

CURRENT AFFAIRS

WEEKLY

WEEK - 2
February, 2020

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🕒 RBI Introduces Long-term Repo Operations (LTRO)

ECONOMY

🕒 DeenanathKaulNadim

HISTORY

🕒 Operation Vanilla - Humanitarian Missions in OR, towards strengthening Soft Power

INTERNATIONAL RELATIONS

🕒 Interim Report Of 15th Finance Commission: Continuity and Fiscal Follow Through

🕒 Rajya Sabha Select Committee on Surrogacy (Regulation) Bill

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🕒 Kumbhabhishegam row: How the old Aryan-Dravidian tussle played out in an iconic Tamil Nadu temple

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🕒 Pradhan Mantri Matru Vandana Yojana

🕒 Purified Terephthalic Acid (PTA)

🕒 Proposed changes in definition of NRIs

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🕒 National Mission on Quantum Technologies & Applications (NM-QTA)

🕒 Vaccine to control classical swine fever

SCIENCE & TECH

🕒 DEFEXPO 2020

SECURITY

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The current affairs articles are segregated from prelims and mains perspective, such separation is maintained in terms of structure of articles. Mains articles have more focus on analysis and prelims articles have more focus on facts.

However, this doesn't mean that Mains articles don't cover facts and PT articles can't have analysis. You are suggested to read all of them for all stages of examination.

CURRENT AFFAIRS ANALYST

WEEK-2 (FEBRUARY, 2020)

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SECTION: A
(MAINS)

CURRENT AFFAIRS

RBI INTRODUCES LONG-TERM REPO OPERATIONS (LTRO)

CONTEXT

- Recently, the Reserve Bank of India (RBI) decided to introduce long-term repo operations (LTRO) and revised its liquidity management framework to facilitate the transmission of monetary policy actions and flow of credit to the economy.

ANALYSIS:

- The central bank will conduct **long-term repos operations (LTROs)** of **one- and three-year tenors** for up to a total amount of **Rs. 1 lakh crore** at the **policy repo rate**.
- LTROs conducted under this scheme will be **in addition to the existing** Liquidity Adjustment Facility (**LAF**) and Marginal Standing Facility (**MSF**) operations.
- Objective:** This is a direct incentive by RBI to boost credit growth, even as the monetary policy committee (MPC) earlier kept benchmark rates unchanged because of uncertainty in the inflation outlook.
 - Credit lending in the economy is at low levels. India's credit growth slowed to 7.1% in 2019.
- External Benchmark System:** Earlier, the central bank mandated all banks to link their floating rate loans to an external benchmark instead of the marginal cost-based lending rate (MCLR).
 - After the introduction of external benchmark system, most banks linked their lending rates for housing, personal and micro and small enterprises (MSEs) to the policy repo rate of the RBI.
- LTROs will be conducted on **CBS (E-KUBER) platform**.
- RBI's action is **reminiscent of the European Central Bank's (ECB's)** unequivocal promise of funds to the banking system in 2011.
- Measures used by RBI:**
 - Cash reserve ratio (CRR) norms were also eased** for new retail loans to improve credit flow.
 - Revised the liquidity management framework**, and finalized weighted average call rate (WACR) as the single operating target.
 - RBI also **abolished the daily variable rate reverse repo** and replaced it with a daily fixed-rate reverse repo.
- An Accommodative Monetary policy during 2019-20:** As on end January 2020, Monetary

Policy Committee (MPC) cut the repo rate by 110 basis points in four consecutive meetings. In its 5th meeting, MPC kept the repo rate unchanged.

- A repo rate cut means that RBI will lend money to commercial banks at a lower rate.
- A lower repo rate will reduce cost of borrowing for commercial banks.
- This incentivises commercial banks to lend money to businesses at a lower interest rate.
- At a lower rate of interest, businesses will borrow more, and more liquidity is injected into the economy.

A liquidity adjustment facility (LAF) is a tool used in monetary policy, primarily by RBI, which allows banks to borrow money through repurchase agreements (repos) or for banks to make loans to the RBI through reverse repo agreements. This arrangement manages liquidity and was introduced as a result of the Narasimham Committee on Banking Sector Reforms (1998). Marginal Standing Facility (MSF) is a new LAF window created by RBI in its credit policy of May 2011. MSF is the rate at which the banks are able to borrow overnight funds from RBI against the approved government securities.

ANALYSIS:

Why was External Benchmark System introduced?

- MCLR had replaced base rate regime:** The MCLR-based regime had replaced the earlier base rate regime to provide transparency in the transmission of monetary policy decisions.
- Marginal cost-based lending rate:** MCLR is an **internal benchmark rate** that depends on various factors such as fixed deposit rates, source of funds and savings rate. The price of loan comprises the MCLR and spread/profit margin of the bank.
- Problem with MCLR regime:** When RBI cut the repo and reverse repo rates, banks did not pass the full benefits to borrowers. It is not that banks did not cut their MCLR. They did albeit by a much lower percentage.

- ▶ MCLR system is opaque since it is an internal benchmark that depends on the way a bank does its business.
 - ▶ Due to internal benchmarking of loan price, policy rate cuts often don't reach the borrowers.
 - ▶ **Unmatched policy transmission:** In December 2019, one-year median MCLR has declined by 49 basis points since February while RBI cut the repo rate by 135 basis points cumulative in the same period.
 - **External Benchmark Regime:** Under the new regime, interest rate for floating loan will immediately respond to changes in repo rate or Treasury bill rate. Banks were free to choose from any of the external benchmark mentioned below:
 - ▶ RBI's policy repo rate
 - ▶ Government of India 3-Months Treasury Bill yield published by the **Financial Benchmarks India Pvt Ltd (FBIL)**
 - ▶ Government of India 6-Months Treasury Bill yield published by the FBIL
 - ▶ Any other benchmark market interest rate published by the FBIL
 - **Loans to medium enterprises also linked to external benchmark:** RBI has decided to link pricing of loans by scheduled commercial banks for the micro, small and medium enterprises to an external benchmark like the repo rate with effect April 1, 2020.
 - **Note:** Banks were free to charge a spread, i.e., margin and risk premium over and above the external benchmark.
- **Lower cost of funds for banks:** Funds are being given at the policy rate (repo rate), which is relatively cheaper than the prevailing market rates.
 - ▶ This will bring down cost of funds for banks without effectively cutting deposit rates.
 - ▶ It is expected to bring down short-term rates and boost investment in corporate bonds, as corporate borrowing rates will fall.
 - **Ensure Monetary Transmission:** It is an effort by the RBI to ensure better monetary policy transmission and make effective the transmission of earlier repo rate cuts.
 - **Manage bond yields:** This, along with other measures of RBI like 'Operation Twist' will help RBI manage bond yields.

Neutral Monetary policy: Neutral Monetary policy refers to central bank (read RBI) keeping such rate or range of rates, which are consistent with full employment, trend growth, and stable prices. An economy in this state doesn't need to be stimulated or slowed by a monetary policy.

Accommodative Monetary policy: An Accommodative monetary policy occurs when a central bank attempts to expand the overall money supply to boost the economy when growth is slowing (as measured by GDP).

What was the immediate impact of LTRO?

- **Fall in short-term bond yields:** Shorter duration government bond yields plunged on after RBI announced LTRO.

Benefits of LTRO

- **Increased flow of credit to productive sectors:** This should encourage banks to undertake maturity transformation smoothly and seamlessly so as to augment credit flows to productive sectors.
- **Improve growth:** This step demonstrates RBI's intent towards supporting growth.
- **Will act against inflationary pressures:** Given the elevated headline inflationary pressures, this measure will be an incentive for banks to lock medium-term funding at currently low (repo) rates.

CRR reduced for certain segments

- **CRR is currently at 4% of net demand and time liabilities (NDTL)** or a sum of the bank's deposits and borrowings.
 - ▶ Banks must set aside CRR with RBI, but do not earn any interest on it.

Why is RBI introducing LTRO now?

- **Increase liquidity in event on non-accommodative stance of MPC:** Keeping in view the inflationary pressures, MPC in its 5th meeting kept the repo rate unchanged. This gave RBI a chance to use other measures that are essentially outside the ambit of MPC.
 - ▶ To overcome the impact of an absent rate cut, and add impetus to the slowing economy RBI resorted to measure of LTRO.
- **Availability of durable liquidity:** Rs. 1 lakh crore will be injected into the banking system that will enable banks to reduce their lending rates.
 - ▶ The ₹1 trillion borrowed by banks under this special window will be locked in at the current repo rate of 5.15%.
 - ▶ Basically, this means banks can give the RBI government bonds and borrow money for 1 and 3 years at a fixed rate.

- ▶ The lower the CRR requirement, the better it is for banks, as they can lend that much more and earn interest on it.
- To improve credit flow, **RBI temporarily removed the cash reserve ratio (CRR)** for every new retail loan made to finance **automobiles, homes, and to small businesses**.
 - ▶ Cheaper money helps spur credit demand.
- This will make it attractive for banks to lend to retail and small businesses.
- **It essentially translates into a short-term cut in CRR.**
- This scheme will be available for new loans given till 31 July 2020.

Revised liquidity management framework

- **Surplus liquidity:** Liquidity in the banking system is currently estimated at a surplus of a massive ₹3.6 trillion.
- **Revised liquidity management framework:** RBI revised the existing liquidity management framework through which it ensures adequate liquidity in the system.
 - ▶ This was done so that sufficient credit is provided to all productive sectors in the economy, and excess liquidity in the system is channelized to supply adequate credit.
- **WACR as the single operating target:** According to the revised framework, RBI finalized weighted average call rate (WACR) as the single operating target. The call rate is the interest rate at which banks lend overnight money to each other.
 - ▶ RBI will ensure enough liquidity to **anchor the call rate at around the repo rate**.
 - ▶ This means that if the call rate inches above the repo rate, it would signal liquidity deficit and the central bank will bring its tools to infuse liquidity.
 - ▶ Similarly, if the call rate is below the repo rate, it would mean the banking system has surplus liquidity. In that case, the central bank can operate to suck out the liquidity through its operations.
- **No need to maintain 1% of NDTL:** With WACR being the single operating target, the liquidity provision of RBI to maintain 1% of net demand and time liabilities (NDTL), does not arise.
 - ▶ Hence, RBI withdrew the current provision of maintaining assured liquidity of 1% of net demand and time liability (NDTL).

- **Introduced a variable 14-day term repo/reverse repo operation:** Under the new framework, RBI has withdrawn the daily fixed rate repo and 14-day term repos and, instead, introduced a variable 14-day term repo/reverse repo operation, which will be conducted to coincide with the cash reserve ratio maintenance cycle.
 - ▶ Owing to surplus liquidity, banks participate in lending excess reserves to RBI in exchange of G-Sec.
 - ▶ Earlier banks used to dump unlimited amounts of excess cash with the RBI at daily fixed reverse repo rates.
 - ▶ Within the new framework, now banks have to decide every 14 days how much excess cash they will need for CRR and other purposes and lend the balance for 14 days to RBI.
 - ▶ Many banks will be afraid to give away all their excess cash to RBI for 14 days fearing demand coming up.
 - ▶ Hence, they will park relatively less money with RBI and more money will be available for supply of credit.
- The introduction of LTRO is likely to **make reverse repo rate as the operative policy rate** over a point of time.
 - ▶ It can be seen through WACR's recent drifted towards the reverse repo rate (lower bound), effectively bringing down cost of bank funds just as a rate cut would have.

Liquidity management corridor Under the new framework, the earlier **liquidity management corridor** is retained, with the marginal standing facility (MSF) rate as its upper bound (ceiling) and the fixed rate reverse repo rate as the lower bound (floor), with the policy repo rate in the middle of the corridor.

CONCLUSION

- RBI introduction of LTRO is more of a credit policy than monetary policy. Monetary policy's effectiveness in driving credit and overall growth is limited, keeping in mind that the inflation is currently high. It needed some direct measures to ensure credit reaches to the sectors where there is requirement.

RAJYA SABHA SELECT COMMITTEE ON SURROGACY (REGULATION) BILL

CONTEXT

- The Rajya Sabha Select Committee has recommended 15 major changes in Surrogacy (Regulation) Bill, 2019.

◎ BACKGROUND

- The roots of Indian surrogacy have its traces in the history and provided evidence of being a century-old procedure.
- The procedure became a successful practice in India with the birth of the world's second and India's **first IVF baby Kanupriya alias Durga** who was born in Kolkata on October 3, 1978.
- The business of commercialized surrogacy in India began in 2002, and the country quickly became one of the top surrogacy destinations for foreign couples.
- First effort to regularize this sector was done in 2005 when the Indian Council for Medical Research (ICMR) gave first guidelines for accreditation, supervision and regulation of ART clinics.
- In 2008 Supreme Court of India stressed the need of legislation to govern the surrogacy.
- Then in 2009 Law Commission of India submitted **228th Report** on the need for legislation to control surrogacy and strongly recommended for prohibiting commercial surrogacy and allowing ethical altruistic Surrogacy services by enacting a suitable legislation.
- In 2010 ICMR revised the guidelines and proposed a legal agreement between commissioning parent, prospective surrogate and ART clinic before commencing the process.
- In 2015 Ministry of Health and Family Welfare invited suggestions to revise the draft of the ART bill which is still pending.
- In 2015 Government of India prohibited commercial surrogacy and closed the doors for foreign nationals, NRI and POI.
- In 2019, the Surrogacy (Regulation) Bill was passed by the Lok Sabha but had to be referred for re-assessment to the 23-member select committee on November 21, 2019, as several Rajya Sabha members found certain clauses contentious such as allowing only altruistic surrogacy with a near relative as a surrogate.
- For now, surrogacy is in the process of being regulated, with commercial surrogacy is completely prohibited.

◎ ANALYSIS:

What is Surrogacy?

- Surrogacy is a method of **assisted reproduction** where **intended parents** work with a **gestational surrogate** who will carry and care for their baby(ies) until birth.

- In the practice, one woman carries the child for another with the intention that the child should be handed over after birth.

How does it work?

- Through In vitro fertilization (IVF), embryos are created in a lab at a fertility clinic.
- Sometimes the intended parents use their own genetic material. Sometimes, an egg donor is required.
- At the fertility clinic, 1-2 embryos are implanted into a gestational carrier, who carries the baby(ies) to term.

- Such a surrogacy arrangement may be **altruistic** or **commercial** in nature.
- Intended parents use surrogacy to start or grow their families when they can't do so on their own.

Facts & Figures:

- According to a 2015 Ernst and Young study, around 27.5 million couples in the reproductive age group are infertile and about 1% (about 2,70,000 infertile couples) seek infertility evaluation.
- Of the people seeking remedy for infertility, 20-25% undergo IVF treatment and of that small group, one percent may require surrogacy.
- Ten to Twelve per cent of surrogacy is commissioned because of irreversible destruction of the uterus due to TB, 8% because of the absence of uterus, 12% because of multiple failed IVF cycles, 12% because of multiple miscarriages, 10% because of removal of the uterus due to cancers, fibroids, etc.

Methods of Surrogacy:

- **Traditional Surrogacy:** In this process egg used is of a surrogate mother, thus she becomes the biological mother of a child.
- **Gestational Surrogacy:** In this process, surrogate mother's eggs are not used. Eggs and sperms used are either donated by intended parents or other persons. The surrogate mother has no biological link with the child.
- **Commercial Surrogacy:** It includes surrogacies in which payment exceeding basic medical expenses and insurance covers are paid.

- **Altruistic Surrogacy:** It does not include payment of any monetary compensation other than basic medical expenses and insurance coverage.

What was in the Surrogacy (Regulation) Bill, 2019?

The Surrogacy (Regulation) Bill, 2019 defines surrogacy as a practice where a woman gives birth to a child for an intending couple with the intention to hand over the child after the birth to the intending couple. The important provisions of the Bill are as given below:

- **Regulation:** The Bill prohibits commercial surrogacy, but allows altruistic surrogacy.
- **Purpose:** Surrogacy is permitted when it is:
 - ▶ for intending couples who suffer from proven infertility
 - ▶ altruistic
 - ▶ not for commercial purposes
 - ▶ not for producing children for sale, prostitution or other forms of exploitation
 - ▶ for any condition or disease specified through regulations
- **Eligibility criteria:** To obtain a certificate of eligibility from the appropriate authority, the surrogate mother has to be:
 - ▶ a close relative of the intending couple
 - ▶ a married woman having a child of her own
 - ▶ 25 to 35 years old
 - ▶ a surrogate only once in her lifetime
 - ▶ possess a certificate of medical and psychological fitness for surrogacy
- Further, the surrogate mother cannot provide her own gametes for surrogacy.
- **Parentage:** A child born out of a surrogacy procedure will be deemed to be the biological child of the intending couple.

Unsolved issues in the Bill:

Some major issues still continue to remain unsolved. Among them are:

- **Medical expenses:** In the Bill, medical expenses have not been defined. It may include home care (physical, mental, social).
- **Undefined criteria:** As per the bill, an only close relative will be eligible to be the surrogate mother. There is no clear definition for this.
- **Irrelevant clause:** The intending couple needs to be married for at least five years and is Indian citizens. Five years is also an arbitrary figure and not based on any science.

- **Excluding PIOs & foreigners:** It denies surrogacy for residents of Indian origin living abroad but is close relatives.

The major recommendations:

The government sent the Surrogacy (Regulation) Bill, 2019, to a 23-member select committee of the Rajya Sabha for review. The major recommendations of the Committee are as follow:

- **Allowing single women:** To allow single women (widow or a divorcee and Persons of Indian Origin) to avail of surrogacy.
- **Insurance coverage:** To increase insurance coverage for the surrogate mother from the 16 months proposed in the Bill to 36 months as the procedure of surrogacy poses the risks of medical complications and health hazards, post-partum (after delivery).
- **No need to be a close relative:** To remove the requirement of surrogate mother to be a “close relative” as this requirement restricts the availability of surrogate mother and affects the genuinely needy persons.
- **Changing definition of infertility:** To delete the definition of “infertility” as “the inability to conceive after five years of unprotected intercourse” on grounds that it was too long a period for a couple to wait for a child.
 - ▶ There may be certain proven medical conditions such as the absence of uterus by birth, non-functional uterus, removal of the uterus due to cancer, fibroids etc. or patients with a chronic medical condition where normal pregnancy is ruled out and it is medically proven beyond any doubt that surrogacy is the only option.
- **Parentage & Custody:** To protect the interests of the child born through surrogacy, the order regarding the parentage and custody of the child, issued by a Magistrate, shall be the birth affidavit for the surrogate child.
- **Allowing PIOs:** To allow Persons of Indian Origin (PIOs) to avail surrogacy in the country after obtaining a certificate of recommendation from the surrogacy boards.
- **Modifying the definition of altruistic surrogacy:** To modify the definition of altruistic surrogacy to cover “other prescribed expenses” on nutritional food required, maternity-wear, and important things for the wellbeing and upkeep of the surrogate mother.
- **Proper data collection:** To make responsible appropriate authorities of the central and state governments to submit data on a number of surrogacy procedures, surrogacy clinics and all related aspects to the **National Board on Surrogacy** so as to develop a proper database which helps in monitoring and regulation of surrogacy in the country.

- **Improving terms of experts involved:** To enhancing the term of experts on the surrogacy boards from one year as proposed in the bill to three years and officials of sufficiently higher rank to be the Chairman and Vice-Chairman of Appropriate Authorities as they deal with vital issues concerning surrogacy.

Assisted Reproductive Technologies (Regulation) Bill (ART):

- The Select Committee recommended that the **Assisted Reproductive Technologies (Regulation) Bill (ART)**, which is awaiting Cabinet approval, may be taken up before the Surrogacy (Regulation) Bill, since the ART Bill primarily deals with technical, scientific and medical aspects, including the storage of embryos, gametes, oocytes, etc. as contained in the Surrogacy Bill.

Challenges to Surrogacy:

- **Unawareness:** A surrogate mother is largely unaware of existing legal or medical procedures and the risks involved in the process.
- **No legal recognition:** Perhaps the most awful disadvantage is that surrogate mother is not legally recognized as “workers” in India since they do not sell mental or manual labour in the traditional sense of the term. Consequently, they do not have any legal rights.
- **No international recognition:** There are no internationally recognised laws for surrogacy, so many parents and children can be left vulnerable - or even stateless.
- **Profit-making profession:** In India, surrogacy is a \$2.3-billion industry which allowed medical practitioners to earn huge profits, without any rules and regulations governing their practice.

- **Risk to life:** Surrogacy puts the lives of poor women, who rented out their wombs to a surrogate couple to earn a living, at great risk due to repeated pregnancies.
- **Exploitation of Fundamental Rights:** The practice destroys the surrogate mother’s fundamental rights. While the surrogate mother gets a very small amount, doctors and other professionals thrive on huge profits.
- **Injustice:** While the surrogate mother could not refuse to give up the child, the intended parents had the right to refuse the child.

Regulation across the world:

- The status of surrogacy is varied across countries, ranging broadly from:
 - ▶ unregulated (Chile, Iran, Colombia, Japan, Sweden, Nigeria etc.) to altruistically and commercially legal (Russia, Kazakhstan etc.)
 - ▶ altruistically legal but commercially illegal (Belgium, Denmark, the UK, New Zealand, South Africa etc.)
 - ▶ both altruistically and commercially illegal (Germany, France etc.).

In the given situation, there is a strong need to address all the pitfalls in the law before its enactment. Rather than bans, governments should consider laws that uphold surrogate mothers’ sense of dignity and bodily integrity. Surrogate mothers should be treated as full human beings who have the right to choose how they get pregnant, the right to opt-out of medical interventions, the right to refuse cesarean surgeries, and the right to maintain contact with the babies they birthed.

DEENANATH KAUL NADIM

CONTEXT

- Recently, Finance Minister Nirmala Sitharaman recited a Kashmiri poem during her Budget speech. There were few other poets who came alive in Budget 2020.

◎ BACKGROUND:

- Finance Minister recited a **Kashmiri verse** during her Budget 2020 presentation in the Parliament.
 - This first citation was of a poem 'MyonVatan' (My Motherland) by **Deenanath Kaul Nadim**. The short verse paraphrases to talk about the nation "blooming like a lotus in Dal Lake".
- The three major themes of Budget 2020 are **aspirational India**, a **caring society** and **economic development for all**.
- In reference to asking farmers to adopt organic fertilizers, **Tamil poet Auvaiyar's** advice, "aaathichoodi" was quoted.
 - It translated means one must first till one's land and then eat.
- Quote on good governance included **Tamil poet and philosopher Thiruvalluvar's 'five jewels'** required for a good country: freedom from illness, wealth generation, farm productivity, happiness, and good defences.
- Kalidasa's Raghuvamsa** was also quoted. Just as Surya collects vapour from little drops of water, so must a government collect taxes—lightly.

◎ ANALYSIS:

Fact about Deenanath Kaul Nadim

- Deenanath Kaul Nadim was born in March **1916 in Srinagar**.
- Influenced by:** He was influenced by the works of 14th century mystic poet of Kashmir, **Lal Ded, or Lalla**.
- He was at the centre of **Kashmir's progressive movement** between **1930s and 1950s**.
- Nadim won the **Sahitya Akademi award in 1987**, a year before his death on April 8, 1988.
- Nadim has written poems in **Urdu, Hindi, English and Kashmiri**.
- Interestingly, **Kaul was a leftist**, a Communist Party leader and also an admirer of Pandit Jawaharlal Nehru.
- He was closely associated with the **National Conference party** founded by Sheikh Mohammad Abdullah.

Origin of cultural movement in Kashmir

- The **Renaissance of Kashmiri literature**, as of several other Indian literatures, is closely linked with **post-independence literary activities**.
- The **political events in Kashmir**, especially the **1947 attack by Pakistan**, resulted in mobilization of Kashmiri writers and other artists in defence of their valley.
- The **first onslaught** came around **October 22, 1947**. In response, the **Cultural Front** was hastily organized. For the first time artists were assigned a role in a period of turmoil and aggression.
 - The Cultural Front had **three units; for writers, actors and painters**.
- These units played an impressive and unprecedented role in keeping up public morale by taking the message of **secularism, communal harmony and patriotism** to the people in their own language in **both rural and urban areas**.

Further developments

- Radio Kashmir:** The establishment of **Radio Kashmir on July 31, 1948**, provided a daily forum and great opportunity for **use and development of Kashmiri language**.
 - Radio Kashmir used Kashmiri - until then generally called a "vernacular" - in a variety of new contexts.
- New literary forms:** The implication of the new roles for the language was that creative writers seriously attempted those literary forms which had been neglected earlier, for example **drama, short stories and discursive prose**.
 - Until this time the main literary form was poetry and the dominant themes were nationalism (defined rather narrowly), Kashmiri identity, and religious harmony.
- In 1958, the Jammu and Kashmir Academy for Art, Culture and Languages** was founded; it provided further encouragement.
- Dina Nath Nadim:** It was during this unexpected political turmoil in the otherwise calm valley that Dina Nath Nadim came into the limelight. He has remained in the forefront of the Kashmiri literary scene ever since.

Early life

- **Nadim's mother had a significant influence** on his growth as a poet, especially after his father Pandit Shankar Kaul died when Nadim was only eight years old.
- Nadim's widowed mother would sing the **Vaks of Lalla** and would recite **Lilas of other poets**.
- Her repertoire of Kashmiri poems was large since she originally **came from a village Muran** where the **oral tradition of poetry** was part of the culture.
- Nadim was educated in **local schools with intermittent breaks**.
- He matriculated in 1930, received his B.A. in 1943, and earned a Bachelor of Education degree in 1947.

Literary work

- During his time, there is **no published collection** of Nadim's work; he was somewhat indifferent about assembling one.
- **SHIHIL KUL** - a **collection of Nadim's poems** has been published since, for which the poet was honoured with Sahitya Akademy Award.
- Most of his poems were either presented in **poetic symposia** (musha'ira or kavisammelan) or **published in local journals**.
- The total number of his poems is around **one hundred and fifty** including those in English, Hindi, and Urdu.
- Like his predecessors and some contemporaries, **his decision to write in Kashmiri was a late one**.
- Nadim's poetic career did not really start until late 1930's; before that he had composed some poems in English.
- **Influences:** Between 1938 and 1946, he wrote mainly in Urdu - and some poems in Hindi - under the influences of the **Kashmiri Pandit poet Brij Narain Chakbast, Josh Malihabadi and Ehsan bin-Danish**.
 - ▶ This was essentially a period of apprenticeship under the ideological influences of Hinduism, Sufis and Khayyam.

1. **Nadim was trying to discover himself and his linguistic medium. He finally selected Kashmiri for, as he has said, "my mother tongue has greater claim on me."**

Concentration on works in Kashmiri

- Nadim had written his **first Kashmiri poem in 1942 on "Maj Kasir"** ("Mother Kashmir"), an appropriate topic for a time when Kashmir was passing through a critical phase with the mass

movement slogan **"Quit Kashmir"** challenging the established **Dogra dynasty**.

- A handful of Kashmiri writers were expressing political sentiments ornately embroidered with gul-o-bulbul imagery, but Nadim did not become fully part of the movement until 1946.
- **Political works:** It was then in a musha'ira (poetic symposium) organized by a fellow poet, Arif, that Nadim read the poem Sonth ("The Spring").
 - ▶ Then followed Aravali Prakhna and Grav ("A Complaint"): poems of patriotism, revolution and freedom. Here he is asking the kinds of questions which members of the progressive writer's movement were already asking in other parts of India.
- Consider, for example:
 - ▶ Why should the share of a labourer be stolen by a capitalist?
 - ▶ Why should a honey-bee circle the flowers and take away their honey?
- This theme was not new for Indian poetry but it was new for Kashmiri.

National Cultural Front

- The next phase came suddenly and unexpectedly in **1947 and 1948**, when **Maharaja Hari Singh left the state destitute** at the time of Pakistan's instigated invasion on Kashmir.
- **National Cultural Front:** This attack **mobilized the Kashmiris; writers and artists** organized themselves under what was called the National Cultural Front.
 - ▶ These themes demanded new poetic forms and an extension of the earlier stylistic range of Kashmiri.
- **Poetry as a call to Kashmiri youth:** Borders of the state had turned into battle fields; poets turned to patriotism, and poetry was used as an awakening call to Kashmir's youth. Here Nadim was again in the forefront.
- **Even the titles of some of his poems are suggestive of turmoil of the period**, for example, Tsi Mir-i Karavan ban ("You Become the Leader of the Caravan"), Naray Inqalab ("The Call for Revolution"), Me Chu H'ondti Misalmanbeyi Insan Banavun ("I have to turn Hindus and Muslims into human beings again"), Servani Sund Khab ("The Dream of Sherwani"), and Pritshun Chum ("I Must Ask").
- Like many of his contemporaries, Nadim also **joined the Communist Party**. His elder **contemporary Mahjur** had already become a **"fellow traveller."**

Nadim's political activism

- Nadim's political activism continued during this period. He was active in **defence of world peace**, and was elected the **General Secretary** of the **State Peace Council (1950)**.
- He participated in the Indian Peace Conferences of 1951 and 1952. His pacifism is based on his "hope of tomorrow," which he expresses in Me Cham Ash Paghic.
- Political poems with personalised themes: While these are "political" poems with a socialist background, the themes have been personalized. The result is that, even as "political pieces," they do not sound like slogan mongering.

Process of Kashmirization

- **Blank verse:** In 1950 Nadim provided a contrast with the traditional Kashmiri poetic forms by introducing blank verse in Bi G'aviniAz ("I Will Not Sing Today").
 - ▶ This new poetic form caught the imagination of Kashmiris - literate and illiterate.
 - ▶ Other poets, considering it emancipation from rigid formal poetic constraints, soon followed this style.
- **RahamanRahi's**G'avun Chum ("I Have to Sing") clearly shows Nadim's influence.
- This effect is created neither by Persianization nor by Sanskritization; rather, this firmly establish the **process of Kashmirization**.

Important contributions and experimentations

- **Trivanzah ("Fifty-three"):** Another stylistic innovation, in the form of the dramatic monologue,

came in Trivanzah ("Fifty-three"). These innovations excited the younger writers.

- **First opera in Kashmiri:** In 1953 Nadim's experimentation took a different form; he wrote the first opera in Kashmiri, BomburtiYambirzal ("The Bumblebee and the Narcissus"). The theme depicted the ultimate triumph of good over evil.
- **Reviving the Vak form:** In the 1960s, after trying new forms such as free verse, the sonnet, etc., Nadim came back to native folk tradition, and the well-established Vak form which had reached its culmination in Lalla.
- **Fireflies:** Nadim experimented with poetic compositions which he terms zit'nl ("fireflies"). In this new form he **followed the Japanese haiku style**, comprising **seventeen syllables** in three lines with 5, 7 and 5 syllables each.
- **Pointillism or neo- impressionism:** In Zalir'Zal ("The Cobwebs") Nadim introduces pointillism or neo- impressionism.

CONCLUSION

DeenanathKaulNadimwas an epoch-maker and trend-setter in Kashmiri poetry and prose. Not many of Nadim's contemporaries could think of the literary innovation that he did, which explains whyhis contemporary Lone says, they "were not only influenced by Nadim, but also inspired to write in his vein. Some of them went to the extent of copying his style while some adopted his themes in their poems."

OPERATION VANILLA - HUMANITARIAN MISSIONS IN IOR, TOWARDS STRENGTHENING SOFT POWER

CONTEXT

- India sent an amphibious warship, INS Airavat, to Madagascar in the Indian Ocean Region to help in rescue efforts after the island nation was hit by a cyclone.

◎ BACKGROUND

- As part of Operation Vanilla, the Navy delivered clothing, food and medicines, and also provided diving and communication assistance for evacuation.
- This was done after an appeal is made by Madagascar President to deal with unprecedented situation caused by floods.



Look at Indian Navy's Peacetime Efforts in IOR

- In March 2019, the Navy deployed four warships for relief operations, when Mozambique was hit by Cyclone, Idai. Indian naval teams played a stellar role in search and rescue operations and even set up medical camps.
- A few months later, the Navy sent two warships to Japan to assist in rescue efforts following Typhoon Hagibis.
- A year earlier, Indian vessels had delivered urgent medical assistance to Sulawesi, Indonesia, after it was struck by a high-intensity earthquake. Operation SamudraMaitri was launched after a telephonic conversation between Indian Prime Minister and Indonesian President.
- The Navy's new humanitarian approach, many say, is a maritime manifestation of Prime Minister's vision for the IOR, christened SAGAR (Security And Growth for All in the Region).

The Origin Goes Back To 2004

- It was in the aftermath of the 2004 tsunami that naval commanders first recognized the importance of large-scale relief and rescue missions.
- For over a decade, considerable resource and energy has been spent developing specialist capability and skills for naval humanitarian operations.
- The Navy reached out to countries across the Indo-Pacific Region, with greater deployment of assets, personnel and specialist equipment, showcasing its ability to undertake complex and diverse missions.
- Some of the India's benign efforts were the evacuation of over 1,500 Indian expatriates and 1,300 foreign nationals from Yemen in 2015.
- In 2018, India evacuated 38 Indians stranded in the cyclone-hit Socotra Island.



First Responder Concept - Towards Soft Power

- Navy's humanitarian impulse stems from a desire to be a linchpin (vital) of security in the IOR.
- It is the concept of 'first responder', with the capability and willingness to provide assistance.
- It has the potential to create an extended sphere of Indian influence in the IOR.
- It helps India project as 'soft power'.

How India's Humanitarian Gestures Are Different from Other Countries?

- Other countries like U.S. and China have in their inventory hospital ships fully equipped for medical assistance.
- India deploys regular warships and survey ships converted for medical aid.
- India's improvised platforms do not match the U.S. Navy's medical ship USNS Mercy or the China's Peace Ark that enable specialized medical services on a more visible scale.

India Needs To Be Cautious

- Prolonged presence of front-line warships in foreign waters has the potential to make partners anxious.
- Naval powers must be deployed discreetly.
- The mission should not appear geopolitical and the motives should not be misunderstood and the assistance provided should be efficient and cost effective.

Conclusion

- As natural disasters in the IOR become more frequent and intense, India's regional security role is likely to grow exponentially.
- At the forefront of disaster scenarios, the Indian Navy and Coast Guard would find themselves undertaking demanding missions.
- Humanitarian operations could serve as a springboard for a larger cooperative endeavour in the maritime commons.

INTERIM REPORT OF 15TH FINANCE COMMISSION: CONTINUITY AND FISCAL FOLLOW THROUGH.

CONTEXT

- The 15th Finance Commission has recommended maintaining States' share in the divisible pool of tax collections at the same level of 42% for 2020-21.

◎ BACKGROUND

- To factor in the changed status of the erstwhile State of Jammu & Kashmir, the rate at which funds may be shared with the States has been reset at 41%.
- This is after adjusting 1 percentage point for the needs, including special ones of the two new Union Territories of J&K and Ladakh.
- An official said that the actual pool of funds available to States will be equivalent to what they were receiving from the 42% share granted by the 14th Finance Commission, as the number of States is now 28 instead of 29.
- The one percentage point reduction is what would have been earmarked for J&K as a State.

Main aspects of 15th finance commission

- **Vertical Devolution:** It recommends the distribution of the net proceeds of taxes of the Union between Union and the States.
- **Horizontal Devolution:** It allocates among the States the proceeds of the Vertical Devolution.
- **Post Devolution Revenue Deficit Resources To Local Bodies:** Article 280 (3) (bb) and Article 280 (3) (c) of the Constitution mandate the Commission to recommend measures to augment the Consolidated Fund of a State to supplement the resources of Panchayats and Municipalities based on the recommendations of the respective State Finance Commissions (SFCs). This also includes augmenting the resources of Panchayats and Municipalities.
- **Grants:** It has to look at the States, where the devolution alone could not cover the assessed gap. It takes into account the expenditure requirements of the States, the tax devolution to them and the revenue mobilisation capacity.
- **Disaster Management:** Allocations for disaster management are also done.

Recommendations for six years by the 15th Finance Commission

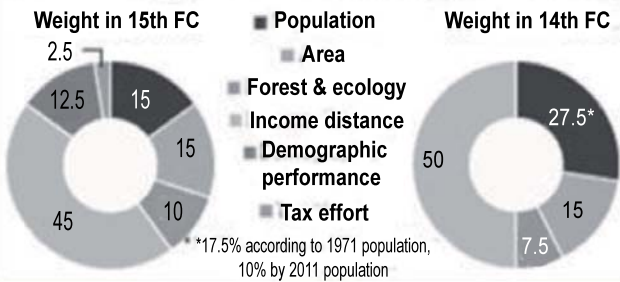
- 15th Finance Commission was appointed on November 27, 2017.
- Originally, it was to submit report by October 30, 2019 for five years i.e., for the period 2020-21 to 2024-25.
- Now, Finance Commission is submitting two reports. Interim Report for 2020-21 and the Main Report covering the period of five years beginning April 1, 2021 and ending March 31, 2026.
- The first report was placed in Parliament.

Why The Recommendation Period Is For Six Years This Time?

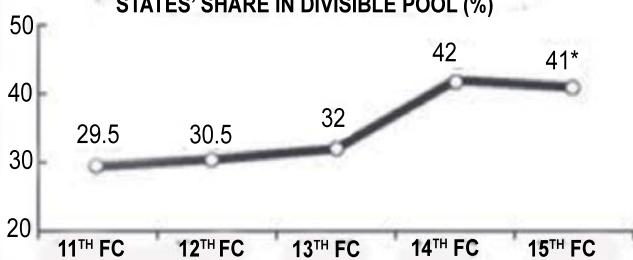
- **Dimension 1:** The abolition of Statehood to Jammu and Kashmir required the Commission to make an estimation excluding the Union Territory.
- Dimension 2:
 - ▶ The deceleration in growth and low inflation has substantially slowed down the nominal GDP growth, which is the main tax base proxy.
 - ▶ Making projections of tax revenues and expenditures based on this could have posed serious risks.
- **Dimension 3:** Moreover, poor revenue performance of tax collection and more particularly Goods and Services Tax, combined with the fact that the compensation agreement to the loss of revenue to the States was effective for only two years of the period covered by the Commission's recommendations (till 2022) posed uncertainties.

WHAT CHANGED FROM 14TH FC TO 15TH FC?

FORMULA THAT DECIDES A STATES SHARE



STATES' SHARE IN DIVISIBLE POOL (%)



TOP GAINERS

State	14th FC (% all taxes)	15th FC (% all taxes)	% change in share
Arunachal	1.37	1.76	28.5
Meghalaya	0.64	0.77	20.3
Manipur	0.62	0.72	16.1
Nagaland	0.5	0.57	14
Punjab	1.58	1.79	13.3

TOP LOSERS

State	14th FC (% all taxes)	15th FC (% all taxes)	% change in share
Andhra	4.3	4.11	-4.4
Assam	3.31	3.13	-5.4
Telangana	2.44	2.13	-12.7
Kerala	2.5	1.94	-22.4
Karnataka	4.71	3.65	-22.5

Summary of the Recommendations

1. Changes in the horizontal devolution methodology

► Major changes:

- In addition to income distance, population, area and forest cover, it has used two additional factors, demographic performance and tax effort.
- It assigned 15% weight to the 2011 population.
- It reduced the weight of income distance to 45%, it increased the weight to forest cover and ecology to 10%.
- Demographic performance is given 12.5% and tax effort is given 2.5%.

► Towards balancing

- By keeping the weight of 2011 population at 15% and giving additional 12.5% to demographic performance, which was the inverse of fertility rate, the Commission has shown sensitivity to the concerns of these States.

► Consequences

- In the relative shares in tax devolution, among the major States, the biggest loser is Karnataka. The other States which lost heavily include Uttar Pradesh, Kerala, Telangana and Andhra Pradesh.
- Kerala and Andhra Pradesh have post-devolution gaps and hence qualify for revenue deficit grants.

► What are the reasons?

- The major reason for Karnataka and Kerala losing on devolution is that their per capita income growth has been faster than most other States.
- The difference from the highest per capita income in both Karnataka and Kerala is just about 10% now as compared to 34% and 23%, respectively for the two States, when the 14th Finance Commission made the recommendation.

2. Revenue deficit grants

- It also recommended revenue deficit grants for the States, which had post-devolution gaps.
- It has not deviated from the past practice even though the terms of reference given to the Commission indicated, "The Commission may also examine whether revenue deficit grants be provided at all".

3. Grants to Panchayats

- The recommended grants for panchayats amount to Rs. 60,750 Cr.
- All the three layers of panchayats will receive the grant and 50% of the grant is tied to improving sanitation and supply of drinking water, the remaining is untied. However the 14th FC recommended one-tenth of the grants to be performance-based.

4. Grants to municipalities

- In the case of municipal bodies, Rs. 9,229 Cr is allocated to cities with a million-plus population and the remaining Rs. 20,021 Cr is allocated to other towns.

5. Disaster relief

- ▶ The Commission recommended the creation of Disaster Mitigation Fund at the Central and State levels.
- ▶ For disaster management, a total of Rs. 28,183 crore has been determined, of which the Central contribution will be Rs. 22,184 crore.
- ▶ Inter-State allocation is made based on past expenditures, area and population and disaster risk index.

Other sectoral recommendations

- For 2020-21, it has recommended Rs. 7,735 crore for improving nutrition, based on the number of children in the 0-6 age group and lactating mothers.

- It also proposed to give grants for police training, maintenance of the Pradhan Mantri Gram Sadak Yojana roads, strengthening the judicial system and improving the statistical system.
- It also presented a broad framework for recommending monitorable performance grants for agricultural reform, development of aspirational districts and blocks, power sector reforms and incentives to enhance trade including exports and pre-primary education.

◎ CONCLUSION

The real challenge is to design and dovetail sectoral and performance grants with the existing plethora of Central Sector and Centrally Sponsored Schemes.

GRAM NYAYALAYAS

CONTEXT

- The Supreme Court has asked state governments to issue notifications establishing “Gram Nyayalayas” within four weeks and also asked the High Courts to accelerate consultation with department concerned on the matter.

◎ BACKGROUND

- A bench headed by **Justice N.V. Ramana** took into account that except Kerala, Maharashtra and Rajasthan, Gram Nyayalayas are not functional in many states, though all had been issued notice.
- The Parliament in 2008 passed an Act for setting up of “Gram Nyayalayas” to enable access to justice to citizens at the doorstep, especially at the grass roots level, and to ensure socio-economic factors do not stand as an impediment for securing justice.
- Many states including Gujarat, Haryana, Telangana, West Bengal, Uttarakhand, Chhattisgarh and Odisha are yet to file affidavits even after the apex court order in October last year.
- In view of the above, the court directed the states, who have not yet issued notifications for establishing the Gram Nyayalayas, to issue the same.
- In the January 29 order, the top court said the aforementioned states should file their affidavits, subject to deposit of Rs 1 lakh by each of the above-mentioned states with the Registrar (Judicial) of the court.

◎ ANALYSIS

What are Gram Nyayalayas?

- The law envisages that a Gram Nyayalaya be established for every Panchayat at the intermediate level or a group of contiguous Panchayats at the intermediate level in a district, which will be in addition to other courts established under any law.
- Gram Nyayalayas are mobile village courts in India established for speedy and easy access to justice system in the rural areas of India.
- They are aimed at providing inexpensive justice to people in rural areas at their doorsteps.
- Each Nyayalaya will be presided over by a judicial officer who is eligible to be appointed as judicial magistrate of the first class.

- Every such appointment is to be made by the State government in consultation with the High Court of that State.
- With Article 40 of the Constitution of India (Directive Principles of State Policy) and the 73rd amendment of the Constitution, under Article 243, Gram Panchayats got the status of ‘**local self-government**’.

Salient features of the Gram Nyayalayas Act, 2008:

- The Ministry of Law had set up Gram Nyayalayas in 2009 to provide a cost-effective forum at the grass-root level for the poor living in villages to settle legal matters. It was established by the Gram Nyayalayas Act, 2008.

◎ ESTABLISHMENT:

- The Gram Nyayalaya shall be established for every Panchayat at intermediate level or a group of contiguous Panchayats at intermediate level in a district or where there is no Panchayat at intermediate level in any State, for a group of contiguous Panchayats.
- The seat of the Gram Nyayalaya will be located at the headquarters of the intermediate Panchayat; they will go to villages, work there and dispose of the cases.
- Head of the Gram Nyayalayas:
- The Nyayadhikaris who will preside over these Gram Nyayalayas are strictly judicial officers and will be drawing the same salary, deriving the same powers as First Class Magistrates working under High Courts.
- He shall be appointed by the State Government in consultation with the High Court.

◎ JURISDICTION:

- The Gram Nyayalaya shall be a mobile court and shall exercise the powers of both Criminal and Civil Courts.

- The Gram Nyayalaya shall try criminal cases, civil suits, claims or disputes which are specified in the First Schedule and the Second Schedule to the Act.
- The Central as well as the State Governments have been given power to amend the First Schedule and the Second Schedule of the Act, as per their respective legislative competence.
- The Gram Nyayalaya shall exercise the powers of a Civil Court with certain modifications and shall follow the special procedure as provided in the Act.
- The Gram Nyayalaya shall try to settle the disputes as far as possible by bringing about conciliation between the parties and for this purpose; it shall make use of the conciliators to be appointed for this purpose.

◎ **SUMMARY PROCEDURE:**

- The Gram Nyayalaya shall follow summary procedure in criminal trial.
- The judgment and order passed by the Gram Nyayalaya shall be deemed to be a decree and to avoid delay in its execution; the Gram Nyayalaya shall follow summary procedure for its execution.

Where states stand?

- About 18 states have failed to constitute any Gram Nyayalayas over the past ten years, frustrating the object of the Act to provide 'access to justice' to all.
- So far only 11 states have taken steps to notify Gram Nyayalayas.
- At present, only 208 'Gram Nyayalayas' are functioning in the country as against 2,500 estimated to be required by the 12th five-year plan.

Why states are avoiding Gram Nyayalayas?

- Major reasons behind the non-enforcement include financial constraints, reluctance of lawyers, police and other government officials.
- Finance is the main stumbling block because no state wants to burden its exchequer.
- Apart from finance and political will, lack of coordination between high courts and state governments has also delayed setting up of gram nyayalaya.

Modernization of Gram Panchayats:

- After the Constitutional Amendment 73rd Act came into existence, the modernization of the

Panchayat System started.

- However, the journey of the decentralized way of governing localities started with **Lord Ripon's Resolution (1882)** and continues till date with the most popular and comprehensive study report by the **BR Mehta committee (1957-58)**, **Ashok Mehta Committee (1978-80)** and **Sarkaria Commission (1988)**.
- While decentralisation has been realised in many other spheres, the journey began in the justice dispensation system only with the passing of the Gram Nyayalaya Act, 2008.
- After almost 12 rounds of studies conducted by the Law Commission of India itself, the nation got Gram Nyayalayas Act in 2008 which was enforced on 7th Jan 2009.
- These major incidents brought a major shift in the paradigm and the reformation and modernization of the Panchayati Raj System.
- Non-establishment of Gram Nyayalayas frustrates statutory rights provided to citizens under the Act as well as the constitutional right of rural citizens to access to justice under Articles 14 and 21 of the Constitution of India.

Significance of Gram Nyayalayas:

- The setting up of Gram Nyayalayas is considered as an important measure to reduce arrears and is a part of the judicial reforms. It is estimated that Gram Nyayalayas can reduce around 50% of the pendency of cases in subordinate courts and can take care of the new litigations which will be disposed within six months.
- The second premise on which the gram nyayalaya initiative rests is that diversion of disputes away from the formal, expensive and slow existing legal system towards a relatively informal, localized model of dispute resolution has justice enhancing consequences.
- The gram nyayalayas are not only going to divert the existing disputes away from the civil and criminal court system and thereby speed up dispute resolution in the legal system. Instead they are likely to spawn a new arena where disputes which were hitherto resolved through other dispute processing mechanisms will now enter the legal system.

SECTION: B

(PRELIMS)

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ASSET MONETISATION PROGRAMMES

◎ CONTEXT

- In Budget 2020, The government proposed to use tax SOPs to nudge overseas investors towards its upcoming asset monetization schemes.

◎ ABOUT

- **Overseas investors for asset monetisation programmes:** Government did not make major announcements for the infrastructure sector and, instead, proposed to use tax SOPs to push overseas investors towards its upcoming asset monetization programmes.
- **Lower allocation to key infra sectors:** A reading of the expenditure budget shows that the government's total allocation to four key infrastructure segments—roads, airports, railways and civil aviation—is nearly 4% lower for FY21 than the revised budget estimates of ₹4,64,928 crore spent on these sectors in FY20.
- **Low allocation towards capital spending:** According to ICRA the budgetary allocation towards capital spending for the ministry of road transportation and highways for FY21 was around 18% lower than what was required to fund the government's flagship Bharatmala programme.
 - Even Internal and Extra Budgetary Resources (IEBR), which includes market borrowings and asset monetization, for **National Highways Authority of India (NHAI)**—the nodal agency that builds India's roads— **had a lower budget allocated for FY21**, against in FY20.
- **Focus on capital conservation:** The government seems to be in capital conservation mode and is focusing on implementing existing projects already announced before than taking up any new project.
 - There is thrust on asset monetization.
 - There are plans to privatize more roads and one major port.
- **Upcoming projects:** Government will focus on development of 2,500km of **access-control highways**, 9,000km of **economic corridors**, 2,000km of **coastal and land port roads**, and 2,000km of **strategic highways**.
 - The **Delhi-Mumbai expressway** and two other packages will be completed by 2023 and the **Chennai-Bengaluru Expressway** will also be started.
 - Four station re-development projects.
 - 148km-long Bengaluru Suburban Transport project.
 - Expansion of National Gas Grid.

Asset Monetisation Programme

- The **Department of Investment and Public Asset Management (DIPAM)** is working on restructuring and **asset monetisation of public sector enterprises** for better management and competitiveness in the present world.
- **Cabinet has approved procedure and mechanism for Asset Monetization** of Central Public Sector Enterprises (CPSEs)/Public Sector Undertakings (PSUs)/other Government Organizations and Immovable Enemy Properties.
- **Objective:** The objective of the asset monetization programme of the Government of India is to **unlock the value of investment made in public assets which have not yielded appropriate or potential returns so far**.
- **Procedure and Guidelines:** Guidelines for asset monetisation programme include principles and mechanism for capital restructuring of CPSEs regarding **payment of dividend, issue of bonus shares, and buyback of shares by CPSEs**.
 - It shall apply to all corporate bodies where government of India has controlling interest.
 - The focus of these guidelines is on optimum **utilization of funds by CPSEs to spur economic growth**.

- **Asset Monetization** is a way of getting more cash on the balance sheet and reducing the debt-to-capital ratios that are crucial to rating agencies.
 - **Sale proceeds (for example, disinvestment proceeds)** can be used to acquire additional operations, stabilize costs, or revitalize existing properties, retire existing debt to increase revenue production; there are no restrictions on the use of the funds.

Mechanism

- Government is hoping to **get fresh capital back into the system** to develop Greenfield assets.
- The government is offering **tax breaks** to overseas investors, particularly **sovereign wealth funds** and **pension funds**, to invest in domestic infrastructure.
- **Equity support to IIFC and NIIF**: Allocation of ₹22,000 crore as equity support to India Infrastructure Finance Company Ltd (IIFC) and National Investment and Infrastructure Fund (NIIF) which can leverage this fund infusion 2-3 times to invest in public infrastructure.
- **Means of raising capital from the public market**
 - Privatizing operating infrastructure assets.
 - Toll-operate-transfer agreements with private investors
 - Setting up Infrastructure Investment Trusts (InvITs)
- **Incentives to foreign investors**:
 - 100% tax exemption to the interest, dividend and capital gains income.
- **Criticism**: However, experts say that this class of investors **tends to buy operating assets**, leaving under-construction and Greenfield projects devoid of any funding.

Greenfield and brownfield investments

- Greenfield and brownfield investments are two types of foreign direct investment.
- With Greenfield investing, a company will build its own, brand new facilities from the ground up.
- Brownfield investment happens when a company purchases or leases an existing facility.

NATIONAL LOGISTICS POLICY

◎ CONTEXT

- Union Minister of Commerce and Industry of the policy reviewed the draft **National Logistics Policy and proposed action plan for implementation** prepared by the Department of Logistics, Ministry of Commerce and Industry.

◎ ABOUT

- The draft National Logistics Policy has been prepared in consultation with the Ministries of Railways, Road Transport and Highways, Shipping and Civil Aviation and forty-six Partnering Government Agencies (PGAs).
- **Objective**: To streamline rules, address supply-side constraints, lower logistics costs and ensure greater competitiveness for Indian products worldwide.
- **National Logistics e-marketplace**: A National Logistics e-marketplace will be created as a one stop marketplace.
 - It will involve simplification of documentation for exports/imports and drive transparency through digitization of processes involving Customs, PGAs, etc., in regulatory, certification and compliance services.

- **Institutional Framework for policy:** For purpose of the new logistics framework, four committees/councils will be constituted:
 - **National Council for Logistics**, chaired by the Prime Minister.
 - **Apex inter-ministerial Committee**, chaired by the Minister of Commerce and Industry.
 - **India Logistics Forum** chaired by the Commerce Secretary with representation from key industry/business stakeholders and academia.
 - **Empowered task force** on logistics will be created, as a standing committee chaired by the head of the Logistics Wing.

Need for National Logistics Policy

- **Unregulated and fragmented logistics sector:** India's logistics sector has remained fragmented and unregulated, despite its centrality to economic growth.
- **Complex sector:** The sector is very complex with more than 20 government agencies, 40 PGAs, 37 export promotion councils, 500 certifications, 10000 commodities, 160 billion market sizes along with 12 million employment base.
 - The **national logistics policy will clarify the roles** of the Union government, state governments and key regulators
- **High cost:** The cost of logistics for India is about 14 per cent of its GDP and it is far higher as compared to other countries.
- **Lack of adequate infrastructure:** Almost 25-30% of fruits and vegetables produced in India are wasted due to lack of cold chain infrastructure

The draft National Logistics Policy

- **Optimise modal mix:** The draft policy has sought to optimize the modal mix (road-60%, rail-31%, water-9%) to global benchmarks (road - 25-30%, rail - 50-55%, water - 20-25%) and promote the development of multi-modal infrastructure.
- **Logistics Wing:** The policy recommends setting up a Logistics Wing that will be the nodal agency tasked to **identify key projects for driving first mile and last mile connectivity** and to optimize the modal mix to identify commodity and corridor for the most cost-effective mode of transport.
- **Logistics centre of Excellence:** Encourage industry, academia and government to come together to create a logistics Centre of Excellence, and drive innovation in the logistics sector.

Objectives of the Logistics Policy:

- Providing an **impetus to trade and hence economic growth** by driving competitiveness in exports.
- **Doubling employment** in the logistics sector by generating additional 10-15 million jobs and focus on **enhancing skills** in the sector and encouraging gender diversity.
- Improve India's ranking in the **Logistics Performance Index**.
- **Strengthening the warehousing sector** in India by improving the quality of storage infrastructure including specialized warehouses across the country.
- **Reducing losses due to agro-wastage** to less than 5% through effective agro-logistics.
- Providing impetus to **MSME sector** in the country through a **cost-effective logistics network**.
- Promoting **cross regional trade on e-commerce platforms** by enabling a seamless flow of goods.
- Encouraging adoption of **green logistics** in the country.

Benefits

- Impetus to employment and growth: The Indian logistics sector provides livelihood to more than 22 million people and improving the sector will facilitate 10% decrease in indirect logistics cost, leading to a growth of 5 to 8% in exports.
- **Growth potential in logistics sector:** Further, it is estimated that the worth of Indian logistics market will be **around \$215 billion in the next two years**, compared to about \$160 billion at present.

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- The development of multi-modal logistics parks and rules to do with motor vehicle movement, come under the ambit of state governments. So, there is need of alignment between the Centre and states, for better implementation and coordination of this policy.

REVISED BANKING REGULATION ACT

© CONTEXT

- **Recently, the Union Cabinet approved amendments to the Banking Regulation Act to empower the central bank to have greater control over cooperative banks.**

© ABOUT

- The Union cabinet cleared **changes in Banking Regulation Act** to give **RBI wider powers**.
- **Ambit:** The amendments will apply to all **urban co-operative banks** and **multi-state cooperative banks**.
 - They will **not be applicable to rural cooperatives**.
 - The changes **will cover nearly 1,500 cooperative banks** and will be implemented in a phased manner.
- **Objective: This was done in order to prevent malpractices, ensure better regulation and prevent frauds such as the one seen at Punjab and Maharashtra Co-operative Bank Ltd (PMC).**
 - Amendment to Banking Regulation Act **aims to strengthen cooperative banks** and avoid PMC Bank like crisis.
- **PMC scam:** Due to PMC scam lakhs of customers faced difficulties in withdrawing their money due to restrictions imposed by the RBI.
 - Urban cooperative banks reported nearly 1,000 cases of fraud worth more than ₹220 crore in past five fiscal years.
- **Current regulations:** Cooperative banks are currently under dual control of Registrar of Cooperative Societies and RBI.
 - The **role of registrar of cooperative societies includes incorporation, registration, management, audit, supersession of board and liquidation**.
 - **RBI is responsible for regulatory functions** such as maintaining cash reserve and capital adequacy, among others.
- **New changes:** The administrative role will continue to be done by the Registrar of Cooperative Societies.
- Implications
- **Audit under RBI norms:** Cooperative banks will be brought under the regulation of the RBI. They will be audited according to RBI's norms.
 - Cooperative banks will now be required to meet **stricter capital norms**.
 - The amendments will now give **legislative powers to the central bank**.
- **Appointments with permission of RBI:** Appointments of chief executives will also require permission from the banking regulator, as is the case for commercial banks.

- **RBI takeover in case of stress:** Central bank can supersede the board and take control, in consultation with state government, if any cooperative bank is under stress.
- **Improve financial stability:** To strengthen the Cooperative Banks, amendments to the Banking Regulation Act will help increase professionalism, enable access to capital and improving governance and oversight for sound banking through the RBI.
 - Observing the new changes will help strengthen financial stability.

Additional Measures

- **Increased deposit insurance:** In order to ensure that depositors' money is safe, Budget 2020 permitted the Deposit Insurance and Credit Guarantee Corporation (DICGC) to increase deposit insurance coverage for a depositor, which is now Rs 1 lakh, to Rs 5 lakh per depositor.

Facts about Cooperatives

- **Rural cooperatives are under state-policies:** RBI has considerable control over urban cooperative bank but has a limited control over the rural cooperative banks which are guided by state-level policies.
- **Assets of rural cooperatives are higher:** As per RBI's Trends and Progress in Banking Report, as of March-end 2018, rural co-operative banks accounted for 64.7 percent of the total assets of cooperatives.
 - **Rural cooperatives are also more in number** as compared to urban cooperative banks.

Banking Regulation Act, 1949

- Banking Regulation Act, 1949 is legislation in India that **regulates all banking firms**.
- Initially, this act was **passed as Banking Companies Act, 1949** and it was applicable to whole of India except Jammu & Kashmir. It became **applicable to Jammu and Kashmir from 1956**.
 - ▶ **Initially, the law was applicable only to banking companies.**
 - ▶ But, 1965 it was amended to make it applicable to cooperative banks and to introduce other changes.
 - ▶ **Primary Agricultural Credit Society and cooperative land mortgage banks are excluded** from the Banking Regulation Act 1949.
- **RBI control:** RBI regulates and supervises the banking functions of State Cooperative Banks (StCBs)/District Central Cooperative Banks (DCCB)/Urban Cooperative Banks (UCBs) under the various provisions of the Banking Regulation Act, 1949.
- **Section 56:** In 1965, the Act was amended to **include cooperative banks** under its purview by adding the Section 56. Cooperative banks, which operate only in one state, are formed and run by the state government.
- **RBI deals with NPAs:** In 2017, government amended the Banking Regulation Act, 1949 by adding provisions for handling cases related to stressed assets or non-performing assets (NPAs) of banks, by initiating insolvency resolution process under the Insolvency and Bankruptcy Code, 2016.
- **Section 35A:** Section 35A of the Banking Regulation Act, 1949 vests power in the RBI to give directions to banks and can take action, "to prevent the affairs of any banking company being conducted in a manner detrimental to the interests of the depositors or in a manner prejudicial to the interests of the banking company".

PROPOSAL TO AMEND THE DISASTER MANAGEMENT ACT OF 2005

◎ CONTEXT

- The Union Cabinet is taking up the proposal to amend the Disaster Management Act of 2005.

© ABOUT

- **The present Act largely focuses on**
 - Improving preparedness
 - Providing immediate relief
 - Protecting infrastructure
- The main drawback of the present policy is it neglects long-term recovery.

A brief about Disaster Management Act, 2005

- It was enacted to effectively prevent, mitigate (reducing the severity) and prepare for disasters.
- It came into being on the heels of three major disasters.
 - 1999 - Super cyclone in Odisha
 - 2001 - Bhuj earthquake
 - 2004 - Indian Ocean tsunami.
- The Act mandated the creation of the National Disaster Management Authority, State Disaster Management Authorities and District Disaster Management Authorities.
- It laid down the framework, roles and responsibilities of these bodies to formulate and implement disaster management plans at their levels.

The focus of the act is preparedness, that is:

- Most States invested in resilient infrastructure, early warning systems and evacuation.
- This translated into
 - timely warnings
 - relief shelters and
 - massive evacuation exercises
- All these steps have reduced casualties.
- NDRF and SDRF have helped in providing immediate relief in the aftermath of disasters.

Long-term recovery

- Once the hazardous situation is passed, the important aspect is how to ensure recovery.
- We are seeing disasters from the narrow prism of providing food, water and medicines.
- At the most, some states are looking at providing shelter.
- These interventions are crucial, but long-term recovery needs much more.

What is urgently needed?

- Recovery measures should address inherent vulnerabilities pertaining to livelihoods, education, water, sanitation, health, and ecology of the disaster-affected communities.
- Intangible losses such as psychosocial needs of the communities should be given equal emphasis.
- Long-term recovery needs to be thought of alongside development in an integrated comprehensive manner by combining health, skill building and livelihood diversification schemes.
- This would ensure that communities have, at the very least, recovered to a new normal before the next disaster strikes. This understanding is crucial to the lawmakers looking to amend the Act.

KUMBHABISHEGAM ROW: HOW THE OLD ARYAN-DRAVIDIAN TUSSLE PLAYED OUT IN AN ICONIC TAMIL NADU TEMPLE

CONTEXT

- Tens of thousands of people thronged Thanjavur in Tamil Nadu's Cauvery delta to witness the kumbhabishegam (consecration) ceremony at the Sri Brahadeeswarar Temple.

ABOUT

This enormously significant event was held after 23 years.

- The judgment delivered the struggle for supremacy between the Sanskrit and Tamil traditions that lies at the heart of several cultural battles in the state — and which also played out in the kumbhabishegam ceremony.

Sri Brahadeeswarar Temple and kumbhabishegam ceremony

- The consecration ceremony that culminated with the maha poornahuthi or the main puja
- The Sri Brahadeeswarar Temple (also spelt Brihadisvara, and called Peruvudaiyar Koyil, which translates simply to 'Big Temple') is the most famous of the many temples in Thanjavur.

A Chola Gem

THANJAVUR AND ITS RULERS

Chola rule:

9th Century CE-13th century CE

Uncertainty and confusion, Lasting over 30 years, preceded Rajaraja I's reign (985-1014 CE)

- Arumozhivarman crowned himself Rajaraja in mid-985 CE, said to be between June 25 and July 25

- Late Pandya era: during 13th century and 14th century (Possibly 1279 CE to 1311CE)

- In early 14th century CE, Thanjavur was invaded by Malik Kafur

commander of Alauddin Khilji, and brought under Muslim principality with Madurai as base

- Takeover by Vijayanagar king, Kumara Kampanna, in late 14th century CE

- Nayaka kingdom established by Sevappa nayaka (1535-1564)

- Captured by Ekoji I (1675-84), Maratha feudatory of Nawab of Bijapur

- Maratha rule ends in 1856 with Thanjavur getting absorbed into British India

BIG TEMPLE : HISTORY AND GREATNESS

- Also called Brihadeeswara or Peruvudayar or Rajarajeswara temple

- Designed to represent cosmic structures

- Built in tune with the Chola ideology of equating temple with cosmos and territory

- Constructed during 1003-1010 CE. Constructed of large granite blocks

- Spread over 21 acres

- Three rajagopurams (gateways)-Maratha, keralanthakan and Rajarajan

- Regarded as India's tallest temple tower, the vimana is 216 ft high (66 m), with 13 receding tiers

- Rajaraja I said to have gifted gold-covered finial to be placed atop vimana

- Punth of central shrine : 45.72 sq m; linga height: 13ft

Additions : Amman shrine during Jatavarman Sundara Pandya (1251-70 CE); Subramanya, Nataraja Shrines during Sevappa Nayaka and Ganesha shrine during Serfoji II (1798-1832 CE); fortified walls probably added during 16th century



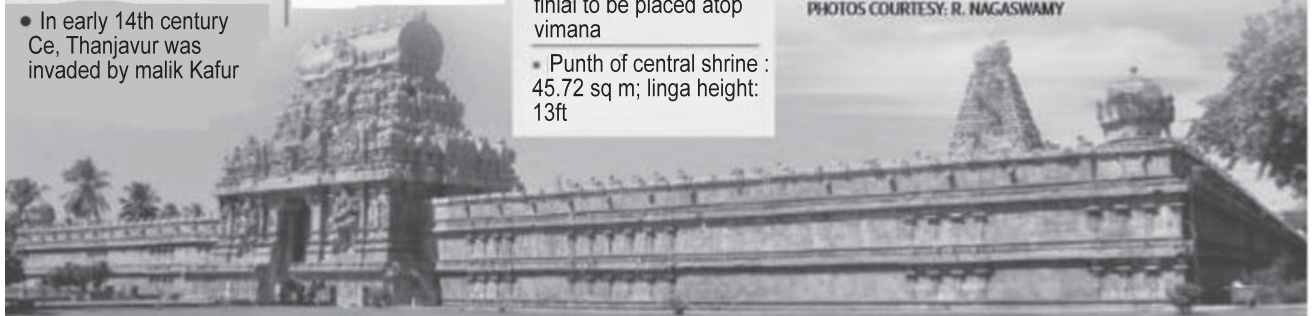
Nandi and Nandi mandapa installed during

16th
Century CE

- Scheduled Castes allowed entry in July 1939 when temple entry movement was gaining momentum, Mahatma Gandhi, during his visit to Thanjavur in February 1934, appealed for permitting SCs into temple

- In 1987, declared World heritage Monument. In 2004, Brihadeeswara temple in Gangaikondacholapuram, Ariyalur district, and Airavateswara temple in Darasuram, Thanjavur district, also included, UNESCO calls them 'Great Living Chola Temples'

PHOTOS COURTESY: R. NAGASWAMY



- The temple, one of the world's largest and grandest, was built between 1003 AD and 1010 AD by the great Chola emperor Raja Raja I (c. 985-1014 AD).
- Holy water brought from the yaga salai — the site of the yajna in the temple compound — was poured on the gold-plated kalasam that tops the 216-foot vimanam over the sanctum sanctorum.
- The other idols at the temple too, were sanctified with holy water from the yaga salai.

About Kumbhabhishekam

- Kumbha-abhishekam is a purification ceremony to sanctify the temple structures and the Deities.
- Kumbha (kalasa) is a pot and the abhishekam -generally means 'bathing' (Sanskrit root word-Shic- to sprinkle – , abhi -all around-).
- When the two words are combined, it 'means ceremonial pouring of sanctified materials.'
- In temple worship, sixty-four worship procedures are recommended by Agama Sastras.
- Of these sixty-four, five upacharas (paadyam, gandham, pushpam, dhoopam, deepam) are of paramount importance.
- These five are then followed by naivedyam, which is distributed to devotees as prasadam.
- Among the five upachara, paadyam, or offer of water is most important.
- This is the reason why during the Kumbha-abhishekam, water contained in pots is first sanctified with Vedic prayers (Theertha kalasa Pooja), after which it used for abhishekam for the deities and other structures.

THE FIVE 'ICONIC' ARCHAEOLOGICAL SITES MENTIONED IN THE BUDGET

© CONTEXT

- The government proposes to set up an Indian Institute of Heritage and Conservation under the Ministry of Culture, and develop five archaeological sites as “iconic sites” with onsite museums in Rakhigarhi (Haryana), Hastinapur (Uttar Pradesh), Sivsagar (Assam), Dholavira (Gujarat) and Adichanallur (Tamil Nadu).

Rakhigarhi

- Rakhigarhi in Haryana's Hissar district is one of the most prominent and largest sites of the Harappan civilisation.
- It is one among the five known townships of the Harappan civilisation in the Indian subcontinent.
- Between 2013 and 2016, excavations were carried out at the cemetery in Rakhigarhi by a team of Indian and South Korean researchers led by Vasant Shinde of Deccan College, Pune.
- In one of their excavations, the skeletal remains of a couple were discovered.
- Interestingly, of the 62 graves discovered in Rakhigarhi, only this particular grave consisted of more than one skeletal remains and of individuals of the opposite sex together.

Hastinapur

- Excavations at Hastinapur, in Meerut district of Uttar Pradesh.
- Hastinapur finds mention in the Mahabharata and the Puranas.

- One of the most significant discoveries made at this site was of the “new ceramic industry”, which was named the Painted Grey Ware, which as per the report represented the relics of the early Indo-Aryans.
- The Painted Grey Ware would be associated with the early settlers on these sites, viz. The Pauravas, Panchalas, etc., who formed a part of the early Aryan stock in India.
- Such an association may also explain the synchronism between the appearance of the Painted Grey Ware in the Ghaggar-Sutlej valleys and the probable date of the arrival of the Aryans in that area.”

Sivasagar

- In Sivasagar, excavations at the Karenghar (Talatalghar) complex between 2000 and 2003 led to the discovery of buried structures in the north-western and north-eastern side of the complex.
- Among the structural remains found at the site were ceramic assemblages including vases, vessels, dishes, and bowls, etc.
- Terracotta smoking pipes were also found.
- Another excavation site in Sivasagar district is the Garhgaon Raja’s palace.
- A burnt-brick wall running in north-south orientation was found, along with the remains of two huge circular wooden posts.

Dholavira

- Dholavira in Gujarat is located in the Khadir island of the Rann of Kutch, and like Rakhigarhi is one of the sites where the remains of the Harappan civilisation have been found.
- Dholavira is unique because remains of a complete water system have been found here.
- The people who lived there for an estimated 1,200 years during the Harappan civilisation are noted for their water conservation system using rainwater harvesting techniques in an otherwise parched landscape.

Adichnallur

- Adichnallur lies in the Thoothukudi district of Tamil Nadu.
- The urn-burial site was first brought to light during a “haphazard excavation” by a German archaeologist in 1876.
- Following this, an Englishman Alexander Rae excavated the site between 1889 and 1905.
- Over the years, the site has gained attention because of three important findings: the discovery of an ancient Tamil-Brahmi script on the inside of an urn containing a full human skeleton, a fragment of broken earthenware, and the remains of living quarters.

WORLD’S NEGLECTED TROPICAL DISEASE DAY

◎ CONTEXT

- The first-ever edition of “World Neglected Tropical Diseases Day”(World NTD Day) is launched on 30 January 2020. This initiative brings together various civil society organisations, community leaders, global health experts and policymakers working in the field of NTDs.

◎ ABOUT

- Neglected tropical diseases (NTDs) are a diverse group of communicable diseases that prevail

in tropical and subtropical conditions in 149 countries.

- NTDs are a diverse set of bacterial, viral, and parasitic pathogens that collectively cause significant illness and debilitation, primarily in impoverished communities of low and middle-income countries.

Types of Neglected Tropical Diseases:

- **Dengue:** A mosquito-borne infection caused by dengue virus by Aedes mosquitoes.
- **Rabies:** A preventable viral disease transmitted to humans through the bites of infected dogs that is invariably fatal once symptoms develop.
- **Trachoma:** A chlamydial infection transmitted through direct contact with the infectious eye or nasal discharge, or through indirect contact with unsafe living conditions and hygiene practices, which left untreated causes irreversible corneal opacities and blindness.
- **Buruli ulcer:** A debilitating mycobacterial skin infection causing severe destruction of the skin, bone and soft tissue.
- **Yaws:** A chronic bacterial infection affecting mainly the skin and bone.
- **Leprosy:** A complex disease caused by infection mainly of the skin, peripheral nerves, mucosa of the upper respiratory tract and eyes.
- **Chagas disease:** A life-threatening illness transmitted to humans through contact with vector insects (triatomine bugs), ingestion of contaminated food, infected blood transfusions, congenital transmission, organ transplantation or laboratory accidents.
- **Human African trypanosomiasis (sleeping sickness):** A parasitic infection spread by the bites of tsetse flies.
- **Leishmaniasis:** Disease transmitted through the bites of infected female sandflies that in its most severe (visceral) form attacks the internal organs and in its most prevalent (cutaneous) form causes face ulcers, disfiguring scars and disability.
- **Taeniasis and neurocysticercosis:** An infection caused by adult tapeworms in human intestines; cysticercosis results when humans ingest tapeworm eggs that develop as larvae in tissues.
- **Dracunculiasis (guinea-worm disease):** A nematode infection transmitted exclusively by drinking-water contaminated with parasite-infected water fleas.
- **Echinococcosis:** Infection caused by the larval stages of tapeworms forming pathogenic cysts in humans.
- **Foodborne trematodiasis:** Infection acquired by consuming fish, vegetables and crustaceans contaminated with larval parasites.
- **Lymphatic filariasis:** Infection transmitted by mosquitoes causing abnormal enlargement of limbs and genitals from adult worms inhabiting and reproducing in the lymphatic system.
- **Onchocerciasis (river blindness):** Infection transmitted by the bite of infected. It can lead to visual impairment and permanent blindness.
- **Schistosomiasis:** Trematode infections transmitted when larval forms released by freshwater snails penetrate human skin during contact with infested water.
- **Mycetoma:** A chronic, progressively destructive inflammatory skin disease which usually affects the lower limbs.

NTD & the case of India:

- India tops the number of cases for 11 different neglected tropical diseases such as lymphatic filariasis, visceral leishmaniasis, trachoma, tapeworm, roundworm, hookworm, whipworm, dengue and leprosy.
 - WHO data shows that 58% of the newly diagnosed leprosy cases in the world in 2018 were in India. This despite the fact that India officially eliminated leprosy in 2005, reducing its prevalence rate to 0.72 per 10,000 people at the national level.

- In 2017, there were around 2.8 million new cases of TB, which brought down the global decline of TB. One-third of all TB deaths worldwide happen in India.

Why a 'World Day'?

- World Neglected Tropical Diseases Day will bring together civil society advocates, community leaders, global health experts and policymakers working across the diverse NTD landscape, and unify partners behind our common goal: to **#BeatNTDs. For good. For all.**
- **30 January** is the anniversary of the landmark 2012 London Declaration on NTDs, which unified partners across sectors, countries and disease communities to push for greater investment and action on NTDs.
- World NTD Day will not only honour this incredible show of support but inspire and rally partners each and every year.

BREXIT: FINALLY, UK EXITS EU.

◎ CONTEXT

- **On January 31, 2020 the United Kingdom left the European Union. This was made possible because of the withdrawal agreement.**

◎ ABOUT

- A few years ago, UK voted with 52% of British electorate choosing to exit European Union
- To ensure an orderly Brexit, EU and UK agreed on a transition period until the end of 2020 at least during which the UK would continue to participate in EU's Customs union and in the single market to apply European Union law, even if it is no longer a member state.

What do you understand by free trade area?

- Here countries can trade with each other without paying tariffs.
- But, certain trade restrictions on specific commodities like agriculture may be there.
- Imported goods have to comply with the law of the land.
- Deliberations / Negotiations may take several years.
- Quite often, protectionist measures are taken by various countries.

EU follows single market

- It allows free movement of goods, services, money and people within the EU as if it is a single country.
- There are no quotas, tariffs or taxes on trade. EU single market accounts for around 20-25% of global GDP.
- Regulations cover wide range of issues like packaging, safety and standards and they are applicable throughout the region uniformly.
- Integration of "Single Market" for goods completed in 1992 and it is still in progress for services.
- It is possible to setup a business or take a job anywhere within it.

Still, 27 nation of EU are strong

- 27 Member States are still strong with a single market of 450 million citizens and more than 20 million businesses.
- It remains the largest trading bloc in the World.
- It is still the World's largest development aid donor.

European Union's response

- European Union said that, the new partnership between EU & UK will be finalised after thorough discussions among EU27 Member States.

- EU looks forward to have the terms and ambitions for achieving the closest possible partnership.
- It also said that they are bound by history, geography, culture, shared values and principles and strong belief in rules-based multilateralism. Today's global challenges from climate change, cybercrime, terrorism, inequality require collective global response.

MALDIVES REJOINS COMMONWEALTH

◎ CONTEXT

- The Maldives has rejoined the Commonwealth, bringing the total number of nations in the global organisation to 54.

What is the Commonwealth?

- The Commonwealth is a voluntary association of 54 independent and equal countries.
- It is home to 2.4 billion people and includes both advanced economies and developing countries. 32 of our members are small states, including many island nations.
- Its member governments have agreed to shared goals like development, democracy and peace.
- The Commonwealth's roots go back to the British Empire. But today any country can join the modern Commonwealth.
- Eight governments (*United Kingdom, Australia, India, South Africa, Canada, Sri Lanka, New Zealand and Pakistan*) came together on 28 April 1949 to form the **modern Commonwealth**.
- Since its formation, independent countries from Africa, the Americas, Asia, Europe and the Pacific have joined the Commonwealth.

Background:

- The republic quit the Commonwealth in 2016 after being threatened with suspension over its human rights record and lack of progress on democratic reform.
- The island nation has been readmitted after showing evidence of functioning democratic processes and popular support for being part of the family of nations.
- The Maldives, which last joined the Commonwealth in 1982, will now be part of the Commonwealth heads of government meeting in Kigali, Rwanda, in June.
- The change came into effect just over an hour after the United Kingdom left the European Union.

Voluntary membership:

- Members of the Commonwealth can leave at any time, as its membership is purely voluntary.
- Pakistan left the association in 1972 - only to rejoin in 1989.
- Similarly, The Gambia left the Commonwealth in 2013 and was allowed to return in 2018.
- Zimbabwe's membership was suspended in 2002 on the grounds of alleged human rights violations and deliberate misgovernment.

India & the Commonwealth:

- India became a member of the Commonwealth in 1947, the first with chiefly non-European populations.
- India's new political interest in the Commonwealth is evident by the participation of Prime Minister Narendra Modi at the 25th Commonwealth Heads of Government Meeting (CHOGM) in London in 2018, marking the first Indian prime ministerial presence in a Commonwealth Summit after nearly a decade.

- There are few reasons behind India's political interest in the Commonwealth:
 - First, the membership of the Commonwealth, virtually spanning the entire globe. For India, membership and prospective leaders of the Commonwealth helps enhance its bilateral ties with individual countries.
 - The growing importance of small states for India's foreign policy. A high proportion of Commonwealth members, about 60 per cent, are small states.
 - Commonwealth-wide presence of Indian diaspora.
 - China is not and will never be a member of the Commonwealth.

Benefits of membership

- Commonwealth member countries benefit from being part of a mutually supportive community of independent and sovereign states, aided by more than 80 Commonwealth organisations.
- The Commonwealth Secretariat, established in 1965, supports Commonwealth member countries to achieve development, democracy and peace.
- It helps to strengthen governance, build inclusive institutions and promote justice and human rights.
- It deploys experts and observers who offer impartial advice and solutions to national problems.
- At Commonwealth summits, government leaders are brought together to amplify their voices and achieve collective action on global challenges.
- Its work supports the **United Nations Sustainable Development Goals** and the **Paris Agreement on Climate Change**.

ESSENTIAL COMMODITIES ACT

◎ CONTEXT

- According to Economic Survey 2019-20, Essential Commodities Act is out-dated and must go.

◎ ABOUT

- Findings in the Economic Survey 2019-20 were against Essential Commodities Act (ECA) and other "anachronistic legislations" and interventionist government policies, including drug price control, grain procurement and farm loan waivers.
- **ECA to control onion prices:** In September 2019, the Centre invoked the ECA's provisions to impose stock limits on onions after heavy rains wiped out a quarter of the kharif crop and led to a sustained rise in prices.
- **How does ECA work:** Stock limits ensure that onion stocks would be released into the open market and the supply would go up, ensuring prices remain affordable.
- **ECA has unintended consequences:** The Survey offers examples of stock limits on onion, sugar and pulses, where ECA intervention had little impact, and instead **increased volatility in prices following production/ consumption shocks** — the opposite of what it is intended for.

Arguments against ECA

- **An archaic law:** Essential Commodities Act has been in existence since 1955, when the economy was very different from what it is today. It was an economy ravaged by famine and food shortages.
- **Difference between storage and hoarding:** Recently there is evidence of interventions not working. It is because there is a distinction between storage and hoarding.
 - As compared to older times, when the economy experiences acute shortages, **today many shortage cases are actually that of hoarding.**

- **Stock limits led to onion price volatility:** To control soaring prices of onions over the last few months, centre through ECA imposed stock limits on onions. **Instead of decreasing prices, this actually increased price volatility.**
 - Although the restrictions on both retail and wholesale traders were meant to prevent hoarding and enhance supply in the market, the Survey showed that there was actually an increase in price volatility and a **widening wedge between wholesale and retail prices.**
 - Lower stock limit led traders and wholesalers to immediately offload most of the kharif crop which led to a sharp increase in the volatility.
- **Disincentivises storage infrastructure development:** With too-frequent stock limits, traders may have no reason to invest in better storage infrastructure in the long run.
 - Also, food processing industries need to maintain large stocks to run their operations smoothly. **Stock limits curtail their operations.** In such a situation, large scale private investments are unlikely to flow into food processing and cold storage facilities.
- **Higher prices of medicines:** Drug Price Control Order issued under the ECA also distorted the market and actually made medicines less affordable.
 - The increase in prices is greater for more expensive formulations than for cheaper ones and for those sold in hospitals rather than retail shops.
- **Rent seeking and Low conviction rates:** Despite many raids conducted under the ECA in 2019, the conviction rate was abysmally low. The ECA only seems to enable rent-seeking and harassment.
- Farm sector distortions
- **Arguments against farm loan waivers:** Beneficiaries of farm loan waivers consume less, save less, invest less and are less productive.
- **Argument against government procurement of food grains:** Government procurement of food grains led to a burgeoning food subsidy burden and inefficiencies in the markets.
 - It is beneficial to switch to cash transfers instead.

Essential Commodities Act

- The Essential Commodities Act, 1955 was enacted **to ensure the easy availability of essential commodities to consumers and to protect them from exploitation** by unscrupulous traders.
- The Act provides for the **regulation and control of production, distribution and pricing** of commodities which are declared as essential.
- Essential items under the Act include **drugs, fertilisers, pulses and edible oils, and petroleum and petroleum products.**
- The Act aim at maintaining/increasing supplies/securing **equitable distribution and availability** of these commodities at fair prices.
- **Centre invokes the ECA Act's provisions** to impose stock limits in case of price/quantity distortions in the market to ensure adequate availability of essential commodities at reasonable prices.
- **States are the implementing agencies** to implement the EC Act, 1955 and the **Prevention of Black marketing & Maintenance of Supplies of Essential Commodities Act, 1980**, by exercising powers delegated to them.
- The **list of essential commodities is reviewed from time to time** with reference to their production and supply and in consultation with concerned Ministries/Departments.

- Currently, the restrictions like licensing requirement, stock limits and movement restrictions have been **removed from almost all agricultural commodities**.
- - **Exemptions:Wheat, pulses and edible oils, edible oilseeds and rice** are certain exceptions.
- The recent amendment to the **Legal Metrology (Packaged Commodities) Rules 2011** is linked to the ECA. The Government can fix the retail price of any packaged commodity that falls under the ECA.

Arguments for ECA

- **Adequate supply:**Given that almost all crops are seasonal, ensuring round-the-clock supply requires adequate build-up of stocks during the season.
 - Without the ECA the common man would be at the mercy of opportunistic traders and shopkeepers.
- **Genuine shortages:**There can be genuine shortages triggered by weather-related disruptions in which case prices will move up.
 - So, if prices are always monitored, farmers may have no incentive to farm.
- **Difficult to differentiate between hoarding and shortage:** It may not always be possible to differentiate between genuine stock build-up and speculative hoarding.

MEDICAL DETAILS COMPROMISED: RESULT OF DELAYING DATA PROTECTION BILL

◎ CONTEXT

- **Medical details of over 120 million Indian patients have been leaked and freely available on the internet.**

◎ ABOUT

- This is as per a recent report published by Greenbone Sustainable Resilience, a German cybersecurity firm.
- What is even more worrying is that the number of data troves containing this sensitive data went up by significant number in the Indian context.
- The updated report also places Maharashtra at the top of the States affected by the leak.

How the leak occurred?

- The leak was facilitated by the fact that the Picture Archiving and Communications Systems (PACS) servers, where these details are stored are not secure and linked to the public Internet without any protection, making them easily accessible to malicious elements. Hence the basic problem is with unsecured PACS servers.

What will happen because of such data thefts?

- There is every possibility for mining for deeper data analysis and creating profiles that could be used for social engineering, phishing, online identity theft among other practices.

Is such leak of public data common in India?

- It is quite common. Recent example is Government websites enabling the download of Aadhaar numbers to electoral data rolls being downloaded in bulk.

Why such problem is coming up in India?

- India still does not have Data Protection Law. European Union has got stringent General Data Protection Regulation; similarly U.S. has Data Protection Regulations.

- Hence India still lacks comprehensive legal framework to protect data privacy.
- The Draft Personal Data Protection Bill, 2019 is yet to be tabled.
- The Bill was prepared after committee of experts chaired by Justice B.N. Srikrishna submitted the recommendations

Thereby, it is the time to bring robust Personal Data Protection Bill without further delay.

NATIONAL STATISTICAL COMMISSION (NSC) BILL 2019

◎ CONTEXT

- Recently, in the draft National Statistical Commission (NSC) Bill 2019, government proposed a law to reposition NSC as the nodal body for all core statistical activities of the country.

◎ ABOUT

- Facing criticism over the **credibility and independence of India's official statistics**, the government has through the **draft National Statistical Commission (NSC) Bill 2019** proposed a **statutory 'National Statistical Commission'**.
 - The new bill proposes to set up a **full-time NSC**, a **permanent secretariat**, **dedicated funds and powers** to supervise core statistical products.
- NSC Bill 2019 envisages **financial autonomy for the commission** through an independent **'National Statistical Fund'**, but it would be **bound by directions that the Centre will give** time from time.
 - The fund will include resources received by NSC through **government grants, fees and charges**.
- **History:** The draft bill draws on the 2011 report of a committee headed by N.R. Madhava Menon.
 - The **Menon committee had first recommended the setting up of an audit and assessment wing under NSC**, to be headed by a "Chief Statistical Auditor".
 - The draft bill also retains the **regulatory powers over core statistics** that the Menon committee had envisaged.
 - India is a follower of the **UN Statistical Commission** led systems since 1948.

National Statistical Commission

- The Government of India through a resolution dated 1st June, 2005 set up the NSC.
- Setting up of the NSC followed Cabinet's decision to accept **recommendations of the Rangarajan Commission**, which reviewed the Indian Statistical System in 2001.
- NSC was constituted with effect from 12th July 2006 with a mandate to **evolve policies, priorities and standards in statistical matters**.
- NSC has four Members besides a Chairperson, each having specialization and experience in specified statistical fields.
- NSC is the apex advisory body on statistical matters, but its **suggestions are not binding on the government**.

Need for a revised NSC

- The **current NSC lacks statutory authority**. In the absence of any legislative framework, NSC faced challenges in implementing its recommendations.
- The **quality of India's official statistics** and its reputation globally has **suffered a steep decline**.

- Every other data release (or suppression) is **accompanied by controversy**.
 - For example, release of the **NSS consumption report** was withheld by the government, on account of **data quality issues**.
- The current statistical system **lacks the ability to process the large volumes of data** that are being generated even within public agencies.
 - Coupled with **lack of incentives for research**, this impedes innovation in the system.

Proposed statutory NSC

- **Constitution:** According to the draft bill, NSC will consist of nine members. These include:
 - The Chairperson
 - Five full time member
 - Deputy Governor, RBI
 - Chief Statistician of India (CSI), appointed by central government.
 - Chief Economic Advisor, Ministry of Finance.
- **Functions:** NSC will advise the **central and state governments**, courts and tribunals on matters relating to government statistics.
 - It would conduct **periodical review of all aspects of official statistical system** at various levels.
 - Will help evolve national policies, legislative measures, and laying **standards for statistical concepts and methodologies**.
 - It will **maintain government statistics data for public distribution**.
 - Ensure strong coordination through **close linkage between budget and statistical programming agencies** in order to create robust **rationalized data**.
- **Suomotu action:** It can take matters suomotu, but the Bill encourages government agencies to proactively bring issues pertaining to the national statistical system for discussion in NSC.
- **Inquiries, offences and penalties:** The NSC has the power to warn, caution or censure a government agency if:
 - It does not comply with the standards of statistical ethics, or
 - Any person engaged in government statistics commits professional misconduct, makes a false or misleading statement or material omission in any information furnished to the NSC.
- **Statistical audit:** The draft Bill establishes the **National Statistical Audit and Assessment Organization** within the NSC.
 - It will conduct **periodic statistical audit**.
 - It will be **headed by the Chief Statistical Auditor**.

Significance of the Bill

- **Structured collection of data:** There was a need for the structured collection of data for many government programme interventions in order to **help policy-makers to solve policy-related issues**.
- **Autonomy:** The revised composition of NSC aims to **reinforce its independence** and align it with the vision and broad contours of national policies and priorities.
 - All statistical products, including the GDP series, would be **independently audited**.
- **Credible Data:** There is dire need for the availability of credible robust data in the public domain, so as to gain the **trust of the people by preventing spread of fake**

unreliable data.

- Through proposed NSC government aims to meet this need.
- Strengths and weaknesses of the raw data used would come out in open.

Criticism

- **Will not empower the National Statistical Commission:** It is being argued that the bill doesn't give NSC the autonomy it was meant to have. In the latest draft bill, the executive is part of the body.
 - It should have been an independent body **accountable to Parliament and not to any minister** or bureaucrat.
 - By giving the statutory backing, there are apprehensions that NSC will lose its independence.
- **Open to mis-interpretation:** The science of data collection, i.e., the way data is collected and processed will remain same, but people will interpret it in their own way.
 - There are concerns related to **quality, correctness, misreporting/misinvoicing and verifiability of data.**

◎ WAY FORWARD

- This is the **first step in restoring credibility of the Indian statistical system.**
- Autonomy must be **complemented with competence.**
- There should be **more use of upcoming technology** like big data analysis, artificial intelligence, etc.

PRADHAN MANTRI MATRU VANDANA YOJANA

◎ CONTEXT

- The government gave away the Pradhan Mantri Matru Vandana Yojana (PMMVY) awards to States, Union Territories, and Districts for best performance, during Matru Vandana Saptah (MVS).

◎ ABOUT

- The PMMVY is a maternity benefit programme being implemented in all districts of the country from 01.01.2017.
- Under PMMVY a cash incentive of **Rs. 5000** is provided directly to the bank/ post office account of **Pregnant Women and Lactating Mothers (PW&LM)** for the first living child of the family subject to fulfilling specific conditions relating to maternal and child health.
- PMMVY is implemented using the platform of Anganwadi Services Scheme of Umbrella ICDS under the WCD Ministry in respect of States/ UTs implementing scheme through Women and Child Development Department/ Social Welfare Department and through the health system in respect of States/ UTs where the scheme is implemented by Health and Family Welfare Department.
- PMMVY is implemented through a **centrally deployed web-based MIS software application** and the focal point of implementation is the **Anganwadi Centre (AWC)** and **ASHA/ANM.**

Matru Vandana Saptah (MVS) is a week-long maternity benefit programme which was taken up under PMMVY from December 2-8, 2019 to intensify the implementation of the scheme; create a healthy competition among states/UTs and felicitate states/UTs and districts for exemplary performance in implementation of PMMVY since its inception and during MVS.

How the states have performed?

- Best performer: In the category of best performance since inception of the Scheme to

States/ UTs having a population of more than 1 crore the first position was awarded to the State of **Madhya Pradesh**, followed by **Andhra Pradesh** and **Haryana** was in the third position.

- In the same category, among States/ UTs having a population of less than 1 crore **Dadra & Nagar Haveli** is in the first position. Himachal stood second and Chandigarh is in the third position.
- District-level awards for States/ UTs with a population of more than 1 crore the first position went to Indore in Madhya Pradesh.
- Kurnool in Andhra Pradesh is in the second position and South Salmara Mankachar in Assam was third.
- Among the districts of States/ UTs having a population of less than 1 crore the first position went to Serchhip in Mizoram, the second position to Unain Himachal Pradesh and Puducherry were in the third position.

PROPOSED CHANGES IN DEFINITION OF NRIS

◎ CONTEXT

- Under proposed changes in the recent budget there is a shift in India's tax policy. It will follow the approach of US, which taxes its citizens irrespective of their tax residence.

◎ ABOUT

- **Change in definition of tax residence:** Under the changes proposed in budget 2020, an Indian citizen who is not liable to be taxed in any other country or territory shall be deemed to be resident in India.
- **India will have taxation rights:** The way the amendment to the Act is worded suggests that Non-resident Indians (NRIs) working in countries with no income tax liability will have to pay the tax in India.
 - It will be taxed only when the income is derived from an **Indian business or profession**.
- **Objective:** The intent is to plug a gap that leaves the India income of an NRI out of the tax net.

Remittance flow

Country-wise distribution of remittances
(As a % of total remittances received by India)

UAE	26.9
US	22.9
Saudi Arabia	11.6
Qatar	6.5
Kuwait	5.5
Oman	3
UK	3
Malaysia	2.3
Canada	1
Hong Kong	0.9

Source: RBI

- **Current law:** Under current law, the worldwide income of an Indian resident is taxable in India. In the case of NRI, only the income earned in India is taxable.
- **American case:** American citizens who work in foreign countries have the liability to file tax returns and pay taxes in the US—even if they are resident in another country.
 - The country where they reside offers credits for the taxes they pay in the US for their local tax obligations, as per bilateral tax treaty rules.

- **India is world's top recipient of remittances** with its diaspora sending \$79 billion back home in 2018, followed by Mexico and China.
- The new proposal is **yet to be passed in both houses** of the parliament.

Residential status and Changes proposed

- **Residential status** of an individual will have to be **tested for each financial year** separately. Individual must meet any of the following conditions and both additional conditions:
 - **Conditions:**
 - ▶ You are in India for 182 days or more in the financial year (FY).
 - ▶ You are in India for 60 days or more in the FY and 365 days or more in the four FYs immediately preceding the relevant FY.
 - **Additional conditions:**
 - ▶ You are resident in India in two of the 10 FYs immediately preceding the relevant FY.
 - ▶ You are in India for seven years immediately preceding the relevant FY for 729 days or more.
- **Ordinarily Resident (OR):** If you meet any of the first set of conditions and both the additional conditions, you shall be considered a resident in India.
- **Resident but not ordinarily resident (RNOR):** If you meet any of the first conditions but do not meet the additional conditions, you shall be considered a RNOR in India.
- **Non-resident Indian (NRI):** If you do not meet any of the first conditions, you shall be an NRI.
- **Changes proposed:** From FY 2020-21, a NRI will start becoming 'not ordinarily resident' and in the FY 2024-25, he/she will become an 'ordinarily resident'. This will happen due to the changes proposed in the 'not ordinary resident' condition for an individual in this Budget.
 - Budget 2020 has proposed changes in the number of years required for being a resident by an individual to qualify as '**ordinarily resident**' **from at least two years currently to at least four years out of the previous 10 years.**
 - Earlier it was possible to be classified as **non-resident** by staying out of the country for 183 days in a year, this has now been, in effect, **enhanced to 245 days.**
 - In the first condition, **182 days will be reduced to 120 days** for being regarded as a resident from an income tax perspective.

Implications

- **Blow to NRI working in West Asia:** A change in definition of tax residence could end up hitting Indians working abroad, including countries like the UAE which levies no income tax; unless a bilateral treaty bails them out.
- NRIs and expats working in countries in West Asia account for a major chunk of foreign remittances received by India.
- **Bilateral treaties will have final say:** Tax treaties with countries will be decide where NRIs will actually be taxed. Tax treaties will have tie-breaker provisions to decide which country gets taxation rights.
 - Tie-breaker rules to decide residence status for taxation rights take into account factors such as the country in which the individual has his house, parents and ancestral home.
 - This means NRIs who are resident in both the countries will have to invoke provisions in tax treaties to get relief.
- **Benefit:** The proposal is part of the larger effort to **target high net worth individuals** who keep moving around countries in such a way to avoid paying their fair share of tax in any country.

- Will make it **difficult for NRIs to evade taxes**.
- These changes will **widen the tax base** by bringing in more people into the tax net.
- More resources will be available for **welfare spending**.

PURIFIED TEREPHTHALIC ACID (PTA)

◎ CONTEXT

- **The government has announced to abolish in “public interest” an anti-dumping duty that was levied on imports of a chemical called Purified Terephthalic Acid (PTA).**

◎ ABOUT

- Purified Terephthalic Acid (PTA) is a crucial raw material used to make various products, including polyester fabrics.
- PTA makes up for around 70-80% of a polyester product and is, therefore, important to those involved in the manufacture of man-made fabrics or their components. This includes products like polyester staple fibre and spun yarn.
 - Cushions and sofas may have polyester staple fibre fillings.
 - Some sportswear, swimsuits, dresses, trousers, curtains, sofa covers, jackets, car seat covers and bed sheets have a certain proportion of polyester in them.

What the government has decided?

- The government has abolished anti-dumping duty on Purified Terephthalic Acid (PTA).
- The move does away with a previous government decision to block countries like China, Taiwan, Malaysia, Indonesia, Iran, Korea and Thailand from substantially exporting the material — purified terephthalic acid (PTA), to India.

Reason behind the decision:

- PTA is a raw material for many of the industries. There has been persistent demand from industries that they should be allowed to source PTA at an affordable rate, even if it means importing it.
- Easy availability of this “critical input” at competitive prices was desirable to unlock “immense” potential in the textile sector, seen as a “significant” employment generator.
- The duty had meant importers were paying an extra \$27-\$160 for every 1,000 kg of PTA that they wanted to import from countries like **China, Taiwan, Malaysia, Indonesia, Iran, Korea and Thailand**.
- Removing the duty will allow PTA users to source from international markets. It may make it as much as \$30 per 1,000 kg cheaper than now.

How anti-dumping was imposed on PTA?

- The anti-dumping duty on PTA was imposed after two domestic manufacturers (MCC PTA India Corp Pvt Ltd and Reliance Industries Ltd) approached the Directorate General of Trade Remedies (DGTR) in 2013.
- The companies, which submitted that they accounted for over 50% of the domestic PTA industry, had argued that some countries had been exporting the product to India at prices lower than its value in their own domestic markets.
- This dumping of PTA into the Indian market had a “significant” adverse impact on the domestic industry, they argued.
- Following an investigation, DGTR agreed with MCCPI and RIL’s claims and imposed anti-dumping duties on PTA imported from South Korea and Thailand in 2014 and 2015, and from China, Indonesia, Taiwan, Iran and Malaysia in 2015 and 2016.

Anti-dumping duty is a tariff imposed on imports manufactured in overseas countries and that are priced below the fair market value of similar goods in the domestic market. The government imposes anti-dumping duty on foreign imports when it believes that the goods are being dumped in the domestic market. This duty is imposed to protect local businesses and markets from unfair competition by foreign imports.

Significance of the move:

- This announcement has come as a boost for the PTA users and the entire man-made fibre textiles & clothing segment.
- It would greatly help the country to enhance the global competitiveness, boost exports and also enable the domestic manufacturers to compete with the cheaper imports.

NATIONAL MISSION ON QUANTUM TECHNOLOGIES & APPLICATIONS (NM-QTA)

◎ CONTEXT

- The government in its budget 2020 has announced a National Mission on Quantum Technologies & Applications (NM-QTA) with a total budget outlay of Rs 8000 Crore for a period of five years to be implemented by the Department of Science & Technology (DST).

◎ ABOUT

- The new mission will oversee the development of quantum technologies for communications, computing, materials development and cryptography.
- It will coordinate the work of scientists, industry leaders and government departments
- **Implementing authority:** The move will be implemented by the Department of Science & Technology (DST).
- **Focus area:** The areas of focus for the Mission will be in fundamental science, translation, technology development, human and infrastructural resource generation, innovation and start-ups to address issues concerning national priorities.

Quantum Technology:

- Quantum technologies are rapidly developing globally with a huge disruptive potential.
- Quantum technology is a class of technology that works by using the principles of quantum mechanics (the physics of sub-atomic particles), including quantum entanglement and quantum superposition.
 - **Quantum entanglement** is when two atoms are connected, or entangled, despite being separated.
 - **Quantum superposition** is the theory that sub-atomic particles exist in multiple states simultaneously.
- It concerns the control and manipulation of quantum systems, with the goal of achieving information processing beyond the limits of the classical world.
- Quantum technology is opening up new frontiers in computing, communications, cyber security with wide-spread applications.
- It is expected that lots of commercial applications would emerge from theoretical constructs which are developing in this area.
- Quantum technology promises improvements to a vast range of everyday gadgets, including:
 - more reliable navigation and timing systems
 - more secure communications

- more accurate healthcare imaging
- more powerful computing
- The next generation transformative technologies that will receive a push under this mission include quantum computers and computing, quantum communication, quantum key distribution, encryption, crypt analysis, quantum devices, quantum sensing, quantum materials, quantum clock and so on.

Significance of the mission:

- **Super-secure communication network:** The mission may eventually lead to the creation of a super-secure communication network to make online financial transactions hacking-proof besides ensuring full-proof safety of every bit of digital communication.
- **Solution for complex problems:** Quantum principles will be used for engineering solutions to extremely complex problems in computing, communications, sensing, chemistry, cryptography, imaging and mechanics.
- **Global recognition:** India's considerable investment in the field places it alongside the United States, Europe and Russia. In 2018, US decided to invest US\$1.2 billion over five years in a national quantum initiative, and in 2016, Europe pledged US\$1.13 billion for quantum technologies. Russia is also spending huge amount on quantum technologies.

VACCINE TO CONTROL CLASSICAL SWINE FEVER

◎ CONTEXT

- In order to check fall in pig population in India, the government unveiled a new indigenously developed vaccine for controlling classical swine fever, which is a highly contagious fatal pig disease.

◎ ABOUT

- Classical swine fever (CSF), also known as hog cholera, is a contagious viral disease of domestic and wild swine.
- It is caused by a virus of the **genus Pestivirus** of the family **Flaviviridae**, which is closely related to the viruses that cause **bovine viral diarrhoea** in cattle and **border disease** in sheep.
- **Clinical signs:** The virus that causes CSF varies in virulence. Some strains are highly virulent and cause acute (i.e. rapid) serious disease. Some strains are of low virulence and cause chronic (i.e. long-lasting) disease, others are intermediate causing sub-acute disease.
- There is only one serotype of CSF virus (CSFV).
- CSF is a disease listed by the OIE World Organisation for Animal Health (OIE) Terrestrial Animal Health Code and must be reported to the OIE (OIE Terrestrial Animal Health Code).

The new vaccine:

- **Developer:** The new vaccine is developed by Uttar Pradesh-based ICAR-Indian Veterinary Research Institute (IVRI).
- **Cost:** It will be much cheaper than the existing one. It would cost only Rs 2 per dose compared to the current vaccine's rate of Rs 15-20 per dose and imported Korean vaccine rate of Rs 30 per dose.
- The new vaccine has been developed using Indian strain and lakhs of doses can be produced very easily using the **cell culture technology**.
- The new vaccine is safe and potent. It does not revert to virulence and provide protective immunity from day 14 of the vaccination till 24 months studied so far.

The need:

- Currently, India does not have enough vaccine for controlling classical swine fever (CSF), which has led to high mortality with annual loss of about Rs 4.29 billion.
- Against the annual requirement of 20 million doses, the availability is only 1.20 million doses, according to the IVRI.
- Although there is no health risk to humans, it is highly transmissible among swine.
- Since 1964 a **lapinized CSF vaccine** is being used in India for controlling the disease. The vaccine is produced by sacrificing large numbers of rabbits for each batch.
- To do away sacrificing of rabbits and increase the productivity, IVRI later developed a cell-cultured vaccine using foreign strain and commercialised it in 2016 and 2018.

Significance of the development:

- **Controlling spread:** The vaccine will nip the spread of the virus at animal stage so that it does not pass on to the human population.
- **Fulfilling requirement:** This new development will help tide over the huge shortfall in vaccine requirement across the country.
- **Lower cost:** CSF is one of the most common diseases affecting pigs, causing high mortality with annual loss of approximately Rs. 430 crore. The new vaccine will help CSF vaccination costs to come down sharply.

DEFEXPO 2020

◎ CONTEXT

- **Speaking at DefExpo2020 in Lucknow, Prime Minister set a target of doubling India's defence exports from Rs 17,000 crore currently to Rs 35,000 crore in five years.**

◎ ABOUT

- He pitched India as the next defence manufacturing hub.
- He also highlighted that only 270 defence licenses were issued till 2014 and now the number is 460.
- He set a target of boosting MSMEs in defence to 15,000 in the next five years.
- CAG report tabled in Parliament said, soldiers deployed in Siachen and Ladakh were forced to procure recycled high-altitude clothing and boots between 2015 and 2016 due to the budgetary constraints.

Present day ground reality

- Poor performance of defence Public Sector Undertakings. It is incidental to note that India is the second largest buyer of weapons between 2014 and 2018, and it is putting huge burden on the ex-chequer.
- Lack of roads by the private sector.
- Some of the platforms like missile programmes were successful, but for example, Tejas Light Combat Aircraft took more than three decades to reach induction stage. Indigenisation efforts are quite uneven and slothful (slow).
- Moreover, defence budget minus pensions, this time is around 1.5% of GDP and lowest since 1962.
- With defence salary and pension bills growing, funds for modernization are crunched. The Union Budget for 2020-21 has allocated Rs. 1,33,825 crore to defence pensions.
- This is up by 10½ times in a decade and a half, from Rs. 12,715 crore in 2005-06. The current ratio of military pensioners to serving military personnel is 1.7 to 1, while the ratio of civil pensioners to civil working personnel is 0.56 to 1.

Can India become a defence manufacturing powerhouse?

- Following aspects need to be kept into consideration
 - Making successful the strategic partnership model. Here the Government should give prominence to the private sector.
 - Government announced two Defence Industrial Corridors, in Uttar Pradesh and Tamil Nadu. It is not clear at this juncture, how the manufacturing ecosystem will evolve.
 - There is a need for creating vibrant American style military-industrial complex. This would entail not just greater private participation, but also create a defence ecosystem involving science and research institutes.
 - Our Universities need to be scaled-up so that they can contribute meaningful research towards the defence industry, while attracting the best brains around the World.
 - Necessary budgetary allotments with more allocations for capital expenditure.

GSSCORE

MISCELLANEOUS

CURRENT AFFAIRS

1st PEEK AT SUN'S POLES

- A new spacecraft is journeying to the Sun to snap the first pictures of the Sun's north and south poles.
- Solar Orbiter is an international cooperative mission between the European Space Agency and NASA.
- ESA's European Space Research and Technology Centre (ESTEC) in The Netherlands manages the development effort.
- The European Space Operations Center (ESOC) in Germany will operate Solar Orbiter after launch.
- Solar Orbiter was built by Airbus Defense and Space, and contains 10 instruments: nine provided by ESA member states and ESA.
- NASA provided one instrument suite, SoloHI and provided detectors and hardware for three other instruments.
- Launching on a United Launch Alliance Atlas V rocket, the spacecraft will use Venus's and Earth's gravity to swing itself out of the ecliptic plane — the swath of space, roughly aligned with the Sun's equator, where all planets orbit.
- From there, Solar Orbiter's bird's eye view will give it the first-ever look at the Sun's poles.
- After years of technology development, it will be the closest any Sun-facing cameras have ever gotten to the Sun

BODO LANGUAGE

- The new Bodo Accord has declared Bodo language in Devnagri script as an associate official language of Assam.
- Estimated to have 1.5 million speakers (Census 2011), Bodo is listed in the Eighth Schedule of the Constitution.
- It is spoken in Assam, where the Bodo tribe constitutes about 5-6% of the population, and in Arunachal Pradesh, Nagaland, Meghalaya, and West Bengal.
- The new Accord also promises to establish a separate directorate for Bodo medium schools, provincialise schools and colleges in the BTAD (Bodoland Territorial Autonomous District) and establish a Cultural Complex-cum-Centre of Excellence named after the late social activist Bodofa Upendranath Brahma in Kokrajhar for protection and promotion of the language.

CHANGENOW SUMMIT 2020

- Promoted as the "World Expo of innovations for the Planet", the international Summit ChangeNOW, held under the emblematic glass dome of the Grand Palais in Paris from 30 January to 1 February 2020.
- ChangeNOW is all about concrete action and innovations that matter: climate change, end of plastic pollution, new forms of agriculture, new models of education, solutions to refugee's crisis, clean energy, sustainable cities, and other solutions to our most urgent global issues.
- It is the annual reunion for all enthusiasts who want to shake and shape the world we live in.
- It provided an important opportunity for cities, partners and stakeholders to discuss and raise awareness on the most pressing urban challenges, advocating a people-centred and place-based urban development approach equipped with innovative urban solutions from around the world.
- In line with the UN Agenda 2030, ChangeNOW 2020 focuses on 8 action areas to tackle the world's urgent environmental and social needs – addressing issues such as clean air and clean water, health and food security, sustainable and accessible energy, biodiversity as well as sustainable consumption and production, global citizenship education and well-being.

INDIGENOUS TECHNOLOGY FOR ARTIFICIAL INSEMINATION

- Indian Council of Agricultural Research informed that ICAR-National Dairy Research Institute (NDRI), Karnal (Haryana) and Anand Agricultural University, Anand (Gujarat) are undertaking research on basic and applied aspects for developing an alternate method of sexing of cattle semen under a project entitled "Incentivising research in agriculture for developing an alternative method for sexing of semen as the technology" since 2015.
- Artificial insemination (AI) is the process of collecting sperm cells from a male animal and manually depositing them into the reproductive tract of a female.
- Artificial insemination is commonly used instead of natural mating in many species of animals because of the many benefits it can reap.
- This has been found to result in a normal offspring.
- Artificial insemination is not merely a novel method of bringing about impregnation in females. Instead, it is a powerful tool mostly employed for livestock improvement.
- By adoption of artificial insemination, there would be considerable reduction in both genital and non-genital diseases in the farm stock.
- In this process, the semen is inseminated into the female by placing a portion of it either in a collected or diluted form into the cervix or uterus by mechanical methods at the proper time and under most hygienic conditions.

KRISHNAPURAM ONIONS

- Krishnapuram onions are a variety of export quality onions from Andhra Pradesh.
- The variety, not too popular in the domestic market and is mainly grown for exports.
- Krishnapuram onions are not used in kitchen due to their size and pungency.
- These onions are imported by Thailand, Hong Kong, Malaysia, Sri Lanka and Singapore.
- Last year government had banned export of onions, when prices of onions in the domestic shot up.
- The blanket ban on export of onions affected Krishnapuram too, hitting a number of farmers in Andhra Pradesh who did not find too many takers for it in the local market.
- They are also called Krishnapuram Rose Onions.

LAND BANKS

- Sick Public Sector Enterprises (PSEs) were told to list land banks (inventory of the real estate) in their possession.
- It was observed many PSEs did not even maintain fixed asset register properly.
- Letting sick PSEs raise cash by selling surplus land available with them will help improve their balance sheets.
- The prices of land at prime locations have not been affected by the liquidity crunch and will be fetching prices close to their earlier prices.
- In general, Land banking is the practice of aggregating parcels of land for future sale or development.

MARGINAL TAX RATE

- The marginal tax rate is the percentage of tax applied to your income for each tax bracket in which you qualify.
- In essence, the marginal tax rate is the percentage taken from your next dollar of taxable income above a pre-defined income threshold.

- It differs from the average tax rate, which is the total tax paid as a percentage of total income earned.
- Those who make the least amount of money owe the lowest marginal tax rate.
- The more money one makes, the higher the marginal tax rate for each bracket in which your income is taxed.

SARAJEVO HAGGADAH

- Originating in Northern Spain in the second half of the 14th century, the "Sarajevo Haggadah" is a valuable manuscript written on parchment, with superb illuminations.
- Its origin and journey to Sarajevo, where it has been housed by the National Museum of Bosnia and Herzegovina since the end of the 19th century, are still shrouded in mystery.
- The Sarajevo Haggadah consists of 142 leaves of extraordinarily thin, bleached calfskin vellum.
- The Sarajevo Haggadah is divided into three parts:
- The first part consists of 34 pages with a total of 69 illuminated miniatures depicting Biblical events from the Creation to slavery in Egypt to the succession of Joshua after the death of Moses.
- The second part consists of 50 pages with the text that is read out loud during Passover, written in medieval Sephardic script.
- The third part contains poetry by the most prominent Jewish poets of the Middle Ages.
- The Sarajevo Haggadah was made in Barcelona around the year 1350.
- It left Spain in 1492 after the Expulsion of the Jews, and surfaced again in Italy in the 17th century.

SMALL BANKS

- Small Banks are niche banks that focus and serve the needs of a certain demographic segment of the population.
- The objective of setting up of small finance banks is to further financial inclusion by encouraging savings and ensuring supply of credit to unorganized sector entities, like small business units, small and marginal farmers.
- They work on the principle of high technology-low cost operations.
- They were recommended by the NachiketMor committee on financial inclusion.
- They take small deposits and disburse loans. Distribute mutual funds, insurance products and other simple third-party financial products.
- They can lend up to 75% of their total adjusted net bank credit to priority sector.
- They cannot lend to big corporates and groups or open branches without prior RBI approval for first five years.
- They cannot act as business correspondent of any bank.

SOPHISTICATED ANALYTICAL & TECHNICAL HELP INSTITUTES (SATHI)

- The Department of Science & Technology has launched a unique scheme called "Sophisticated Analytical & Technical Help Institutes (SATHI)".
- The Scheme aims to address the need for building shared, professionally managed and strong Science and Technology infrastructure in the country which is readily accessible to academia, start-ups, manufacturing, industry and R&D labs.
- These Centres are expected to house major analytical instruments to provide common services of high-end analytical testing, thus avoiding duplication and reduced dependency on foreign sources. These would be operated with a transparent, open access policy.
- DST has already set up three such centres in the country, one each at IIT Kharagpur, IIT Delhi and BHU. It is planned to set up five SATHI Centres every year for the next four years.

THE TYLER PRIZE 2020

- The 2020 Tyler Prize for Environmental Achievement – often described as the ‘Nobel Prize for the Environment’ – has been awarded to conservation biologist Gretchen C. Daily, and environmental economist Pavan Sukhdev, both pioneers in illuminating and quantifying the economic value of our natural environment.
- These two experts in very different areas of research have played a major role in improving our understanding of nature’s value in supporting human wellbeing.
- The Tyler Prize for Environmental Achievement is one of the oldest international environmental awards, recognizing individuals who have contributed in an outstanding manner to the scientific knowledge and public leadership to preserve and enhance the global environment.

It is administered by the University of Southern California.

WORLD WETLANDS DAY

- World Wetlands Day marks the date of the adoption of the Convention on Wetlands on 2 February 1971 in the Iranian city of Ramsar on the shores of the Caspian Sea.
- The 2020 theme for World Wetlands Day is “Wetlands and Biodiversity”.
- Wetlands are areas of marsh, fen, peatland or water, whether natural or artificial, permanent or temporary, with water that is static or flowing, fresh, brackish or salt, including areas of marine water the depth of which at low tide does not exceed six metres.
