan to eliminate leprosy by 2018.

Strategies for Leprosy Elimination in India

- Decentralized integrated leprosy services through general health care system.
- Early detection and complete treatment of new leprosy cases.
- Carrying out house hold contact survey in detection of Multibacillary (MB) and child cases.
- Early diagnosis and prompt MDT, through routine and special efforts.
- Involvement of Accredited Social Health Activists (ASHAs) in the detection and complete treatment of leprosy cases for leprosy work.
- Strengthening of Disability Prevention and Medical Rehabilitation (DPMR) services.
- Information, Education & Communication (IEC) activities in the community to improve selfreporting to Primary Health Centre (PHC) and reduction of stigma.
- Intensive monitoring and supervision at primary health centre/community health centre.

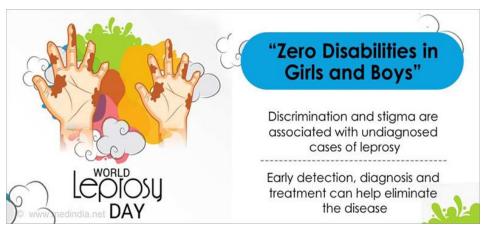
The Global Leprosy Strategy

In 2016 WHO launched the Global Leprosy Strategy (2016–2020) towards a leprosy-free world, which aims to reinvigorate efforts to control leprosy and avert disabilities, especially among children still affected by the disease in endemic countries.

The strategy emphasizes the need to sustain expertise and increase the number of skilled leprosy staff, improve the participation of affected persons in leprosy services and reduce visible deformities as well as stigmatization associated with the disease. It also calls for renewed political commitment and enhanced coordination among partners while highlighting the importance of research and improved data collection and analysis.

The key interventions needed to achieve the targets include:

- Detecting cases early before visible disabilities occur, with a special focus on children as a way to reduce disabilities and reduce transmission.
- Targeting detection among higher risk groups through campaigns in highly endemic areas or communities.
- Improving health care coverage and access for marginalized populations.
- Endemic countries need to include other strategic interventions in their national plans to meet the new targets, namely:



Current Affairs: Perfect 7



- (i) Screening all close contacts of persons affected by leprosy.
- (ii) Promoting a shorter and uniform treatment regimen.
- (iii) Incorporating specific interventions against stigmatization and discrimination.

Way Forward

At all levels of society, leprosy often makes women more vulnerable. socially and economically, than men. Hence gender equity needs equal focus besides reducing stigma and discrimination. Mere information and education, to the sundry about the signs and symptoms of leprosy and its curability, shall not work. It is imperative to break the barrier between person's affected by leprosy and the rest of the society, by appealing to peoples emotions and their ability to empathise with those they feared and shunned.

Attempts to reduce stigma have been tried in different conditions around the world. With specific reference to leprosy, few attempts community involvement in leprosy control activities, counseling to individual patients, apart from integration of leprosy services with general health care, have shown some impact on certain categories of populations. However, there has been no comprehensive attempt to reduce stigma based on scientific interventions addressing the total community with specific reference to leprosy. It is therefore high time a culturally acceptable stigma reduction programme is developed and executed.

With the emergence of antimicrobial resistance, it also stresses the need for immediate notice, routine investigation and establishment of proper treatment guidelines by the government. This is

also a call for vigilance on the global use of antimicrobial agents. Important progress has been made so far, but scientific and humanitarian education programs must continue to work in unison to minimize and eventually remove leprosy from the human experience.

General Studies Paper-II

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

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



5.THE ONGOING DEBATE OVER ADULTERY IN MARRIAGE

Why in News?

Opposing a plea which called for the Section 497 of the Indian Penal Code (IPC) to be scrapped, the government told the Supreme Court that adultery must remain a punishable offence to protect the sanctity of marriage. This submission was made by the Ministry of Home Affairs in an affidavit to the apex court while seeking dismissal of a plea challenging the validity of section 497 of the IPC on the grounds that it does not make men and women equally liable for the crime of adultery.

It is submitted that striking down section 497 of IPC and Section 198 (2) of the CrPC will prove to be detrimental to the intrinsic Indian ethos which gives paramount importance to the institution and sanctity of marriage.

Introduction

Last year, a petition filed with the Supreme Court on disputed Section 497 of PC on the grounds that it discriminated against men violated Articles 14, 15 and 21 of the Constitution. The petitioners argued that the punishment for adultery should not solely be borne by men, as is the case now, but shared by women. The plea also said the provision also indirectly discriminated against women by holding an erroneous presumption that they are the property of men. The petitioner had also challenged Section 198(2) of CrPC, which deals with the prosecution for offences against marriages. The Supreme Court referred to a constitution bench plea challenging the constitutional validity

of the law governing adultery which only criminalises a man.

Adultery is a criminal offence in India and the violation of the same can invite penal consequences of imprisonment for a term which may extend up to five years, or fine, or both. Adultery is not considered a criminal offence towards women in India and has been in limelight for being discriminatory towards men. However, there's more to it than being prejudicial towards men.

Marriage in Indian Society

Marriage is perceived by sociologists as a system of roles of a man and a woman whose union has been given social sanction as husband and wife. The equilibrium of the system



requires adjustment between the two partners so that the role enactment of one partner) corresponds to the role expectations of the other. Indologists look upon Hindu marriage as a sanskara, having three objects of dharma (fulfillment of religious duties), rati (sex gratification) and praja (procreation).

Muslim marriage, called nikah, unlike the sacramental marriage of the Hindus, is considered to be a civil contract. Its important objectives are: control over sex, procreation of children and perpetuation of family, upbringing of children and ordering of domestic life. But it will be wrong to say that Muslim marriage has no religious duty. It is devotion and an act of ibaddat.

Christians believe that marriage takes place because of the will of God and after marriage man and woman submerge themselves in each other. The three objects of Christian marriage are believed to be: procreation, escape from fornication (sex relations without marriage) and mutual help and comfort.

Concept of Adultery

Adultery means voluntary sexual intercourse of a married person other than with spouse. The legal definition of adultery however varies from country to country and statute to statute. While at many places adultery is when a woman has voluntary sexual intercourse with a person other than her husband, at other places adultery is when a woman has voluntary sexual intercourse with a third person without her husband's consent. Though the modern trend is to decriminalize adultery, historically, many cultures have regarded adultery as a crime. Jewish, Islamic, Christian and Hindu traditions are all unequivocal in their condemnation of adultery.

Adultery under Indian Law

In India the offence of adultery is punishable under Section 497 of the IPC, 1860. Section 497 IPC reads as: Whoever has sexual intercourse with a person who is and whom he knows or has reason to believe to be the wife of

another man, without the consent or connivance of that man, such sexual intercourse not amounting to the offence of rape, is guilty of the offence of adultery and shall be punished with imprisonment of either description for a term which may extend to five years, or with fine, or with both. In such case the wife shall not be punishable as an abettor.

Breaking it down what the provision says is: any man who has sexual intercourse with the wife of another man, without the consent of her husband, shall be held liable for the crime of adultery. In other words, sexual intercourse with a married woman amounts to adultery.

The law does not confer any right on women to prosecute the adulterous husband, or the woman with whom the husband has indulged in sexual intercourse with. In simple words, the husband solely has been permitted to prosecute the adulterer.

The report of the Malimath Committee on Criminal Justice Reforms and the 42nd report of the Law Commission of India recommended redefining Section 497 to make women also punishable for adultery.

An Analysis of Section 497

Indian criminal law explicitly criminalises acts that deceive a person. However, it is surprising that the criminalisation of an act that breaches

Differing viewpoints

Ahead of a Constitutional Bench hearing on Section 497, the Centre has objected to the dropping of adultery as an offence

WHAT IS SECTION 4977
It mandates that If a man has sexual intercourse with another's wife without the husband's consent or connivance, he is guilty of the offence of adultery and should be punished

CENTRE'S VIEW

Section 497 supports, safeguards and protects the institution of marriage

BENCH'S VIEW

The provision creates a dent in the individual, independent identity of a woman when the emphasis is laid on the connivance or consent of the husband

the sanctity of a pure social institution such as marriage, by way of deceit and lies, is facing challenges in the past few decades.

Critics of Section 497 allege that the law is sexist in nature, for it only criminalises the conduct of the man while excusing the woman. They say that in making the husband the only person who can prosecute for adultery, the law is founded upon the idea that the status of the wife in a marriage is akinto that of the property of the husband. However, the legislative intent behind the enactment of Section 497 is quite different from what is perceived by these critics. The intention behind criminalising adultery in the present day is to deter the adulterer from committing such a crime again.

Section 497 penalizes sexual intercourse of a man with a married woman without the consent of her husband when such sexual intercourse does not amount to rape. He is punishable with imprisonment of up to five years. That is, it draws a distinction between consent given by a married woman without her husband's consent and a consent given by an unmarried woman. It does not penalize the sexual intercourse of a married man with an unmarried woman or a widow or even a married woman when her husband consents to it.

In case the offence of adultery is committed, the husband cannot



prosecute his unfaithful wife but can only prosecute her adulterer. What is interesting here is that the section itself expressly states the unfaithful wife cannot be punished even as an abettor to the crime. The offence of adultery therefore is an offence committed against the husband of the wife and not against the wife.

The Constitutionality of Section 497 was challenged before the Supreme Court under Article 14 on the grounds that it makes an arbitrary discrimination based on sex.

Women are not punished for Adultery

The offence of Adultery did not punish women but still existed in the code because at the time the enforced law was enacted polygamy was deep rooted in the society and women shared the attention of their husbands with several other wives and extramarital relations. Women were treated as victims of the offence of adultery as they were often starved of love and affection from their husbands and could easily give in to any person who offered it or even offered to offer it. The provision was therefore made to restrict men from having sexual relations with the wives of other men and at the same time to restrict their extra marital relations to unmarried women alone.

Why Section 497 should not be scrapped?

Adultery must remain a punishable offence to protect the sanctity of marriage. In its affidavit to the Supreme Court, the government said that striking down Section 497 which provides for punishment only to a man for having extra-marital sexual ties with the wife of another man, will destroy the institution of marriage. The striking down section 497 of IPC and Section 198(2) of the CrPC will

prove to be detrimental to the intrinsic Indian ethos which gives paramount importance to the institution and sanctity of marriage.

The provisions of law, under challenge in the present writ, have been specifically created by the legislature in its wisdom, to protect and safeguard the sanctity of marriage, keeping in mind the unique structure and culture of the Indian society.

Why Section 497 should be scrapped?

First, the very premise is against women's autonomy and dignity. Second, even if the argument is that marriage as an institution must not be breached, it is not understandable why an unmarried woman having sex with a married man should not be culpable. Third, criminalisation as a rule doesn't work in practice in altering social behaviour.

- Section 497 was "prima facie unconstitutional on the grounds that it discriminates against men and violates Article 14, 15 and 21 of the Constitution".
- When the sexual intercourse takes place with the consent of both the parties, there is no good reason for excluding one party from the liability.
- The provision also indirectly discriminated against women by holding an erroneous presumption that they are the property of men.

No marriage or alliance can take away one's right over one's own body. Therefore, while the law on adultery as it is today in the IPC is discriminatory on the ground of sex, the very existence of adultery in the criminal statute is violative of the fundamental right to life and to live with dignity.

Across the world

Today, adultery is no more a criminal offence in most European countries. In

the U.S., adultery is generally punished in some states only if committed habitually or with public notoriety. But in countries such as Saudi Arabia, Yemen and Pakistan, adultery continues to be a capital offence.

Way Forward

Marriage is both, a sacrament and a civil contract and the society has certain notions about the same. Yet, it is not a standard form contract. The spouses are and should be at a liberty to choose their own terms of the contract. Therefore, whether they allow each other to have or maintain sexual relations with third parties should be at the sole discretion of the parties alone. Punishment to the person committing adultery is not and cannot be a remedy for a person aggrieved of adultery.

Manycountries have decriminalised adultery. IPC is the creation of England when they ruled over India for nearly 200 years and it is they who inserted Section 497 as a penal offence. It is high time that this law is revisited even in India and amended to meet the present circumstances. Either both of them should be punishable or no one. It cannot be anybody's case that the man alone should be sent behind bars for committing adultery while the woman be held just not liable at all and allowed to escape unpunished and unchecked.

General Studies Paper-I

Topic: Salient features of Indian Society, Diversity of India.

Topic: Role of women and women's organizations, Population and associated issues, Poverty and developmental issues, Urbanization, their problems and their remedies.

OOO



6. URBAN WASTE MOUNTAIN: A SILENT PROBLEM

Why in News

The Supreme Court recently admonished the Lieutenant Governor (LG) of Delhi for the garbage piles dotting the National Capital, saying rubbish heaps at dumping sites in Delhi are all set to cross the height of Qutub Minar.

The Supreme Court noted that the height of garbage has crossed three times the permitted limit. The mountain of waste at Ghaziabad was 62 metres high during the previous hearing of the court, now it is 65 metres. Qutub Minar is over 70 metres tall.

Background

Landfills are sites designated for dumping rubbish, garbage, or other sorts of solid wastes. Historically, they are the most common means of disposing solid waste which is either buried or left to pile in heaps. Landfill is a common phenomenon around the world, especially due to the increased number of wastes from our homes, schools, offices, hospitals and markets. Some landfills are well managed and designed as part of integrated waste management. However, most communities leave the landfills unattended which cause land pollution and uncontrolled buildup of all sorts of solid waste materials.

Waste management rules in India are based on the principles of sustainable development, precaution and polluter pays. These principles mandate municipalities and commercial establishments to act in an environmentally accountable and responsible manner—restoring balance, if their actions disrupt it. The increase in waste generation as a byproduct of economic development has led to various subordinate legislations for regulating the manner of disposal

and dealing with generated waste • are made under the umbrella law of Environment Protection Act, 1986 (EPA).

Causes of Landfills

- Solid Waste: Solid waste is the number one contributor of landfill waste disposal. Homes, schools, restaurants, public places, markets, offices and so on produce a great deal of rubbish, garbage and used materials. The bulk of these wastes eventually end up in the landfills. Because most of these waste materials are non-biodegradable, they heap in the landfills where they stay for years. The scenario is even worse for poorly managed waste disposal systems normally results in damage to the land and the surrounding environment.
- Medical/Clinical **Sources** of Waste: Medical/clinical wastes, normally refers to waste produced from health care facilities, such hospitals, clinics, surgical theaters, veterinary hospitals and labs. They tend to be classified as hazard waste rather than general waste.Items in this group include surgical items, pharmaceuticals, blood, body parts, wound dressing materials, needles and syringes
- wastes arise from waste materials generated from animal manure, crop and farm remains. The solid wastes like the animal manure and other agricultural by products are collected and dumped in the landfills. These agricultural remnants are highly toxic and can contaminate the land and water resources. Once in the landfills, the wastes remain there for years impacting on soil quality and polluting the land.

- Urbanization and **Population** Growth: The growing production and use of consumer goods after 'liberalisation' in 1991 is one of the reasons behind the start of generation of wastes by Indians. In particular, plastic pollution has been on the rise in the first decade of this century due to rapid urbanization and population growth and most of the used plastic materials simply end up in the landfills. In most urban areas, plastics form the greater part of the landfills and constitute about 80% of all the municipal waste.
- Electronic Sources of Waste:
 This is waste from electronic and electrical devices. Think of DVD and music players, TV, telephones, computers, vacuum cleaners and all the other electrical stuff in your home. These are also called e-waste, e-scrap, or waste electrical and electronic equipment (WEEE).

Some e-waste (like TV) contains lead, mercury, cadmium and brominated flame retardants. These are harmful to humans and the environment. It is therefore important that the right authorities ensure the proper disposal of such waste.

Effects of Landfills on Environment and Health

Effects: There are more than ten toxic gases emitted from landfills, of which methane gas is the most serious. Methane gas is naturally produced during the process of organic matter decay. The methane expelled during the decomposition of organic matter in unmanaged landfills has the potential of trapping solar radiation 20 times more effective than carbon dioxide.

Current Affairs: Perfect 7



- Ground Water Pollution: The primary environmental problem arising because of landfills is groundwater contamination from leaches. There are several hazardous wastes that find way into the landfills and once they are there, the inevitable is the natural deterioration of ground water. The toxic products in the landfills range from industrial solvents to household cleaners. Besides the chemicals from household and industrial products, electronic wastes contain lead, mercury and cadmium.
- **Health Effects:** Increases in the risk of severe health implications such as birth defects, low birth weight and particular cancers have been reported in individuals living next to landfill areas in numerous studies. For instance, TCE is a carcinogen element often originating from landfill leachate. Other discomfort and self-reported symptoms for people living next to the landfills include sleepiness, headaches and fatigue. The effects are linked with the toxic actions of the chemicals present in the landfill wastes. From contamination of the air with harmful gases to water pollution, the outcome is adverse human health effects. Landfill toxic gas releases and water pollution are as well associated with lung and heart diseases respectively.
- directly render the soil and land where it is located unusable. It also destroys the adjacent soil and land area because the toxic chemicals spread over the surrounding soil with time. The upper layer of the soil is damaged, distorting soil fertility and activity and affecting plant life. Industrial and electronic wastes in the landfills destroy the quality of the soil and land thereby upsetting the land ecosystems.

- **Economic Costs:** The economic cost of landfill and social management is very high. From the management of the gases coming out of the landfills to groundwater management contamination and ensuring compliance with environmental regulatory policies drains a lot of the municipality's and tax payer's money in terms of integrated waste management. Because most of the materials disposed in the landfills take millions of years to decompose, designing effective strategies and facilities for managing landfills requires high capital investments with regards to management and recycling initiatives.
- Landfill Fires: Landfill gases together with а substantive amount of landfill waste, can easily start a fire. Once fires are ignited, it can be challenging to put it out and further cause air pollution. If not put out immediately, they can get out of control and destroy the neighboring habitats. Methane is notably the most flammable and combustible gas in the landfill and as such, given its abundant supply it can create havoc. Combustion of the landfill even worsens the situation as the burning of the chemicals adds more chemical load to the area.

India's Waste Management: Challenges

With rapid urbanisation, the country is facing massive waste management challenge. Over 377 million urban people live in 7,935 towns and cities and generate 62 million tonnes of municipal solid waste per annum. Only 43 million tonnes (MT) of the waste is collected, 11.9 MT is treated and 31 MT is dumped in landfill sites. Solid Waste Management (SWM) is one among the basic essential services provided by municipal authorities in

the country to keep urban centres clean. However, almost all municipal authorities deposit solid waste at a dumpyard within or outside the city haphazardly. Experts believe that India is following a flawed system of waste disposal and management.

Action Plan for Garbage Removal and Management

Segregation and Collection: The key to efficient waste management is to ensure proper segregation of waste at source and to ensure that the waste goes through different streams of recycling and resource recovery. Then reduced final residue is then deposited scientifically in sanitary landfills. Major limitation of this method is the costly transportation of MSW to far away landfill sites.

Recycle, Re-use and Reduce: Landfill management will always remain a major environmental if communities don't embrace the need of recycling, reducing and reuse. The increased demand of manufactured products is what increases the final waste products that end up in the landfill. In this view, the use of recycling systems for electronic wastes, plastics, paper, metal, glass and other non-biodegradable materials can provide an effective means of reducing the landfill effects.

Reducing our demand for manufactured products and embracing re-use can equally favor reduction to both the toxicity and volume of waste that end up in the landfill as waste.

Design and Implementation of Integrated Waste Management: The construction of modern landfills with well-engineered and managed disposal facilities can significantly lessen the impacts of landfill on soil, air and water. Landfills that are well-designed operated ensure compliance and with environmental preservation requirements and it ultimately ensures that the environment is free

Current Affairs: Perfect 7



from contaminants. The use of such designs also ensures the landfills are not located in environmentally-sensitive areas and are incorporated with on-site environmental monitoring systems. With on-site environmental monitoring systems, signs of land fill gas and groundwater contamination can be easily detected and controlled.

From Waste to Renewable Energy: There has been technological advancement for processing, treatment and disposal of solid waste. Energy-from-waste is a crucial element of SWM because it reduces the volume of waste from disposal also helps in converting the waste into renewable energy and organic manure. Ideally, it falls in the flow chart after segregation, collection, recycling and before getting to the land fill. But many waste to energy plants in India are not operating to their full potential.

Bio - methanation: Installation of waste - to - compost and biomethanation plants would reduce the load of landfill sites. The biodegradable component of India's solid waste is currently estimated at a little over 50 per cent. Bio-methanation is a solution for processing biodegradable waste which is also remains underexploited. It is believed that if we segregate biodegradable waste from the rest, it could reduce the challenges by half.

Biomedical Waste Treatment Facility (CBWTF): Bio-medical waste (management and handling) rules, 1998 prescribe that there should be a Common Biomedical Waste Treatment Facility (CBWTF) at every 150 kms in the country. CBWTFs have been set up and are functioning in cities and towns. However, establishment of functional CBWTF throughout the country must be ensured. Integrated common hazardous waste management facilities combine secured landfill facility, solidification/stabilisation and incineration to treat hazardous wastes generated by various industrial units.

Importance and Benefits of Waste Recycling

Much of India's household waste is biodegradable and can be turned into good compost and even made to produce a little electricity. Decentralised sorting stations for waste-pickers enable recyclables to be collected and moved economically. What's left can be compressed into bales and turned into fuel useful in cement factories. 'Scientific landfills' are a last resort. They are expensive to establish and maintain and take up big areas.

The concept of common waste treatment facility is being widely promoted and accepted as it uses waste as a resource by either using it as a co-fuel or co-raw material in manufacturing processes. This has led to rise of Public Private Partnership (PPP) models in waste management which has open doors for doing business in waste management.

Recycling helps Protect the Environment: This is because the recyclable waste materials would have been burned or ended up in the landfill. Pollution of the air, land, water and soil is reduced.

Recycling Conserves Natural Resources: Recycling more waste means that we do not depend too much on raw (natural) resources, which are already massively depleted.

Recycling Saves Energy: It takes more energy to produce items with raw materials than from recycling used materials. This means we are more energy efficient and the prices of products can come down.

Recycling Creates Jobs: People are employed to collect, sort and work in recycling companies. Others also get jobs with businesses that work with these recycling units. There can be a ripple of jobs in the municipality.

PROCESS OF GHAZIPUR WASTE TREATMENT

Municipal solid waste collected and dried

Dry waste passed through sieves

Segregated waste blown through high capacity blowers

Way Forward

While India is moving towards Smart Cities but still we are stuck at managing solutions for solid waste management. Civic bodies have to redraw long term vision in solid waste management and rework their strategies as per changing lifestyles. They should reinvent garbage management in cities so that we can process waste and not landfill it (with adequate provisioning in processing and recycling). To do this, households and institutions must segregate their waste at source so that it could be managed as a resource. There is no spare land for dumping garbage, the existing ones are in a critical state. It is reported that almost 80 per cent of the waste at Delhi landfill sites could be recycled provided civic bodies start allowing rag-pickers to segregate waste at source and recycle it. Compost pits should be constructed in every locality to process organic waste. Community participation has a direct bearing on efficient waste management. Recovery of e-waste is abysmally low, we need to encourage recycling of e-waste on a very large scale level so that problem of e-waste disposal is contained.

General Studies Paper- III

Topic: Conservation, environmental pollution and degradation, environmental impact assessment.

CCC



7. WORLD'S SIXTH LARGEST ECONOMY: GROWING MUSCLES OF INDIA

Why in News?

India has become the world's sixth-biggest economy, pushing France into seventh place, according to updated World Bank figures for 2017. India's gross domestic product (GDP) amounted to \$2.597 trillion at the end of last year, against \$2.582 trillion for France. The US remains the world's largest economy with a GDP of \$19.39 trillion, followed by China (\$12.23 trillion), Japan (\$4.87 trillion), Germany (\$3.67 trillion) and the United Kingdom (\$2.62 trillion).

Background

Indian economy had slowed down last year due to transitory shocks like demonetisation and the chaotic implementation of the national Goods and Services Tax (GST), but has since bounced back. India's growth accelerated to 7.7 per cent in the quarter ended March, up from 7 per cent in the previous quarter helped by higher government spending and investment. Better still, last month, the World Bank forecast a growth rate of 7.3 per cent for India this year and 7.5 per cent for the next two years, making it the fastest growing country among major emerging economies.

The World Bank noted that the Indian economy has benefitted from robust performances in manufacturing sector driven by increased consumer spending. Overall, India has made rapid progress, doubling its GDP in less than past decade and emerging as the engine of economic growth in Asia, especially with the Chinese economy showing definite signs of lethargy.

The International Monetary Fund (IMF's) latest World Economic Outlook report expects China to decelerate from 6.6 per cent in the current year to 6.4 per cent in 2019, while India is

expected to post growth rates of 7.4 per cent and 7.8 per cent in the same time frame boosted by household spending and a tax reform. This compares to the world's expected average growth of 3.9 percent.

But the outlook in terms of per capita GDP is rather dismal since India boasts a population of around 1.34 billion and according to a 2017 UN report, is likely to surpass China as the world's most populous country around 2024. Despite India's per capita GDP rising to \$7,170 in 2017, up from \$6,690 the previous year, it only ranks 126th in the world as per IMF data. And France, with a population of 67 million, reportedly boasts a figure roughly 20 times higher than us.

London-based consultancy, the 'Centre for Economics and Business Research's report titled 2018 World Economic League Table' recently predicted that the Indian economy will overtake the UK, too, in real money dollar terms in 2018. And by 2032, India will emerge as the world's third largest economy.

Nominal GDP, GDP Per Capita and GDP PPP (Purchasing Power Parity)

GDP is defined as the total value of goods or services produced within a country's borders in a specific time. GDP is nothing but the total output of the economy of a country in a year. It can thus be an accurate measure of the nation's income, expenditure or output. Nominal GDP does not take into account the differences in the cost of living in different countries and hence the results may vary depending upon the currency exchange rates. The rankings might change, even though they make little or no difference to the standard of living of the country's population.

However, GDP per capita, in short, is GDP divided by the population of that country. It can roughly convey the standard of living in a country. This is a useful tool when one is comparing a country with another. According to the World Bank's 2017 data, India's GDP per capita income is \$1,940.

GDP, when calculated in terms purchasing-power-parity (PPP), is better equipped as compared to nominal GDP. Nominal GDP does not take into consideration the relative cost of local goods, services and inflation rates of the country and uses international market exchange rates which may distort the real differences in per capita income. GDP PPP brings the cost of living in the analysis. If a country has high GDP (Nominal or Per Capita) but the cost of living in that country is very high, then the country might be ranked at a lower position as compared to a country with medium GDP (Nominal or Per Capita) but with a very low cost of living. India, in this regard, ranks third, only after giants like US and China.

India has surpassed a developed European country like France and has successfully captured the sixth spot. However, there is more to it than what meets the eye. To understand this, just look at the per capita income at PPP (purchasing power parity) in both India and France. Going by the latest available figures on World Bank's website, India has an estimated per capita income of \$7,060 while France has \$43,720, some six times more than that of India. India ranks at the 123th position when it comes to per capita income at PPP while France ranks at the 25th position. An average Indian is far poorer than the average Frenchman if one uses this yardstick.



Increase in GDP means that a country has increased the amount that it has been producing. However, it misses the mark from the perspective of a citizen who has to deal with day to day realities of life. As France has a population of 6.69 crores, its GDP per capita income, according to 2016 figures is \$36,854. This means that the French have a higher per capita income and standards of living when compared to India's dismal GDP per capita of \$1,940.

With a population of roughly 135 crores, India is only second to China, a country which has successfully reduced its pace of population growth. Apart from China, who is above India in the World Bank's GDP list, all the other countries have a population which is lesser than half of ours. For example, the USA's population is only 32.57 crores.

Over the past 50-odd years, India's GDP per capita income has increased from \$81.3 (Rs 1,705) in 1960 to \$1,940 (Rs 1,33,384.70) in 2016. Not only is this growth slower than countries like China, South Korea, Malaysia and Brazil, but is behind many other smaller and less-developed nations as well. However, India's GDP has doubled over the last decade

State of Indian Economy

The past year has been marked some major reforms. The transformational Goods and Services Tax (GST) was launched in July 2017. With a policy change of such scale, scope and complexity, the transition unsurprisingly encountered challenges of policy, law and information technology systems, which especially informal affected the sector. Expeditious responses followed to rationalize and reduce rates and simplify compliance burdens.

At the same time, decisive action was taken to grasp the nettle of the Twin Balance Sheet (TBS) challenge,

arguably the festering, binding constraint on Indian growth prospects. On the 4 R's of the TBS — recognition, resolution, recapitalization, and reforms - recognition was advanced further, while major measures were taken to address two other R's. The new Insolvency and Bankruptcy Code (IBC) has provided a resolution framework that will help corporates clean up their balance sheets and reduce their debts and in another critical move, the government announced a large recapitalization package (about 1.2 percent of GDP) to strengthen the balance sheets of the public sector banks (PSBs). As these twin reforms take hold, firms should finally be able to resume spending and banks to lend especially to the critical, but-currentlystressed sectors of infrastructure and manufacturing.

Reflecting the cumulative actions to improve the business climate, India has jumped 30 spots on the World Bank's Ease of Doing Business rankings, while similar actions to liberalize the foreign direct investment (FDI) regime helped increase flows by 20 percent. And the cumulative policy record combined with brightening mediumgrowth prospects received validation in the form of a sovereign ratings upgrade, the first in 14 years. These solid improvements have been tinged with anxieties relating to macroeconomic stability. Fiscal deficits, the current account and inflation are all higher than expected, albeit not threateningly so, reflecting in part higher international oil prices—India's historic macroeconomic vulnerability. These dualities of revival and risk have been reflected in the markets and in market analysis.

There is international and national debate on the role of markets and states, private capital and public institutions. All over the world, there is a reassessment of the respective roles of the two with a clear tilt toward

greater state involvement. The new international case is based on the need to redistribute to check growing inequality and cushion against the impact of globalization. It is also based on the need to regulate, for example, the financial sector to minimize risks and the technology sector to check growing market power and its misuse as a communications medium.

But India is in a grey zone of uncertainty on the role of states and markets. Limitations on state capacity (center and states) affect the delivery of essential services such as health and education. At the same time, the introduction of technology and the JAM (Jan Dhan—Aadhaar— Mobile) architecture, now enhanced by the Unified Payments Interface (UPI), holds the potential for significant improvements in such capacity.

The ambivalence relating to the private sector relates to the experience with Indian capital. The private sector has always had to struggle with the stigma that came with being midwifed in the era of the license-quota-control Raj. Some of this stigma was washed away during the IT boom that started in the 1990s, because the sector had developed on intrinsic competitive merit rather than proximity to government, had adopted exemplary governance standards, listed international stock exchanges and thrived in the global market place. Now, even the IT sector is confronting governance challenges, as its model of providing low-cost programming for foreign clients comes under threat from rapid technological change. The growing ability of machine learning is replacing human workers. A recent McKinsey report reckons that within a few years, up to half of the 3.9 million Indians currently working in the IT sector will become irrelevant. Several leading companies in India's IT sector are reportedly planning significant layoffs, in part due to concern that the





Trump administration's clampdown on H-1B visas will make it harder to do business in the US.

Growth Factors

India's key growth factors are:

- A young and rapidly growing working-age population.
- Rising education and skill levels, accentuating growth in the manufacturing and service sector.
- A rapidly growing middle-class, implementing a sustained growth of the consumer market.

Challenges

- Population Growth: India is home to 1.34 billion people 18% of the world's population. It will have overtaken China as the world's most populous country by 2024. It has the world's largest youth population, but isn't yet fully capturing this potential demographic dividend over 30% of India's youth are NEETs (not in employment, education or training), according to the OECD.
- Corruption: The Global Competitiveness Report finds that, India's executives consider corruption to be the most problematic factor they face when doing business within the country.
- Poverty and Inequality: India's richest 1% own 53% of its wealth, up from 36.8% in 2000. The rise in inequality is compromising the pace at which India is lifting people out of extreme poverty. About one-third of the world's population living on under US\$1.90 lives in India some 224 million people. Oxfam calculates that if India were merely to stop inequality from growing further, it could lift 90 million more people out of extreme poverty by 2019.
- Agriculture Development: In the last four years, the level of

real agricultural GDP and real agriculture revenues has remained constant, owing in part to weak monsoons in two of those years and climate change—whose imprint on Indian agriculture is already visible—might reduce farm incomes by up to 20-25 percent in the medium term.

Meta Challenges:

- Three meta challenges: addressing inefficient redistribution; accelerating the limited progress in delivery of essential public services, especially health and education; and correcting the ambivalence toward property rights, the private sector and price incentives need consideration.
- Other challenges include public sector reforms, transport infrastructure, removal of labour regulation, energy security, curtailing fiscal and current account deficit.

Way Forward

It is clear that providing India's young and burgeoning labor force with good, high productivity jobs will be priority. An effective response will encompass multiple levers and strategies, above all creating a climate for rapid economic growth. Fertility reduction also boosts long-term growth because parents and governments are able to put more educational, financial and emotional resources into raising a smaller number of children and gives a country whole generation of adults who can go to work instead of having to stay home to take care of multiple children.

Successful economic and social transformation has always happened against the background of rising agricultural productivity. The government's laudable objective of addressing agricultural stress and doubling farmers' incomes

consequently requires radical followup action, including decisive efforts to bring science and technology to farmers, replacing untargeted subsidies (power and fertiliser) by direct income support and dramatically extending irrigation through efficient drip and sprinkler technologies.

The current account vulnerability requires raising the trajectory of export growth. Reviving manufacturing and making the sector internationally competitive have been the twin goals of the 'Make in India' program, underpinned by a strategy of reducing the costs of doing business can solve the problem.

Healthy and educated individuals, with the ability to adapt and learn on an ongoing basis, need to be the core of the future labour force. Those individuals must include high numbers of women; for this to happen, they will need to have a status and role comparable to men. India's economy would have much to gain from getting more women into the workforce

India should move forward on path of cooperative federalism and inclusive growth and ocus far more on institutional development and investing in human capital. Such interventions are likely to yield far superior returns to the status quo and help our people sustain themselves with a degree of comfort and dignity, even as we try to converge with income levels of advanced countries. If these objectives are achieved, India would regain its status as the fastest growing major economy.

General Studies Paper-III

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

COC

SEVEN SUBJECTIVE QUESTIONS WITH MODEL ANSWERS

Municipal Bonds: Financing Urban Infrastructure

Q1. With rapid urbanization of the population and economic activities, urban infrastructure challenges are also on rise in India. Urban infrastructure is traditionally provided by the Urban Local Bodies (ULBs), whose status of finances is not very strong for a variety of reasons. Discuss the various government initiatives to strengthening financing mechanism of urban local government bodies.

Hints:

- The 21st century has been called the urban century with more than half the world's population living in towns and cities. Urban issues have raised high on many agendas that deal with global questions. Most of the world's resources are consumed in cities, where the majority of people live. In India, local bodies being the forefront of administration, directly influence the welfare of the inhabitants by providing civic services and socioeconomic infrastructure facilities. These local governments oversee various expenditures on local services, including transportation, water and sewers, garbage collection and disposal, safety, housing, health, recreation and culture, education and social expenditures. They fund these services and the infrastructure associated with them from a variety of sources under municipal finance.
- In India, numerous initiatives have been undertaken to strengthen local governments and to improve service levels in urban areas. Important among these are the enactment of a set of constitutional provisions, implementation of numerous urban development programs and adoption of various innovative practices. Urban local government institutions/municipalities are constituted for the maintenance and planned development of urban areas. The objective is to ensure that suitable levels of infrastructure and services are available to the citizens.
- The Urban Local Bodies (ULB) fund comprises receipt from its own sources, grants and assistance from government and loan obtained from public financial

- institutions or nationalized banks or such other institutions as the state government may approve. The property Tax on land and building is the main source of revenue of a ULB. The main sources of non-tax revenue are Plan sanction fees, mutation fees and water charges. All collection as permissible under the statute in force, such as tax and non-tax revenue of ULBs is meant for maintenance of administration & services to the tax payers. The state government releases administrative grants to the ULBs to compensate their revenue expenditure. The loans raised from different sources with prior approval of the state government are utilized for execution of various projects/schemes. Grants and Assistance released by the Central and state government are utilized for developmental activities as specified in the respective schemes or projects.
- In addition to the aforesaid legislative reforms, the Indian government has taken a number of steps for improving local-level governance in recent times. Various urban development programmes, schemes and practices have been initiated for the benefit of urban citizens and the local government. Important among these are the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), the Model Municipal Law (MML), the e-Governance Mission, Report Cards on Urban Services, Citizens' Charter on Municipal Services, the Mayor-in-Council form of government, municipal accounting reforms, property tax reforms, issuance of tax-free municipal bonds and schemes such as pooled finance development (PFDS) and city challenge fund (CCF), promotion of private sector participation and community participation.

Hike in Minimum Support Price & its Implications

Q2. Will the government's recent announcement of a steep hike in the Minimum Support Price (MSP) for Kharif crops, address all the battles that farmers have been fighting by themselves? Or will it just address part of the problem? Critically analyze.



Hints:

- Minimum Support Price (MSP) is a price for crops that the government guarantees to the farmers at all costs and under all circumstances. According to government policy, a total of 26 commodities/crops are covered under MSP. The minimum support prices are announced by the Indian government at the beginning of the sowing season for certain crops on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP).
- A little background report about the MS Swaminathan Committee Report advocated access to resources and social security entitlements to achieve the goal of "faster and more inclusive growth" as envisaged in the Approach to 11th Five Year Plan.But coming back to the current raise in the minimum support price, well, a debate has ensued about how the implementation of these MSPs would deal with ground realities of the farming communities.
- It is not a permanent and stable solution. It is merely a promise, the fulfilment of which depends on government procurement and intensive support, something that has been lacking till now. In the absence of a legal framework of enforcement, the support price will remain discretionary and farmers will have to rely on the whims of the next government in power to figure out just where they stand. The right policy instrument would have been income policy. The price policy has a limit if it goes beyond international prices. This will lead to accumulation of stock and hurt farmers even more. Despite a healthy expansion in MSP for pulses in FY2018 and some procurement by the government agencies, the actual price realisation in the market was muted, with the wholesale prices falling below the MSP in some months.
- India has diverse spectrum of farming communities in from small farmers, marginal farmers, peasants and kulaks to landlords. Add to this diversity, regional and geographical variations and we are looking at incredibly complex micro realities that vary from Bihar to West Bengal to the North-east to Punjab and Haryana. In every region, the crops differ as well from paddy, to coarse grains to cotton and sugarcane.
- For households owning farms of less than 0.4 hectares, who are a third of all agricultural households, net receipts from cultivation account for less than a sixth of income. They will certainly not benefit from higher MSPs. For those holding between 0.4 and 1 hectare, net receipts from cultivation are around two-fifths of their earnings. This class constitutes another third of all farming households. They too won't gain much.

- Farmers owning up to 1 hectare of land constitute 69.4% of total agricultural households and their monthly consumption expenditure is higher than their earnings from all sources, which means they are chronically in debt. Many rely on moneylenders, rich farmers and landlords to advance them the money needed for cultivation and they are often forced to sell their produce to these financiers at lower than market prices. In short, almost 70% of farming households are unlikely to be beneficiaries of the MSP hike. Ironically, those who do not need that much help from MSP will benefit more from the move.
- It is the rural rich, who pay no income taxes, who gain the maximum benefit from farm loan waivers, who will reap the bonanza from higher MSPs. Fixing MSP at 1.5 times of A2+FL (family labour) will marginally benefit rice farmers, whereas applying the same formula will not help wheat farmers at all as MSP rate prevailed in past many years was more than 1.5 times of A2+FL, says the report. Another insight that has emerged from the study was that agricultural economy and rural economy cannot be lumped together, though the role that agriculture plays in rural economy is so crucial that the two terms are often used interchangeably.
- Due to fragmentation and disorganisation, it is not economically viable for small and marginal farmers to adopt latest technology and use of high yielding varieties of inputs such as seeds and fertilisers. They are also unable to realise the good value from their marketable surplus by individually selling their produce. So if we are looking at a country that must include its most vulnerable and underprivileged sections, especially its farming communities, the MSP surge can be termed as a good beginning but the journey must continue to create solutions and infrastructure that serves all the needs of the unsung, struggling Indian farmer.

One Candidate One Seat: Proposed Electoral Reform

Q3. One person, one vote and one candidate, one constituency is the dictum of democracy. Can there be any rationale for allowing one candidate to contest from two constituencies? Discuss why one leader, one constituency should be a principle in electoral politics.

Hints:

 One person, one vote and one candidate, one constituency is the dictum of democracy. However, as per the law, as it stands today, a person can contest the



election for the same office from two constituencies simultaneously. When a candidate contests from two seats, it is imperative that he has to vacate one of the two seats if he wins both. This, apart from the consequent unavoidable financial burden on the public exchequer, government manpower and other resources for holding bye-election is also an injustice to the voters of the constituency which the candidate is quitting from.

- Election Commission of India (ECI) itself had proposed prohibiting Independent candidates from contesting polls, the election body said it had proposed enhancing of security deposit "to prevent proliferation of nonserious candidate and it applies uniformly to all candidates and there is no proposal moved by the ECI in the list of current pending proposals to prohibit independent candidates from contesting elections".
- Public interest litigation has been filed before the Supreme Court seeking a direction to do away with the provision which allows one person to contest election from over one constituency simultaneously, for being unjust to the voters and a financial burden on the exchequer.
- The Centre has told the Supreme Court that there should not be any restraint on candidates against contesting from more than one seat provision as it provides a wider choice to the polity as well as candidates. The government stand is contrary to the Election Commission, which is in favour of restricting a candidate to contest from one seat.
- Section 33(7) of the Representation of People Act permits a candidate to contest any election (Parliamentary, state assembly, biennial council, or by elections) from up to two constituencies, presumably to give greater flexibility to candidates and increase their chances of winning a seat. It was introduced in 1996. Prior to this, there was no bar on the number of constituencies from which a candidate could contest. However, Section 70 of the Act specifies that a person who wins on both seats can hold one seat only and thus has to vacate one.
- The solution to this provision does not lie in asking the winning leader or party to pay for the by-election. A monetary penalty will not deter these so-called larger-than-life leaders from contesting from multiple seats. But apart from money, it is a waste of time for lakhs of voters. It is also not fair to upcoming leaders, who have to vacate space to so that the bigger leaders can get their second seats. This is a violation of principle of

- equality, bringing to mind the Orwellian saying: "All are equal, but some are more equal than others."
- The only way out is to make a leader's candidature void if he or she files a nomination from more than one constituency. Like 'one person, one vote', the principle of 'one leader, one constituency' should also be followed. So, there can be no rationale in allowing a candidate to file nominations from more than one constituency.

The Growing Menace of Leprosy in India

Q4. What do you understand by leprosy? What are the causes for rise in leprosy among tribals? Also throw light on social stigma attached to leprosy.

Hints:

- Leprosy is soon becoming even more of a disease of most marginalized and underserved populations in far-flung areas. The percentage of new leprosy patients in India belonging to the tribals community is 18.8% much more than their proportion in the Indian population (8.6% of the total population) and that proportion is fast increasing. From 13.3% in 2009, it has increased to an alarming 18.8%. In the same period, overall number of new cases has remained almost the same at the national level.
- Leprosy, also known as Hansen's disease, is a chronic infectious disease caused by Mycobacterium leprae.
 The disease mainly affects the skin, the peripheral nerves, mucosal surfaces of the upper respiratory tract and the eyes. Leprosy is known to occur at all ages ranging from early infancy to very old age. Leprosy is curable and early treatment averts most disabilities.
- Clinical signs are easy to observe. In a country or area with a high incidence of leprosy, an individual should be regarded as having leprosy if he or she shows one of the following cardinal signs:
 - Skin lesion consistent with leprosy and with definite sensory loss, with or without thickened nerves.
 - Positive skin smears.
- A report submitted to the Indian Council of Medical Research (ICMR) by a team of researchers cites poor ventilation, the thick forest cover and hilly terrain as possible factors for the high incidence of the disease. Clearly, inadequate attention is being given to this silent emergency hitting the most underserved populations of the country because the emerging spread of the disease is away from the public gaze.



- Leprosy is a disease, which still strikes fear in the societies as a mutilating, disfiguring, contagious and incurable disease. Because of the horrifying nature of the enigmatic physical disfigurement and since no cure was discovered until the 20th century, leprosy has, for centuries, been a highly stigmatizing disease. Though leprosy is not a disease of the poor, yet it affects poor to a much greater extent because of their social and economic vulnerability.
- Because of the fear of this stigma, people who have contracted leprosy sometimes hide their symptoms and do not seek help or treatment. This allows the condition to worsen and increases the risk of complications. It also increases the chances of transmission to others in the community. Despite global efforts to repeal laws that discriminate against those affected by leprosy, adults still face crippling social barriers and children are deprived of education or subject to bullying and rejection due to stigma associated with the disease.
- In its pathway to eradicate the stigmatised disease, the government launched programmes to screen and detect cases under National Health Mission in 2016. As a result, more than 32,000 cases were confirmed and put on treatment. The National Health Policy 2017 (NHP), which will guide the health policy direction of the country over the next decade or so, still has elimination of leprosy as a national level target. The government has prepared an action plan to eliminate leprosy by 2018.

The Ongoing Debate Over Adultery in Marriage

Q5. "Adultery must remain a punishable offense to protect the sanctity of marriage." Critically analyse.

Hints:

- Adultery is a criminal offence in India and the violation of the same can invite penal consequences of imprisonment for a term which may extend up to five years, or fine, or both. Adultery is not considered a criminal offence towards women in India and has been in limelight for being discriminatory towards men. However, there's more to it than being prejudicial towards men.
- Last year, a petition filed with the Supreme Court on disputed Section 497 of IPC, on the grounds that it discriminated against men and violated Articles 14, 15 and 21 of the Constitution. The petitioners argued that the punishment for adultery should not solely be borne by men, as is the case now, but shared by women.

- The offence of Adultery did not punish women but still existed in the code because at the time the enforced law was enacted polygamy was deep rooted in the society and women shared the attention of their husbands with several other wives and extramarital relations. Women were treated as victims of the offence of adultery as they were often starved of love and affection from their husbands and could easily give in to any person who offered it or even offered to offer it.
- Adultery must remain a punishable offence to protect the sanctity of marriage. In its affidavit to the Supreme Court, the government said that striking down Section 497 which provides for punishment only to a man for having extra-marital sexual ties with the wife of another man, will destroy the institution of marriage. The striking down section 497 of IPC and Section 198(2) of the CrPC will prove to be detrimental to the intrinsic Indian ethos which gives paramount importance to the institution and sanctity of marriage.
- Why section 497 should be scrapped? First, the very premise is against women's autonomy and dignity. Second, even if the argument is that marriage as an institution must not be breached, it is not understandable why an unmarried woman having sex with a married man should not be culpable. Third, criminalisation as a rule doesn't work in practice in altering social behaviour.
- No marriage or alliance can take away one's right over one's own body. Therefore, while the law on adultery as it is today in the IPC is discriminatory on the ground of sex, the very existence of adultery in the criminal statute is violative of the fundamental right to life and to live with dignity.
- Marriage is both, a sacrament and a civil contract and the society has certain notions about the same. Yet, it is not a standard form contract. The spouses are and should be at a liberty to choose their own terms of the contract. Therefore, whether they allow each other to have or maintain sexual relations with third parties should be at the sole discretion of the parties alone. Punishment to the person committing adultery is not and cannot be a remedy for a person aggrieved of adultery.
- Many countries have decriminalised adultery. IPC is the creation of England when they ruled over India for nearly 200 years and it is they who inserted Section 497 as a penal offence. It is high time that this law is revisited even in India and amended to meet the present circumstances. Either both of them should be punishable or no one. It cannot be anybody's case that the man alone should be sent behind bars for committing adultery while the woman be held just



not liable at all and allowed to escape unpunished and unchecked.

Urban Waste Mountain: A Silent Problem

Q6. "Though India is moving towards the concept of smart cities, yet waste management remains a major concern for the authorities". In the light of the above statement, discuss the emerging crisis of "mountains of garbage" and its possible solutions.

Hints:

- The Supreme Court recently admonished the Lieutenant Governor of Delhi for the garbage piles dotting the National Capital, saying rubbish heaps at dumping sites in Delhi are all set to cross the height of Qutub Minar. The Supreme Court noted that the height of garbage has crossed three times the permitted limit. The mountain of waste at Ghaziabad was 62 metres high during the previous hearing of the court, now it is 65 metres. Qutub Minar is over 70 metres tall.
- Landfills are sites designated for dumping rubbish, garbage, or other sorts of solid wastes. Historically, they are the most common means of disposing solid waste which is either buried or left to pile in heaps. The growing production and use of consumer goods after 'liberalisation' in 1991 is one of the reasons behind the start of generation of wastes by Indians.
- In particular, plastic pollution has been on the rise in the first decade of this century due to rapid urbanization and population growth and most of the used plastic materials simply end up in the landfills. In most urban areas, plastics form the greater part of the landfills and constitute about 80% of all the municipal waste.
- There are more than ten toxic gases emitted from landfills, of which methane gas is the most serious. Methane gas is naturally produced during the process of organic matter decay. The methane expelled during the decomposition of organic matter in unmanaged landfills has the potential of trapping solar radiation 20 times more effective than carbon dioxide.
- The economic and social cost of landfill management is very high. From the management of the gases coming out of the landfills to groundwater contamination management and ensuring compliance with environmental regulatory policies drains a lot of the municipality's and tax payer's money in terms of integrated waste management.
- Landfill management will always remain a major environmental if communities don't embrace the

need of recycling, reducing and reuse. The increased demand of manufactured products is what increases the final waste products that end up in the landfill. In this view, the use of recycling systems for electronic wastes, plastics, paper, metal, glass and other non-biodegradable materials can provide an effective means of reducing the landfill effects. Reducing our demand for manufactured products and embracing reuse can equally favor reduction to both the toxicity and volume of waste that end up in the landfill as waste.

- There has been technological advancement for processing, treatment and disposal of solid waste. Energy-from-waste is a crucial element of Solid Waste Management (SWM) because it reduces the volume of waste from disposal also helps in converting the waste into renewable energy and organic manure. Ideally, it falls in the flow chart after segregation, collection, recycling and before getting to the land fill. But many waste to energy plants in India are not operating to their full potential.
- While India is moving towards Smart Cities but still we are stuck at managing solutions for solid waste management. Civic bodies have to redraw long term vision in solid waste management and rework their strategies as per changing lifestyles. They should reinvent garbage management in cities so that we can process waste and not landfill it (with adequate provisioning in processing and recycling). To do this, households and institutions must segregate their waste at source so that it could be managed as a resource. There is no spare land for dumping garbage, the existing ones are in a critical state.
- It is reported that almost 80 per cent of the waste at Delhi landfill sites could be recycled provided civic bodies start allowing rag-pickers to segregate waste at source and recycle it. Compost pits should be constructed in every locality to process organic waste. Community participation has a direct bearing on efficient waste management. Recovery of e-waste is abysmally low, we need to encourage recycling of e-waste on a very large scale level so that problem of e-waste disposal is contained.

World's Sixth Largest Economy: Growing Muscles of India

Q7. 'India has become the world's sixth-biggest economy but it has a long way to go'. Discuss the challenges and opportunities for India in the light of above statement.



Hints:

- India has become the world's sixth-biggest economy, pushing France into seventh place, according to updated World Bank figures for 2017. India's gross domestic product (GDP) amounted to \$2.597 trillion at the end of last year, against \$2.582 trillion for France. The US remains the world's largest economy with a GDP of \$19.39 trillion, followed by China (\$12.23 trillion), Japan (\$4.87 trillion), Germany (\$3.67 trillion) and the United Kingdom (\$2.62 trillion).
- Indian economy had slowed down last year due to transitory shocks like demonetisation and the chaotic implementation of the national Goods and Services Tax (GST), but has since bounced back. India's growth accelerated to 7.7 per cent in the quarter ended March, up from 7 per cent in the previous quarter helped by higher government spending and investment. Better still, last month, the World Bank forecast a growth rate of 7.3 per cent for India this year and 7.5 per cent for the next two years, making it the fastest growing country among major emerging economies.
- But the outlook in terms of per capita GDP is rather dismal since India boasts a population of around 1.34 billion and according to a 2017 UN report, is likely to surpass China as the world's most populous country around 2024. Despite India's per capita GDP rising to \$7,170 in 2017, up from \$6,690 the previous year, it only ranks 126th in the world. And France, with a population of 67 million, reportedly boasts a figure roughly 20 times higher than us.
- GDP is defined as the total value of goods or services produced within a country's borders in a specific time. GDP is nothing but the total output of the economy of a country in a year. It can thus be an accurate measure of the nation's income, expenditure or output. Nominal GDP does not take into account the differences in the cost of living in different countries, and hence the results may vary depending upon the currency exchange rates. The rankings might change, even though they make little or no difference to the standard of living of the country's population.
- India is the world's largest youth population, but isn't yet fully capturing this potential demographic dividend – over 30% of India's youth are NEETs (not in employment, education or training), according to the OECD.

- India's richest 1% own 53% of its wealth, up from 36.8% in 2000. The rise in inequality is compromising the pace at which India is lifting people out of extreme poverty. About one-third of the world's population living on under US\$1.90 lives in India some 224 million people. Oxfam calculates that if India were merely to stop inequality from growing further, it could lift 90 million more people out of extreme poverty by 2019.
- Three meta-challenges: addressing inefficient redistribution; accelerating the limited progress in delivery of essential public services, especially health and education; and correcting the ambivalence toward property rights, the private sector, and price incentives need consideration.
- It is clear that providing India's young and burgeoning labor force with good, high productivity jobs will be priority. An effective response will encompass multiple levers and strategies, above all creating a climate for rapid economic growth. Fertility reduction also boosts long-term growth because parents and governments are able to put more educational, financial, and emotional resources into raising a smaller number of children and gives a country whole generation of adults who can go to work instead of having to stay home to take care of multiple children.
- The current account vulnerability requires raising the trajectory of export growth. Reviving manufacturing and making the sector internationally competitive have been the twin goals of the 'Make in India program', underpinned by a strategy of reducing the costs of doing business can solve the problem.
- Healthy and educated individuals, with the ability to adapt and learn on an ongoing basis, need to be the core of the future labour force. Those individuals must include high numbers of women; for this to happen, they will need to have a status and role comparable to men. India's economy would have much to gain from getting more women into the workforce
 - India should move forward on path of cooperative federalism and inclusive growth and focus far more on institutional development and investing in human capital. Such interventions are likely to yield far superior returns to the status quo and help our people sustain themselves with a degree of comfort and dignity, even as we try to converge with income levels of advanced countries. If these objectives are achieved, India would regain its status as the fastest growing major economy.

SEVEN IMPORTANT NATIONAL & INTERNATIONAL NIEWS

NATIONAL

1. Multimodal Terminal in Varanasi

The Inland Waterways Authority of India (IWAI) has claimed that the Rs 169.59 crore multi-modal terminal (MMT) being built at Varanasi under Jal Marg Vikas Project (JMVP) will be completed by November. It is set to emerge as a major logistics gateway connecting North India to the Eastern and North-Eastern states, extending up to Bangladesh. The terminal will help correct India's transport modal mix that imposes huge logistics cost on the economy.

The terminal will have road and rail connectivity with proposed links on

NH-7 and Jeonathpur railway station, respectively. It will have facilities such as berthing space for two vessels simultaneously, storage area, transit shedand parking areas, among others. The Varanasi terminal will enable movement of cargo from Ludhiana in Punjab to Haldia in West Bengal and further East.

NW-1, along with proposed EDFC and NH-2, constitutes the Eastern Transport Corridor of India connecting the National Capital Region (NCR) with the Eastern and North-Eastern states and will function as a link to

Bangladesh, Myanmar, Thailand, Nepal and other East and South-East Asian countries through the Kolkata port and Indo-Bangladesh protocol route.

Currently, a large portion of cargo from north India is transported to the ports of Kandla and Mumbai through land routes at high cost, and there is much reluctance of the shippers to transport the cargo to the eastern ports of Kolkata, Dhamra, and Paradip.

The government is developing NW-1 with technical and financial assistance of the World Bank at an estimated cost of Rs 5,369 crore.

2. Prevention of Corruption (Amendment) Act, 2013

In a move aimed at providing relief to bankers and helping them take business decisions without fear, the Rajya Sabha has passed the Prevention of Corruption (Amendment) Act, 2013. It comes at a time when bankers are facing intense scrutiny for their lending decisions with many former and current bankers arrested by investigative agencies over loans that have now turned non-performing. Bankers have been awaiting the amendments for a long time and have argued that they should not be prosecuted for lending decisions made honestly. The Prevention of Corruption (Amendment) Bill, 2013 amends the archaic Prevention of Corruption Act, 1988. The bill will now go to the Lok

Sabha for the Lower House's nod.

Key Highlights

- The Bill introduces the offence of 'giving a bribe' as a direct offence. However, a person who is compelled to give a bribe will not be charged with the offence if he reports the matter to law enforcement authorities within seven days.
- The Bill redefines the provisions related to criminal misconduct to only cover two types of offences:

 (i) fraudulent misappropriation of property; and (ii) illicit enrichment (such as amassing of assets disproportionate to one's known sources of income).
- Before a police officer conducts any investigation into an offence alleged to have been committed by a public servant, prior approval of the relevant government or competent authority should be taken. Such approval would not be necessary in cases which involves the arrest of a person on the spot on the charge of taking a bribe.
- The amendment to the Prevention of Corruption Act, 1988 was necessitated from the obligation of India to review the existing provisions of the Act so as to bring it in line with the United Nations Convention against Corruption (UNCAC).





3. Fugitive Economic Offenders Bill-2018

The Lok Sabha has passed the Fugitive Economic Offenders Bill, 2018, which seeks to bring back white collar criminals, who have fled the country, to face trial in India. The government has been facing severe criticism from opposition parties for its failure to prevent economic fugitives from fleeing the country. When the bill becomes law, it will empower the centre to seize both local and overseas assets of alleged offenders, such as Vijay Mallya, Nirav Modi and Mehul Choksi, who chose not to return to India to face the law even after arrest warrants were issued.

Key Highlights

 It will curb the practice of evading the criminal prosecution by the

- economic offenders who flee from the country to stay out of the jurisdiction of Indian courts.
- It will give the right to the government to confiscate the property of such economic offenders in India and abroad. The Bill will also be applicable on the proxy-owned properties of the economic offenders.
- It defines the economic offenders as those against whom a legal warrant has been issued, but they refuse to adhere to the summons of the legal authorities.
- The law balances itself with a provision that allows the accused to file an appeal in the High Court to state their case.

The Bill keeps the banks and other financial institutions at the Centre and seeks to help them recover the amount. The Bill will only be used for economic offences over Rs 100 crores.

The Bill is expected to re-establish the rule of law with respect to the fugitive economic offenders as they would be forced to return to India to face trial for scheduled offences. This would also help the banks and other financial institutions to achieve higher recovery from financial defaults committed by such fugitive economic offenders, improving the financial health of such institutions.

4. Assam Bill against Witch-hunt

In order to put an end to harmful superstitious beliefs, President of India has approved the Assam Witch Hunting (Prohibition, Prevention and Protection) Bill, 2015 effectively converting it to an Act. It took nearly three years for the Bill to be converted into an Act after it was passed by the Assam's state assembly. The bill which was proposed to impose a fine of up to Rs. 5 lakh along with imprisonment of up to seven years for branding a person as a witch has now become an act. It is a very old problem in Assam wherein

a woman is branded as a witch and killed according to their old tradition. A staggering a number of 193 people-114 women and 79 men- have been tagged as a witch and killed between 2001 and 2017.

- The Act would be imposed, along with Section 302 of the Indian Penal Code (IPC), if someone is killed after being branded as witch.
- The punishment for leading a person to commit suicide after intimidating, stigmatising, defaming a person may be

- extended to life imprisonment, along with Rs. 5 lakh fine.
- The Act also talks about various measures that the administration and police should initiate, along with NGOs and civil society, to educate people about witchhunting.
- It also entails that the fine realised as punishment for an offence shall be paid to the victim or his/her next of kin as compensation.

5. National Database of Arms Licences System

The Ministry of Home Affairs has issued a notification according to which all the arms licence holders, new or old, will be included in a national database of arms licenses system and they will be issued a

unique identification number (UIN) as well starting April next year. The move is aimed at keeping a tab on authorised private gun holders, many of whom are often found involved in crimes and celebratory

firing leading to loss of lives. Every licensing and renewing authority will have to enter the data in the National Database of Arms Licenses system. Any arms licence without UIN shall be considered invalid.



- Additionally, any existing licensee holding multiple licenses – under Form III – shall on or before April 1 make an application for grant of a single license in respect of all firearms held by him or her under his or her UIN to the concerned licensing authority.
- Where the applicant applying for a licence for restricted category of arms or ammunition is also a holder of a licence for permissible
- category, or where the applicant applying for permissible category of arms or ammunition is also a holder of a licence for restricted category, the licensing authority concerned shall issue a new licence for restricted or permissible category of arms or ammunition under the existing UIN of the licensee.
- Separate licence books will be generated in case of each licence,

separately for restricted and permissible categories of arms and ammunition with an overall ceiling of three firearms under a single UIN.

Under Section 3 of the Arms Act, it is essential to obtain an arms possession licence issued by a competent licensing authority, by any person for acquisition, possession or carrying any firearms or ammunition.

6. World's First Remotely Operable Microscope

IIT Madras has launched "world's first" remotely operatable microscope that would enable a precise atom-by-atom view of a material. It is claimed to be world's first remotely operable LEAP microscope, as it can be remotely operated through special terminal by researchers divided geographically. The microscope also enables a true three-dimensional (3D) atomic scale reconstruction which would

impart a major thrust to research in nanotechnology, among other fields.

LEAP is high-performance microscope that can provide a precise atom-by-atom view of materials. It provides atomic-scale insights into metallic, which will influence wide spectrum of industries ranging from steel to automobiles and energy to transportation sector. It will also give major thrust to research in

nanotechnology, among other fields. LEAP allows the user to extract atoms from materials sequentially and is detected using a Time of Flight Mass spectrometer. This facility will be able to provide atomic-scale insights into metallic materials thereby impacting a wide spectrum of industries ranging from steel to automobiles and energy to transportation sector.

7. No Confidence Motion

For the first time in 15 years, the Lok Sabha held a debate on a no-confidence motion, moved by the TDP and the Congress, which the NDA government won comfortably. The motion for want of confidence in the council of ministers was defeated by the government with 325 votes, against 126 votes for the motion from the opposition.

About Motion

In parliamentary parlance it means any formal proposal made by a member for the purpose of eliciting a decision of the House. If adopted (voted), it amounts to expressing the will of the House. Any matter of importance can be the subject of a motion.

What is a Motion of Noconfidence?

It can be moved only in the Lok Sabha. If the government has to demonstrate its strength on the floor of the House, it can have a motion of confidence. However, the opposition parties (or any member) can move a motion expressing want of confidence (no confidence) in the Council of Ministers. The procedure is laid down under Rule 198 of the rules of procedure and conduct of business of the Lok Sabha. A no-confidence motion need not set

out any grounds on which it is based. Even when grounds are mentioned in the notice and read out in the House, they do not form part of the noconfidence motion.

No-confidence Procedure

The Speaker's permission is required first; and the motion has to be supported by at least 50 MPs. Sometimes the Speaker can refuse to admit the motion too. The Speaker then sets day/days within the next 10 days and also allots time for members.

Current Affairs : Perfect 7



INTERNATIONAL

1. India's Mission to Arctic

Three decades after its first mission to Antarctica, the government of india is refocusing priorities to the other pole — the Arctic — because of opportunities and challenges posed by climate change. Now, India only has one Arctic observation station near Norway.

India has renamed the National Centre for Antarctic and Ocean Research (NCAOR) — since 1998, charged with conducting expeditions to India's base stations to the continent — as the National Centre for Polar and Ocean Research. It's also in talks with Canada and Russia, key countries with presence in the Arctic Circle, to establish new observation systems.

India is already an observer at the Arctic Council — a forum of countries that decides on managing the region's resources and popular livelihood and, in 2015, set up an underground observatory, called IndARC, at the Kongsfjorden fjord, half way between Norway and the North Pole.

Need

A big worry for India is the impact of melting sea ice on the monsoon. Over the years scientists across the world are reporting that the rapid ice-melt in the Arctic is leading to large quantities of fresh water into the seas around the poles. This impedes the release of heat from the water and directs warm

water into the seas around India, the theory goes and eventually weakens the movement of the monsoon breeze into India.

Other Fact

Along with the Arctic, India's earth sciences community also views the Himalayas as a "third pole" because of the large quantities of snow and ice it holds and proposes to increase research spends towards understanding the impact of climate change in the Himalayas. It has already established a high-altitude research station in the Himalayas, called HIMANSH, at Spiti, Himachal Pradesh.

2. First 2+2 Dialogue

The inaugural 'two-plus-two dialogue' between India and the US will be held on September 6 in New Delhi. Last month, the US had postponed the much-awaited dialogue due to "unavoidable reasons."

About 2+2 Dialogue

The dialogue was announced in 2017 during Prime Minister Narendra Modi's meeting with President Donald Trump at the White House. The dialogue mechanism includes defence and

foreign ministers of the two countries. It replaced India-U.S. Strategic and Commercial Dialogue for trade and commercial issues.

The objective of this dialogue mechanism is to raise defence and security issues to the forefront and centre of the relationship between India and the U.S. It is to focus on "strengthening strategic, security and defence cooperation" between the two countries. It will also enhance peace and stability across the Indo-Pacific region by elevating strategic consultations in the dialogue.

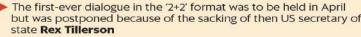
Does India have a similar '2+2' with any other country?

At the ministerial level, this is the first time that India will be holding a '2+2' dialogue with any country. At secretarial level, however, India has had similar '2+2' dialogue with other countries.

China, Iran may top the agenda



Foreign minister
 Sushma Swaraj and
 defence minister
 Nirmala Sitharaman
 will hold talks with US
 secretary of state
 Mike Pompeo and
 defence secretary
 James Mattis



- ▶ Discussion likely on China and its role in the region, say experts
- India may ask the US to take a more balanced view of New Delhi buying the S-400 Triumf missile defence system from Russia
- ▶ India may also ask the US to take a more objective look at its ties with Iran
- On defence sector, the US could push India to sign some key pacts for easier transfer of technology

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Current Affairs : Perfect 7



3. NASA's New Toolkit

NASA has released a new toolkit which aims to improve access to its satellite data for use in commercial projects. NASA's raw satellite data is widely available at no cost and includes petabytes of information collected by its Earth observation satellites. The new remote sensing toolkit will allow users to quickly find, analyse and apply the most relevant of this data for their own uses - whether they are conducting research or using the data for a business.

NASA's **Technology** Transfer programme will host tutorials to help acquaint users with the remote sensing toolkit. The variety of open source tools created to access, analyse and utilise the data from these satellites is familiar to millions of science users, but accessing and utilising this data remains daunting for many potential commercial users. The NASA Technology Transfer programme reviewed more than 50 websites

and found that no source provided comprehensive collection information or a single access point to begin a search. This prompted the US space agency to introduce the remote sensing toolkit.

Remote Sensing Toolkit will help grow the number of users who put NASA free and open data archive to work for people.

4. Myanmar: 68th Member of ISA

Myanmar has joined the Indiainitiated International Solar Alliance (ISA). It became 68th signatory to the framework agreement of the ISA that rich countries to address aims for optimum utilisation of solar energy.

About ISA

It was launched by Prime Minister Narendra Modi and then French President Francois Hollande at the

Paris climate summit in 2015. The ISA was conceived as a coalition of solar resourcetheir special energy needs and provide a platform to collaborate on dealing with the identifiedgaps through a common, agreed approach. It is open to all 121 prospective

member countries falling between the



Tropics of Cancer and Capricorn.

5. Unmanned Automatic Weather Observation Station

China has installed an unmanned automatic weather observation station near its border with India in Tibet to support its army in the event of a live fire conflict with India. Beijing is planning to set up more such facilities in future in the plateau bordering India as part of its plans to develop infrastructure in the Tibetan region.

The station along the Indian border is situated at Yumai township under Lhunze county of Shannan Prefecture in Tibet and could provide data to help with transportation and communication in national defence.

The station will provide meteorological support for China's defence and further promote border development as well as military-civilian integration. The station can observe six factors, including air temperature, air pressure, wind speed, wind direction, humidity and precipitation, with more accuracy than before.

Need

Regional weather is an important factor that could influence the take-off and landing of aircraft and the launch of missiles during a battle particularly



in Tibet where adequate air pressure is necessity for such activities. A small weather observation station could provide such information.

Current Affairs : Perfect 7



6. First-ever Global Compact for Migration

For the first time ever, United Nations member states, except the U.S., have agreed on a deal to better manage international migration, address its challenges, strengthen migrant rights and contribute to sustainable development. Known as the Global Compact for Migration, the agreement will be formally adopted by world leaders in Morocco in December.

This comprehensive framework comprises a range of objectives, actions and avenues for implementation, follow-up and review all aimed at facilitating safe, orderly and regular migration, while reducing the incidence and impact of irregular migration. It does not encourage migration, nor does it aim to stop it. It is not legally binding. It does not dictate. It will not impose. And it fully respects the sovereignty of States.

It can guide us from a reactive to a proactive mode. It can help us to draw out the benefits of migration and mitigate the risks. It can provide a new platform for cooperation. And it can be a resource, in finding the right balance between the rights of people and the sovereignty of States. Over 250 million migrants worldwide account for 3% of the world's entire population, but contribute 10% of the global gross domestic production (GDP).

Migrants remittance is huge contributor to their home countries' development. It is meant to be consistent with target 10.7 of the 2030 Agenda for Sustainable Development – in which member states committed to cooperate internationally to facilitate orderly, safe and responsible migration.

7. Israel Adopted Jewish Nation-State Law

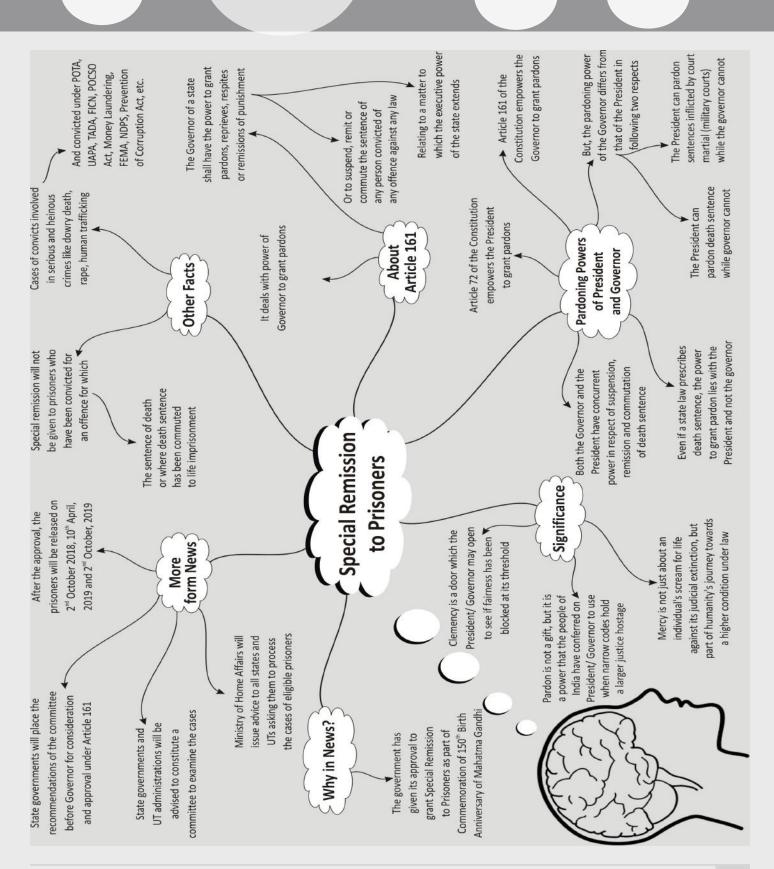
Israel's parliament has adopted a law defining the country as the nation state of the Jewish people, provoking fears it could lead to blatant discrimination against Arab citizens. The bill also strips Arabic of its designation as an official language, downgrading it to a "special status" that enables its continued use within Israeli institutions.

The law speaks of Israel as the historic homeland of the Jews and says they have a "unique" right to self-determination there. The legislation makes Hebrew the country's national language and defines the establishment of Jewish communities as being in the national interest. It also establishes the flag, the national symbol and anthem.

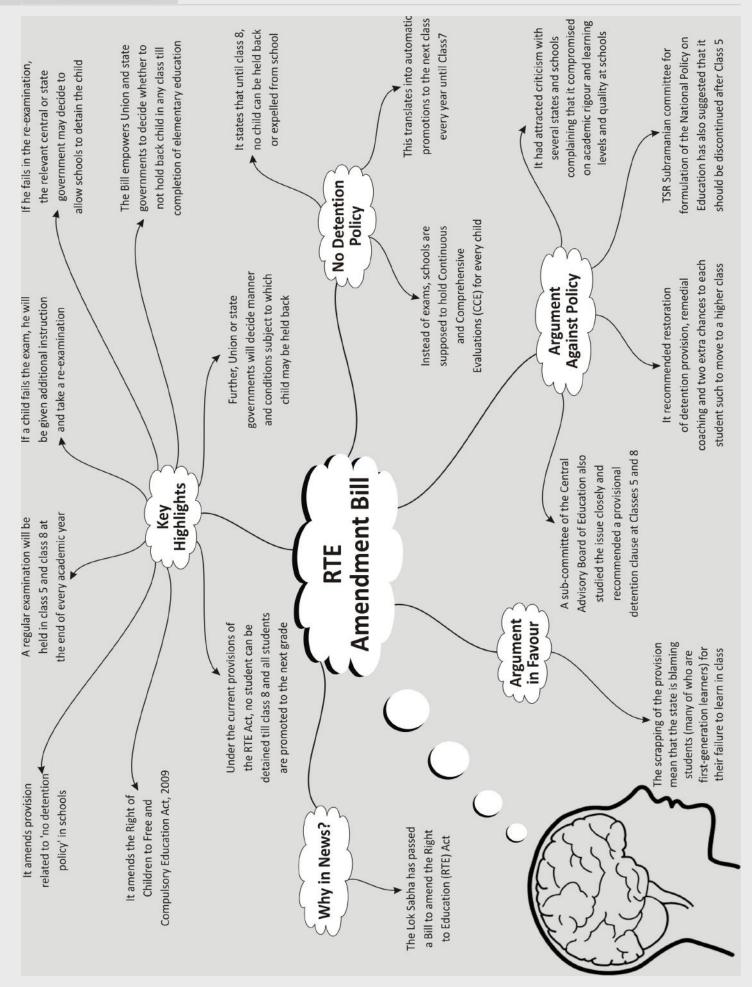
The legislation becomes part of the country's basic laws, which serve as a de facto constitution.

The passage of the law continues Israel's rightward shift in recent years amid frustration with failed peace agreements with the Palestinians and steady growth in settlement building in the occupied West Bank.

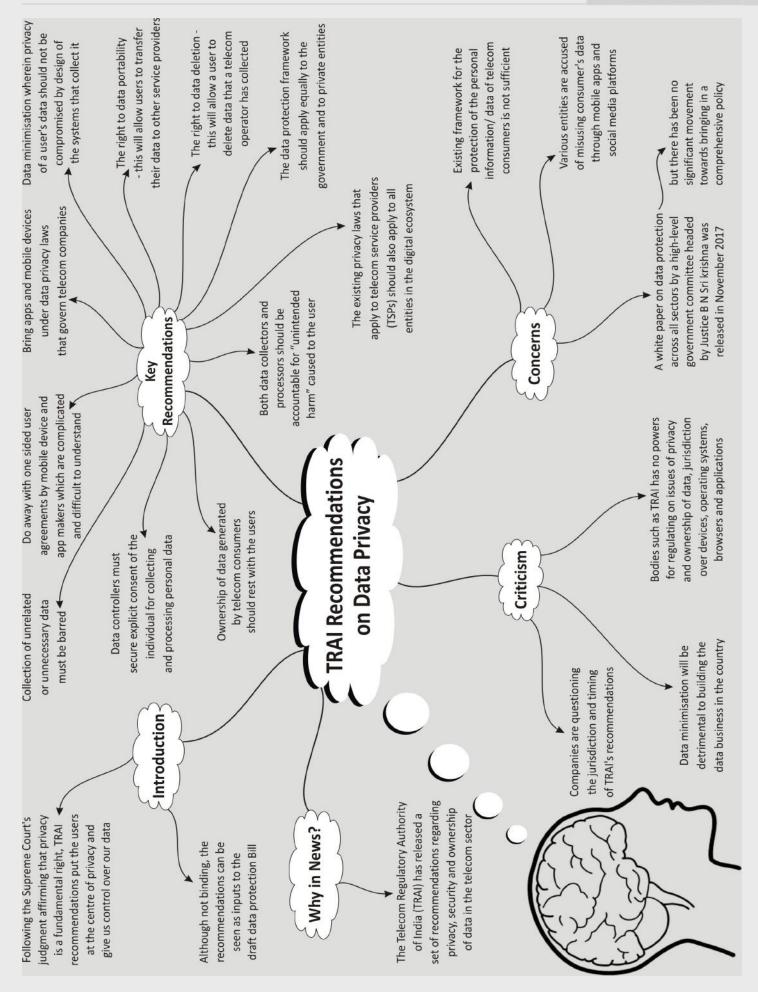
SEVEN BRAIN BOOSTERS



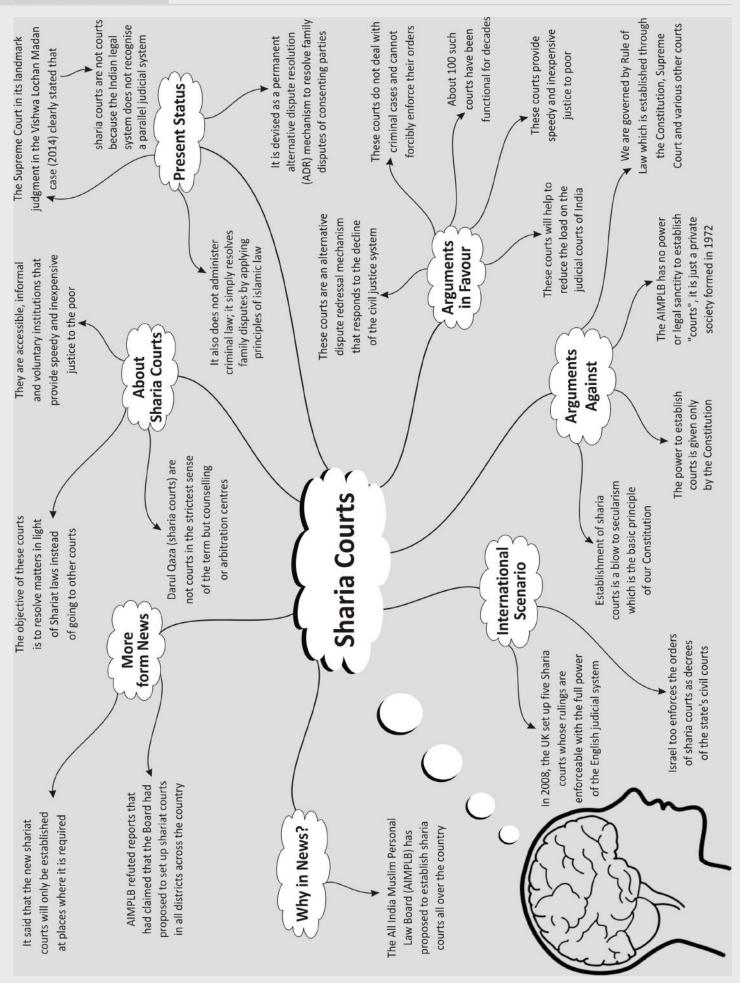




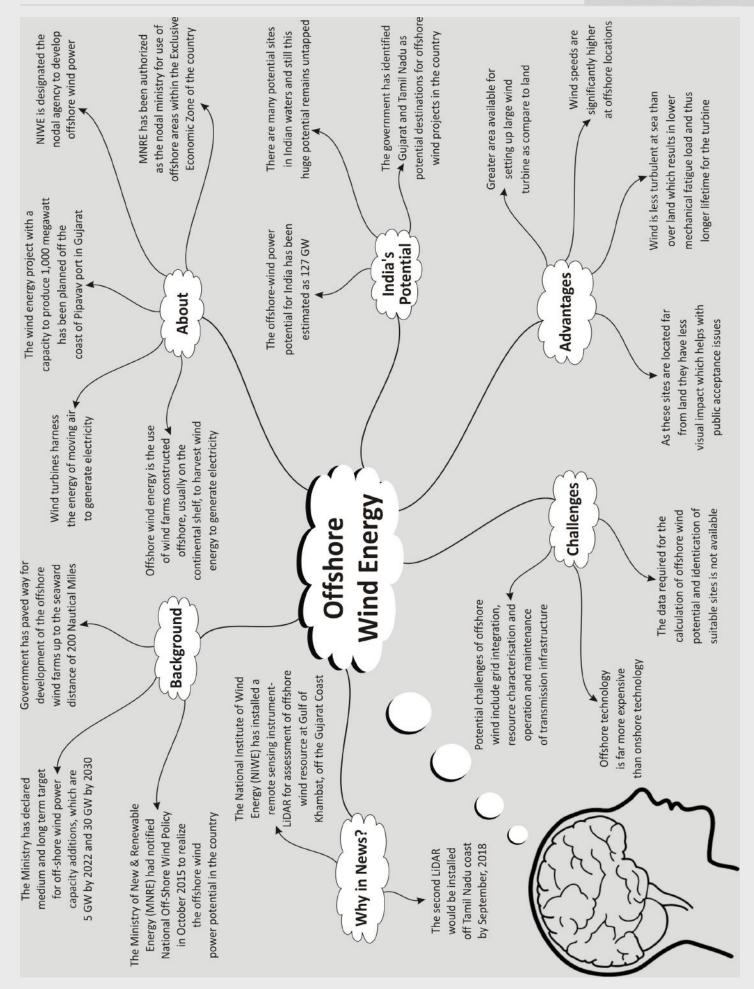




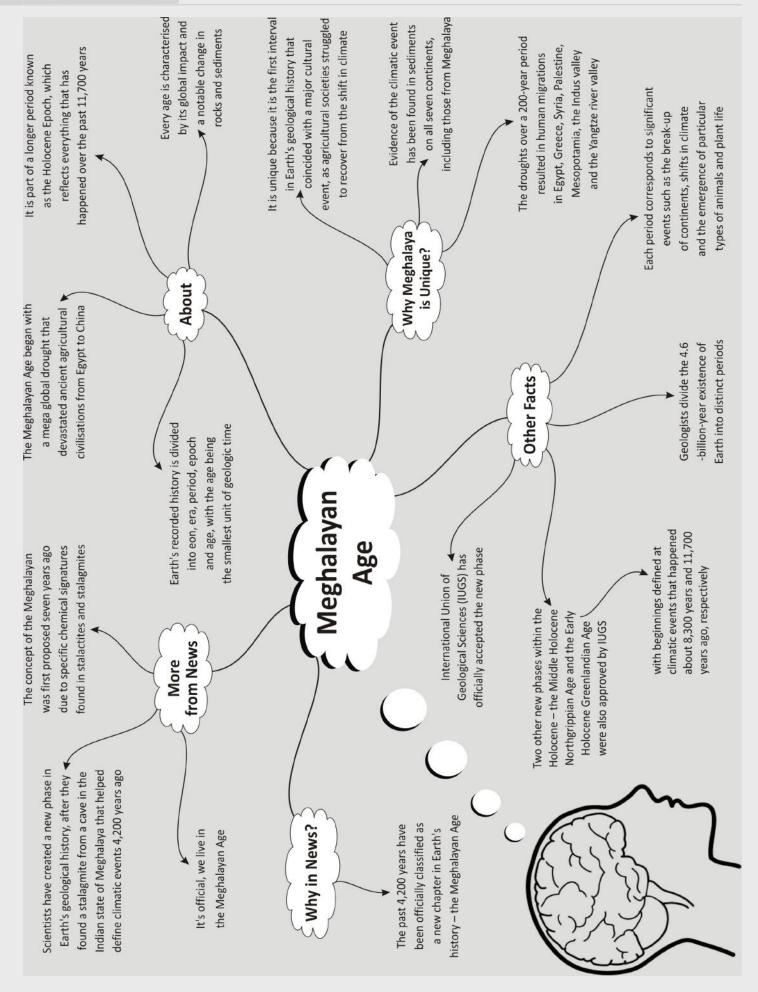




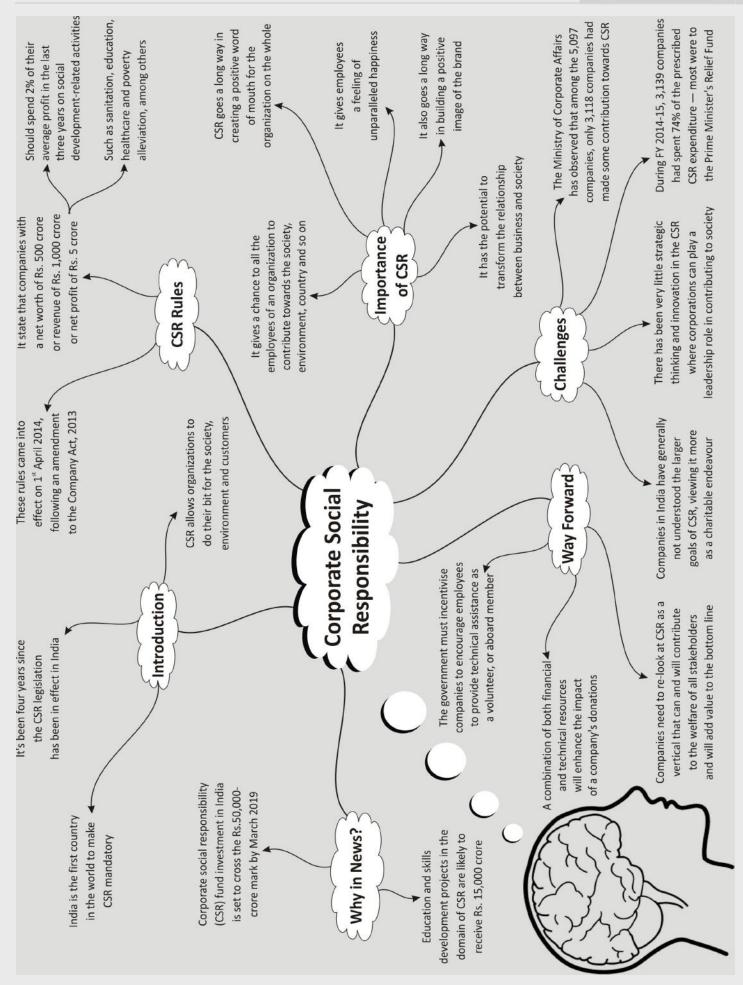












SEVEN MCO'S WITH EXPLANATORY ANSWERS (Based on Brain Boosters)

Special Remission to Prisoners

- Q1. Consider the following statements in respect of pardoning power of Governor:
 - The President can pardon sentences inflicted by court martial (military courts) while the governor cannot.
 - 2. Both President and Governor can pardon death sentence.

Which of the statements given above is/are correct?

a) 1 only

b) 2 only

c) Both 1 and 2

d) Neither 1 nor 2

Answer: (a)

Explanation: Statement 1 is correct. The governor can also grant pardons, reprieves, respites and remissions of punishment or suspend, remit and commute the sentence of any person convicted of any offence against a state law. But, the pardoning power of the governor differs from that of the President because the President can pardon sentences inflicted by court martial (military courts) while the governor cannot.

Statement 2 is not correct. The President can pardon death sentence while Governor cannot. Even if a state law prescribes death sentence, the power to grant pardon lies with the President and not the Governor.

RTE Amendment Bill

- Q2. Recently the Lok Sabha has passed a Bill to amend the Right to Education (RTE) Act. Consider the following statements in this regard:
 - 1. It will abolish the 'no detention policy' in schools.
 - 2. It will empower Union and state governments to decide whether to not hold back child in any class till completion of elementary education.

Which of the statements given above is/are correct?

a) 1 only

b) 2 only

c) Both 1 and 2

d) Neither 1 nor 2

Answer: (c)

Explanation: Both statements are correct. The Lok Sabha has passed a Bill to amend the Right to Education

(RTE) Act to abolish the "no-detention" policy in schools. No student can be detained up to class 8 under current provisions of the Act.

According to the amendment Bill, a child who fails in the final examination for Classes 5 and 8 will be given additional instruction and the opportunity to appear for a re-examination. If the child still does not pass, the state government may decide to detain them. However, no child can be expelled from school before he/she completes elementary education.

TRAI Recommendations on Data Privacy

- Q3. For the first time the Telecom Regulatory Authority of India (TRAI) has released a set of recommendations regarding privacy, security and ownership of data in the telecom sector. Consider the following statements in this regard:
 - 1. The TRAI has recommended the creation of a National Policy for Encryption.
 - 2. The recommendations of TRAI are binding in nature.

Which of the statements given above is/are correct?

a) 1 only

Answer: (a)

b) 2 only

c) Both 1 and 2

d) Neither1 nor 2

Explanation: Statement 1 is correct. Two areas where there are important recommendations from the TRAI are encryption and data breaches. On encryption, the TRAI has recommended the creation of a National Policy for Encryption and that personal data of mobile users should be encrypted during transfer, as well as when it is stored. All SMS and phone calls can be easily tapped using sniffers.

Statement 2 is not correct. The recommendations are not binding in nature. The views of the telecom regulator, have the potential to impact business conducted by companies such as Apple, Samsung, Google, Amazon and Facebook.

Sharia Courts

Q4. With reference to the sharia courts, consider the following statements:



- 1. The sharia court is devised as a permanent alternative dispute resolution (ADR) mechanism to resolve family disputes of consenting parties.
- 2. These are not courts because the Indian legal system does not recognise a parallel judicial system.

Which of the statements given above is/are correct?

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

Answer: (c)

Explanation: Both statements are correct. The Darul-Qaza sharia court is devised as a permanent alternative dispute resolution (ADR) mechanism to resolve family disputes of consenting parties. It does not issue fatwas. It also does not administer criminal law; it simply resolves family disputes by applying principles of Islamic law.

The Supreme court in its landmark judgment in the Vishwa Lochan Madan case (2014) clearly stated that sharia courts are not courts because the Indian legal system does not recognise a parallel judicial system.

Offshore Wind Energy

- Q5. Consider the following statements in respect of offshore wind energy:
 - 1. The government has set a target for offshore wind energy generation of 5 GW by 2022 and 30 GW by 2025.
 - 2. The National Institute of Wind Energy (NIWE) is designated the nodal agency to develop offshore wind power.

Which of the statements given above is/are correct?

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

Answer: (b)

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Explanation: Statement 1 is not correct. The Ministry of New & Renewable Energy had notified National Off-Shore Wind Policy in October 2015 to realize the offshore wind power potential in the country and declared medium and long term target for off-shore wind power capacity additions, which are 5 GW by 2022 and 30 GW by 2030.

Statement 2 is correct. The National Institute of Wind Energy (NIWE) is designated the nodal agency to develop offshore wind power.

Meghalayan Age

- Q6. Recently the 'Meghalayan Age' has been classified as newest phase in Earth's history. Consider the following statements in this regard:
 - 1. The new classification came after stalagmites on the floors of caves were discovered that were

- considered as a significant proof for the latest distinction.
- 2. It is the first formal geological subdivision of the Holocene epoch that began 11,600 years ago and extends to the present, into three ages: Greenlandian, Northgrippian and Meghalayan.

Which of the statements given above is/are correct?

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

Answer: (c)

Explanation: Both statements are correct. Geologists have classified the last 4,200 years as being a distinct Earth age and are calling it a new chapter -- the 'Meghalayan Age' - the onset of which was marked by a mega-drought that crushed a number of civilizations worldwide. The new classification came about after stalagmites on the floors of caves in the Northeastern Indian state of Meghalaya were discovered that were considered as a significant proof for the latest distinction.

The demarcation is significant for multiple reasons. It is the first formal geological subdivision of the Holocene epoch that began 11,600 years ago and extends to the present, into three ages: Greenlandian, Northgrippian and Meghalayan.

Corporate Social Responsibility

- Q7. With reference to the corporate social responsibility (CSR) in India, consider the following statements:
 - CSR activities include contribution to state government funds, funding of political parties, preventive healthcare and sanitation among others.
 - 2. CSR rules require companies with a net worth of Rs. 500 crore and above or revenue of Rs. 1,000 crore and above or net profit of Rs. 5 crore and above to spend 2% of their average net profit of the last three year.

Which of the statements given above is/are correct?

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

Answer: (b)

Explanation: Statement 1 is not correct. CSR activities include preventive healthcare, sanitation, providing safe drinking water, protection of national heritage, rural development projects and measures to benefit armed forces veterans, among others

Statement 2 is correct. CSR Rules require companies with a net worth of Rs 500 crore and above or revenue of Rs1,000 crore and above or net profit of Rs 5 crore and above to spend 2% of their average net profit of the last three years on social development, including sanitation, education and healthcare.

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SEVEN IMPORTANT FACTS FOR PRELIMS





–Chhattisgarh

2. Which country will host the 4th BIMSTEC Summit-2018?

-Nepal

3. India-assisted emergency ambulance service was launched in which nation?

–Sri Lanka

4. Which messenger application has restricted simultaneous message forwarding to five chats in India?

-WhatsApp

5. Which country took the seat vacated by United States at the UN Human Rights Council?

-Iceland

6. When was Nelson Mandela International Day observed?

-18th July

7. Which country recently declared a 60-day state of emergency on its border?

–Peru







SEVEN PERFECT QUOTES (IMPORTANT FOR ESSAY AND ANSWER WRITING)



"Everything has beauty, but not everyone sees it."



"The greatest kindness one can render to any man consists in leading him from error to truth."

-Thomas Aquinas

"Faith is to believe what you do not see; the reward of this faith is to see what you believe."

-Saint Augustine

"A fool is known by his speech; and a wise man by silence."

-Pythagoras

"If we can really understand the problem, the answer will come out of it, because the answer is not separate from the problem."

-Jiddu Krishnamurti

"Happiness is your nature. It is not wrong to desire it. What is wrong is seeking it outside when it is inside."

–Ramana Maharshi

"Men are mortal. So are ideas. An idea needs propagation as much as a plant needs watering.

Otherwise both will wither and die."

-Dr. BhimraoAmbedkar



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SEVEN PRACTICE QUESTIONS FOR MAIN EXAM



- Q1. The recent episodes of lynching are a national shame. Governments are always keen to write new laws as it frees them from the burden of actually attacking the underlying problem. Critically discuss why an anti-lynching law is the wrong solution.
- Q2. Two engines of the economy- investment and its productivity need to fire in order to boost Indian Economy. Discuss.
- Q3. Weaponised Artificial Intelligence (AI) is a clear and present danger. For human rights advocates and concerned citizens, investigating and controlling these uses of AI is one of the most urgent issues we face. Should we have a treaty ban on autonomous weapons? Discuss.
- Q4. With cities getting bigger and climate change threatening to bring more extreme weather, some scientists and politicians are proposing 'sponge cities'. What do you understand by 'sponge cities'? Discuss its relevance in the context of Indian cities.
- Q5. Volatility in prices, trade policy-induced uncertainties and climate change related resource stress has created a perfect storm in Indian farming. Discuss why farmer protests may be the new normal in India.
- Q6. Discuss the potential of Higher Education Commission of India (HECI) in improving the status of higher education in India.
- Q7. In a bid to achieve water security, china is establishing itself as a hydro-hegemon in the region. China has as a complete upper riparian power. Discuss its implications on India.

OOO



FACE-TO-FACE CENTRES

MUKHERJEE NAGAR

635, Ground Floor, Main Road Dr. Mukherjee Nagar, Delhi 110009, Ph: 011-47354625/26, +91 9205274741 / 42

RAJENDRA NAGAR

25B, 2nd Floor, Pusa Road, Old Rajendra Nagar, Metro Pillar Number 117, Ph: +91 9205274745 / 43

LAXMI NAGAR

1/53, 2nd Floor, Lalita Park, Laxmi Nagar, Delhi 110092, Ph: 011 43012556, +91 9311969232

ALLAHABAD

2nd & 3rd Floor, Shri Ram Tower, 17C, Sardar Patel Marg, Civil Lines, Allahabad-211001, Ph: 0532 2260189, +91 8853467068

LUCKNOW

A-12, Sector-J, Aliganj Lucknow, U.P., Ph: 0522 4025825, +91 9506256789

GREATER NOIDA

Plot No. 28/1A Knowledge Park III, Greater Noida, U.P. 201306, Ph: +91 9205336037, 38

LIVE STREAMING CENTRES

BIHAR - PATNA 9334100961, CHANDIGARH -8146199399 **DELHI & NCR**- FARIDABAD 9711394350, 01294054621, HARYANA-KURUKSHETRA 8950728524, 8607221300, YAMUNANAGAR 9050888338, MADHYA PRADESH - GWALIOR 9098219190, JABALPUR 8982082023, 8982082030, REWA 9926207755, 7662408099 PUNJAB- PATIALA 9041030070, RAJASTHAN- JODHPUR 9928965998, UTRAKHAND- HALDWANI 7060172525 UTTAR PRADESH- BAHRAICH 7275758422, BAREILLY 9917500098, GORAKHPUR 7080847474, 7704884118, KANPUR 7275613962, LUCKNOW (ALAMBAGH) 7570009004, 7570009006, LUCKNOW (GOMTI NAGAR) 7570009003, 7570009005, MORADABAD 9927622221, VARANASI 7408098888

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AN INTRODUCTION

Dhyeya IAS, a decade old institution, was founded by Mr. Vinay Singh and Mr. Q. H. Khan. Ever since its emergence it has unparallel track record of success. Today, it stands tall among the reputed institutes providing coaching for Civil Services Examination (CSE). The institute has been very successful in making potential aspirants realize their dreams which is evident from the success stories of the previous years.

Quite a large number of students desirous of building a career for themselves are absolutely less equipped for the fairly tough competitive tests they have to appear in. Several others, who have a brilliant academic career, do not know that competitive exams are vastly different from academic examination and call for a systematic and scientifically planned guidance by a team of experts. Here one single move may invariably put one ahead of many others who lag behind. Dhyeya IAS is manned with qualified & experienced faculties besides especially designed study material that helps the students in achieving the desired goal.

Civil Services Exam requires knowledge base of specified subjects. These subjects though taught in schools and colleges are not necessarily oriented towards the exam approach. Coaching classes at Dhyeya IAS are different from classes conducted in schools and colleges with respect to their orientation. Classes are targeted towards the particular exam. Classroom guidance at Dhyeya IAS is about improving the individuals capacity to focus, learn and innovate as we are comfortably aware of the fact that you can't teach a person anything, you can only help him find it within himself.

DSDL Prepare yourself from distance

Distance Learning Programme, DSDL, primarily caters the need of those who are unable to come to metros for economic or family reason but have ardent desire to become a civil servant. Simultaneously, it also suits to the need of working professionals, who are unable to join regular classes due to increase in work load or places of their posting. The principal characteristic of our distance learning is that the student does not need to be present in a classroom in order to participate in the instruction. It aims to create and provide access to learning when the source of information and the learners are separated by time and distance. Realizing the difficulties faced by aspirants of distant areas, especially working candidates, in making use of the Institute's classroom guidance programme, distance learning system is being provided in General Studies. The distance learning material is comprehensive, concise and examoriented in nature. Its aim is to make available almost all the relevant material on a subject at one place. Materials on all topics of General Studies have been prepared in such a way that, not even a single point will be missing. In other words, you will get all points, which are otherwise to be taken from 6-10 books available in the market/library. That means, DSDL study material is undoubtedly the most comprehensive and that will definitely give you added advantage in your Preliminary as well as Main Examination. These materials are not available in any book store or library. These materials have been prepared exclusively for the use of our students. We believe in our quality and commitment towards making these notes indispensable for any student preparing for Civil Services Examination. We adhere all pillars of Distance education.