



KAVISH IAS

Converting Possibilities into Reality

CURRENT AFFAIRS

FEBRUARY 2020

INDEX

1) Polity and Governance	Pg 3-17
2) International Relations	Pg 18-29
3) Security and Defence	Pg 30-41
4) Economy	Pg 42-70
5) Science and Technology	Pg 71-81
6) Ecology and Environment	Pg 82-89
7) Social Issues	Pg 90-95
8) Miscellaneous and Schemes	Pg 96-100



KAVISH IAS
Converting Possibilities into Reality

POLITY AND GOVERNANCE

**Paper II: This section is relevant to Polity and Governance Section of GS
Paper II**



1.1 SC ON CRIMINALISATION OF POLITICS

Topic: Governance (Accountability and Transparency)

Why in News: The Supreme Court endorsed the Election Commission's suggestion that a party which chooses to field a candidate with criminal background should mandatorily spell out reasons justifying its choice. However, the court turned down Election Commission's request for powers to take action, including cancelling the nomination, against candidates facing criminal charges and political parties for fielding them.

Background History

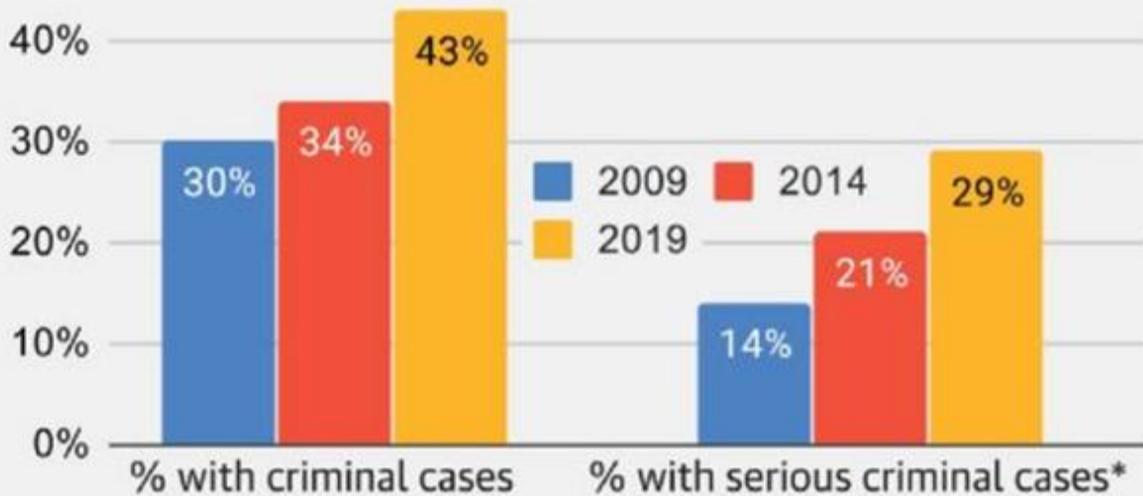
- In September 2018, the Supreme Court Constitution Bench directed political parties to publish online the pending criminal cases of their candidates.
- The Bench concluded that rapid criminalisation of politics cannot be arrested by merely disqualifying tainted legislators but should begin by "cleansing" the political parties.
- The Bench also urged Parliament to bring a "strong law" to cleanse political parties of leaders facing trial for serious crimes.
- The court had suggested that Parliament frame a law that makes it obligatory for political parties to remove leaders charged with "heinous and grievous" crimes like rape, murder and kidnapping, only to a name a few, and refuse ticket to offenders in both parliamentary and Assembly polls.

Latest Developments

- Recently, BJP leader Ashwini Upadhyay had filed a contempt petition seeking action against the authorities and parties for not complying fully with the 2018 judgment.
- In this context, in January 2020, the Election Commission (EC) made a proposition before the Supreme Court to ask political parties to not give ticket to those with criminal antecedents.
- The Supreme Court asked its counsel and senior advocate Vikas Singh to sit with senior advocate Gopal Sankaranarayanan (Mr. Upadhyay's lawyer), and frame a joint proposal detailing how it can be ensured that parties did not fall in with criminal politicians.
- Now the Election Commission filed EC's suggestions in compliance of an apex court order asking lawyers to frame a joint proposal. The SC endorsed the EC's suggestion that a party which chooses to field a candidate with criminal background should mandatorily spell out reasons justifying its choice.

Under the scanner

Close to **43% winners** of the 2019 Lok Sabha polls have criminal cases against them, according to the Association for Democratic Reforms



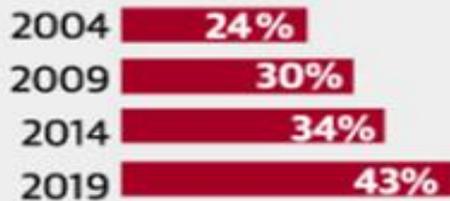
* rape, murder, kidnapping, crimes against women, etc



Cause for concern

The Supreme Court on Thursday flagged the alarming increase in incidence of criminals in politics

MPs with pending criminal cases:



■ The 2018 Constitution Bench judgment that formed the basis for Thursday's verdict said: Rapid criminalisation of politics cannot be arrested by merely disqualifying tainted legislators but should begin by "cleansing" political parties



No political party offers an explanation as to why candidates with pending criminal cases are selected as candidates

JUSTICE NARIMAN, on February 13, 2020



Alarming increase in the number of criminals in politics

- The EC informed the apex court that 24% of MPs had criminal background in 2004 but the number went up to 30% in 2009, 34% in 2014.
- 43% MPs elected to Parliament in 2019 had criminal cases pending against them.
- The court said criminalisation of politics continues unabated and something had to be done in national interest to deal with the menace.

Detailed information

- **Details of criminal antecedents:** The published information on the criminal antecedents of a candidate, including "pending criminal cases", should be detailed and include the nature of the offences, charges framed against him, the court concerned and the case number.
- **Why parties are giving him tickets despite criminal antecedents:** Through its published material, a political party should explain to the public how the "qualifications or achievements or merit" of a candidate, charged with a crime, are strong enough to ignore his criminal background while giving him the ticket.

Publishing candidates' criminal antecedents:

- A two-judge bench of Supreme Court said it is in agreement with the EC's suggestion that political parties be directed to publish the credentials, achievements and criminal antecedents of candidates must be published in newspapers, social media platforms and the party's website.
- It shall be mandatory for all political parties to upload on their websites details of individuals with criminal antecedents, who have been selected as candidates, along with reasons why other individuals without criminal antecedents could not be selected.
- It should mandatorily be published either within 48 hours of the selection of candidates or less than two weeks before the first date for filing of nominations, whichever is earlier.
- In this regard, the political parties will have to submit compliance reports with the Election Commission of India within 72 hours or risk contempt of court action.

Criticism on EC Powers: No powers to EC to take action

- The bench, however, disagreed with the suggestion that the poll panel be empowered to take action against the political party and a candidate under Article 324, including cancelling the nomination in case of non-compliance.
- For this, the court's order reflects limitations of efforts to keep tainted candidates off the ballot, given the principle of "presumption of innocence until convicted".

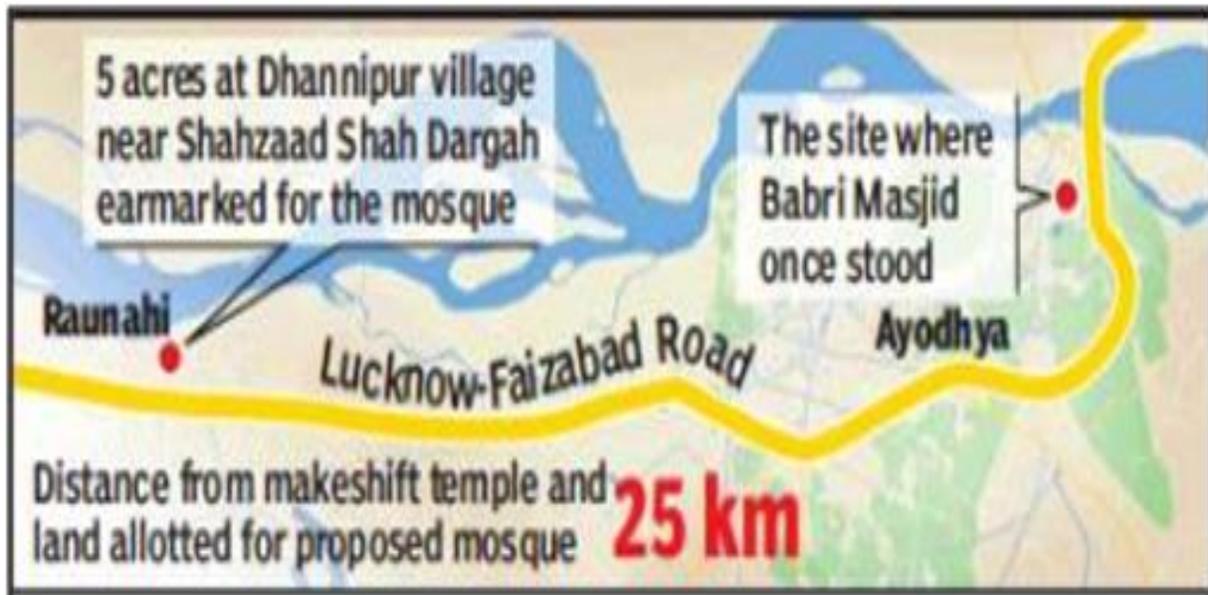
1.2 RAM MANDIR TRUST

Why in News: The Union Cabinet has approved a scheme for the construction of a Ram temple in Ayodhya by setting up an autonomous trust, the Shri Ram Janmabhoomi Teerth Kshetra.

Background

- In November 2019, Supreme Court allowed the construction of a Ram temple at the site of the demolished Babri Masjid in Ayodhya, and ordered handing over another 5-acre plot to the Uttar Pradesh Sunni Waqf Board for the mosque.
- One of the five suits before the court in the Babri Masjid case was in the name of the deity itself, Sri Ram Lalla Virajman, and of the birthplace, Asthan Shri Ram Janmabhoomi.
- This suit was founded on the claim that the law recognises both the idol and the birthplace as juridical entities. The court did not accept the Janmasthan as a juridical entity and awarded the title of the land to Ram Lalla, to be held by the Trust.

- The Court had also directed the Centre to formulate within three months a scheme to set up a “Trust with a Board of Trustees or any other appropriate body” under The Acquisition of Certain Area at Ayodhya Act, 1993, with powers “including the construction of a temple”.



Track to the temple

A look at the key points of Prime Minister Narendra Modi's announcement regarding the construction of a Ram temple at Ayodhya

- Mr. Modi announced the formation of a 15-member Trust named 'Shri Ram Janmabhoomi Teerth Kshetra', to oversee the construction of the temple

- This Trust will be empowered to take independent decisions on the construction of the temple and other related subjects, Mr. Modi said

- He said the government will transfer the whole of the approx 67.703 acres acquired

land to the new Trust

- Its members include Jagatguru Shankracharya, Jyothishpeethadheeshwar Swami Vasudevanand Saraswati Ji Maharaj, Jagatguru Madhavacharya Swami Vishwa Prasannatheerth Ji Maharaj, Yugpurush Paramanand Ji Maharaj, Swami Govinddev Giri Ji Maharaj, Vimlendra Mohan Pratap Mishra, Anil Mishra, Kameshwar Chaupal and Mahant Dinendra Das

The trust will comprise
15 members,
including one individual from the Dalit community

- Two prominent practising Hindus will be nominated by the board of trustees. Two Hindu IAS officials below the rank of Joint Secretary to the govt. will be appointed by the Centre and the U.P. govt. Ayodhya District Collector will be the ex-officio trustee

The Trust will be headed by former Attorney General and Supreme Court Lawyer **K. Parasaran**



Details of the Trust

- The Trust, which is called the Shri Ram Janmabhoomi Teerth Kshetra, will include 15 members, out of which one would always be from the Dalit society.
- All other members of the Trust, which includes an IAS officer to be nominated by the Central and State government each, will have to be practising Hindus. The trust will be headed by former Attorney General K. Parasaran.
- A scheme has been approved to make necessary provisions in regard to functioning of the trust including matters relating to management of the trust and powers of the trustees including construction of the temple.
- In compliance with the directions of the Supreme Court, possession of the inner and outer courtyards of the disputed site shall be handed over to the said Trust.
- Moreover, the central government is at liberty to make suitable provisions in respect to the rest of the acquired land by handing it over to the said Trust for management and development in terms of the Scheme framed by the Central government.

- The Trust deed says that the trustees may accept donations, grants, subscriptions, aids or contribution from any person, government, local authorities or any other institution in cash or in kind, including immovable property/ properties without any conditions or terms inconsistent with this Trust or its objects.

Land allotted to Sunni Waqf Board

- The Uttar Pradesh government has allotted five acres of land to the Sunni Central Waqf Board in Dhannipur village in Sohawal tehsil of Ayodhya, around 25 km from the site where the Babri Masjid once stood.
- Following the Supreme Court verdict in the Ram Janmabhoomi-Babri Masjid title suit, the State had sent a proposal with three alternative sites to the Centre and one was selected.

1.3 PUBLIC SAFETY ACT

Topic: Significant Provisions

Why in News: The Jammu and Kashmir administration has slapped the stringent Public Safety Act (PSA) against former Jammu and Kashmir Chief Ministers Mehbooba Mufti and Omar Abdullah.

Background of the Public Safety Act

- J&K Public Safety Act was passed by Sheikh Mohammad Abdullah (Grandfather of Omar Abdulla) in 1978 to take action against timber smugglers.
- The Act was enacted "in the interest of the security of the State and public order".
- It contains provisions for designating protected and prohibited areas, prevention of circulation of documents in the interests of communal harmony etc.

J&K Public Safety Act

The Jammu & Kashmir Public Safety Act, 1978 is a preventive detention law, under which a person is taken into custody to prevent him or her from acting in any manner that is prejudicial to "the security of the state or the maintenance of the public order".

Authority to pass the order

It comes into force by an administrative order passed either by Divisional Commissioner or the District Magistrate, and not by a detention order by police based on specific allegations or for specific violation of laws.

Also, there can be no prosecution or any legal proceeding against the official who has passed the order.

Period of detention

- In case of a person acting prejudicial to the maintenance of public order, the maximum period of detention is 12 months.
- The maximum period of detention in the case of persons acting in any manner prejudicial to the security of the State is two years.
- The detention of persons below the age of 18 is prohibited under the PSA, following amendments to the Act in 2012.
- In August 2018, the Act was amended to allow people to be detained under the PSA outside J&K as well.

Constitutional validity: Article 22(3)(b) of the constitution allows for preventive detention and restriction on personal liberty for reasons of state security and public order.

Note: It is very similar to the National Security Act that is used by other state governments for preventive detention.

Provisions under the Act

- The PSA allows for detention of a person without a formal charge and without trial.
- It can be slapped on a person already in police custody; on someone immediately after being granted bail by a court; or even on a person acquitted by the court.
- Unlike in police custody, a person who is detained under the PSA need not be produced before a magistrate within 24 hours of the detention.
- The detained person does not have the right to move a bail application before a criminal court, and cannot engage any lawyer to represent him or her before the detaining authority.
- When a person is detained under the PSA, the DM communicates to the person (within five days in general and 10 days in exceptional circumstances) , in writing, the reason for the detention.
- Through the communication the detained person gets an opportunity of making a representation against the order.

- However, the DM also has the discretion not to disclose all the facts on the basis of which the detention is ordered, if he or she thinks that these facts are against “public interest”.
- **Placing the order before advisory board:** The DM has to place the detention order within four weeks before an advisory board.
- **The advisory board consists of three members, including a chairperson who is a former judge of the High Court.**

Note: The Advisory Board is responsible for reviewing the detention order, representation by the detained person, and any other information it considers necessary, to determine whether or not there is sufficient cause for the detention of the person.

- **Representation of detained person before the advisory body:** The DM also has to place the representation made by the detained person. The detained person too can make a representation before this advisory board.
- **Report Submission:**
 - Within eight weeks from the date of detention, the advisory board submits its report to the government, which will determine if the detention is in public interest.
 - This report is binding on the government.

Can the PSA be challenged in Court?

- The only way this administrative preventive detention order can be challenged is through a habeas corpus petition filed by relatives of the detained person.
- The High Court and the Supreme Court have the jurisdiction to hear such petitions and pass a final order seeking quashing of the PSA.
- However, if the order is quashed, there is no bar on the government passing another detention order under the PSA and detaining the person again.

1.4 CONSUMER PROTECTION AUTHORITY

Topic: Structure Organisation and functions of Executive Bodies

Why in News: Govt. to establish Central Consumer Protection Authority; Union Ministry of Consumer Affairs, Food and Public Distribution has recently announced that a Central Consumer Protection Authority (CCPA) will be established by the first week April 2020 to implement the Consumer Protection Act, 2019.

The Consumer Protection Act, 2019

The Act replaced The Consumer Protection Act, 1986, and seeks to widen its scope in addressing consumer concerns.

Key Features of the Act

- **Consumer rights:** Six consumer rights have been defined in the act including the right to:
 - be protected against marketing of goods and services which are hazardous to life and property;
 - be informed of the quality, quantity, potency, purity, standard and price of goods or services;
 - assured of access to a variety of goods or services at competitive prices; and
 - seek redressal against unfair or restrictive trade practices.

- **Central Consumer Protection Authority**

The central government will set up a Central Consumer Protection Authority (CCPA) to promote, protect and enforce the rights of consumers.

- **Penalties for misleading advertisement**

- The CCPA may impose a penalty on a manufacturer or an endorser of up to Rs 10 lakh and imprisonment for up to two years for a false or misleading advertisement.
- In case of a subsequent offence, the fine may extend to Rs 50 lakh and imprisonment of up to five years.

- **Liability of celebrity endorsers:**

- The endorser can be levied with penalty up to rupees ten lakhs by the CCPA for false and misleading advertisements.
- CCPA can also prohibit the endorser of a misleading advertisement from endorsing that particular product or service for a period of up to one year, which may extend to three years for every subsequent offence
- However, the endorser will not be liable if he has exercised due diligence to verify the veracity of the claims made in the advertisement regarding the product or service being endorsed by him.

- **Consumer Disputes Redressal Commission:**

- Consumer Disputes Redressal Commissions (CDRCs) will be set up at the district, state, and national levels.
- Complaint can be filed with CDRCs in relation to:
 - unfair or restrictive trade practices;
 - defective goods or services;
 - overcharging or deceptive charging; and
 - offering of goods or services for sale which may be hazardous to life and safety
- The new Act recognises offences such as providing false information regarding the quality or quantity of a good or service, and misleading advertisements.
- It also specifies action to be taken if goods and services are found “dangerous, hazardous or unsafe”.

Central Consumer Protection Authority (CCPA)

- The CCPA aims to protect the rights of the consumer by cracking down on unfair trade practices, and false and misleading advertisements that are detrimental to the interests of the public and consumers.
- The Central Consumer Protection Authority (CCPA) will promote, protect and enforce the rights of consumers.
- It will regulate matters related to violation of consumer rights, unfair trade practices, and misleading advertisements.
- It will be a lean body with a Chief Commissioner as head, and only two other commissioners as members, one of whom will deal with matters relating to goods while the other will look into cases relating to services.
- It will be headquartered in the National Capital Region of Delhi and the central government may also set up regional offices in other parts of the country.
- It will have an investigation wing, headed by a Director-General, which may conduct inquiry or investigation into such violations
- The District Collector is empowered to report to the CCPA regarding mass consumer complaints in the concerned jurisdiction.

Functions

- Inquiring into violations of consumer rights, investigating and launching prosecution at the appropriate forum
- Passing orders to recall goods or withdraw services that are hazardous, reimbursement of the price paid, and discontinuation of the unfair trade practices
- Issuing directions to either discontinue or modify a false or misleading advertisement imposing penalties

- Issuing safety notices to consumers against unsafe goods and services
- Ensuring that all standards on packaged food items set by regulators such as the Food Safety and Standards Authority of India (FSSAI) are being followed.

Authority of CCPA in given cases

If any goods or services are found not meeting these standards:

- The CCPA will have powers to recall goods or withdrawal of services that are “dangerous, hazardous or unsafe;
- It can pass an order for refund of the prices of goods or services so recalled to purchasers of such goods or services; and discontinuation of practices which are unfair and prejudicial to consumer’s interest”.

Penalties for adulterated products: For manufacture, selling, storage, distribution, or import of adulterated products, the penalties are:

- If injury is not caused to a consumer, fine up to Rs 1 lakh with imprisonment up to six months;
- If injury is caused, fine up to Rs 3 lakh with imprisonment up to one year;
- If grievous hurt is caused, fine up to Rs 5 lakh with imprisonment up to 7 years;
- In case of death, fine of Rs 10 lakh or more with a minimum imprisonment of 7 years, extendable to imprisonment for life.

If advertisement is false or misleading

- **Directions for Discontinuation:** The CCPA may issue directions to the trader, manufacturer, endorser, advertiser, or publisher to discontinue such an advertisement, or modify it in a manner specified by the authority, within a given time.
- **Penalty:** The authority may also impose a penalty up to Rs 10 lakh, with imprisonment up to two years, on the manufacturer or endorser of false and misleading advertisements. The penalty may go up to Rs 50 lakh, with imprisonment up to five years, for every subsequent offence committed by the same manufacturer or endorser.
- **Ban:** CCPA may ban the endorser of a false or misleading advertisement from making endorsement of any products or services in the future, for a period that may extend to one year. The ban may extend up to three years in every subsequent violation of the Act.

1.5 RESERVATION IN PROMOTIONS

Topic: Functions of Judiciary and Features of Constitution

Why in News: In a significant judgement, the Supreme Court has ruled that there is no fundamental right to claim reservation in public jobs and no court can order a state government to provide for reservation to SC/STs.

Reservation in promotion pertains to reservations granted to Scheduled Castes and Scheduled Tribes (SCs/STs) for promotions in public employment.

Earlier SC Judgments on Reservation in Promotion

- It has been a bitterly contested issue between the Supreme Court and Parliament.
- **In 1992 the Court, in its Indra Sawhney judgment, found that Article 16(4) does not allow for reservation in promotion.**
- Then, between 1995 and 2000, Parliament enacted a series of Constitutional Amendments that legalized reservation in promotion.
- **In 2006, the Court responded with its Nagaraj judgement, which placed strict conditions on when the State could grant a SC/ST reservation in promotion.**
- The Court held that for reservation in promotion to be valid, the State has to meet three compelling requirements:
 - Demonstrate the backwardness of the SC/ST
 - Prove that the SC/ST is inadequately represented in relevant public employment
 - Maintain the overall efficiency of administration
- **In 2018, a five-judge Bench of the Supreme Court unanimously held that the judgment delivered in Nagaraj in 2006.**
- The Bench also struck the demonstration of further backwardness criterion from Nagaraj. It also introduced the principle of creamy layer exclusion.
- It held that creamy layer exclusion extends to SC/STs and, hence the State cannot grant reservations in promotion to SC/ST individuals who belong to the creamy layer of their community.

Constitutional Provisions

Article 16(4A) allowed the State to provide reservations to a SC/ST in matters of promotion, as long as the State believes that the SC/ST is not adequately represented in government services.

Summary of the Judgement

- There is no fundamental right which inheres in an individual to claim reservation in promotions and thus, no mandamus can be issued by the Court directing the State Government to provide reservations.

- Articles 16 (4) and 16 (4-A) of the Constitution did not confer individuals with a fundamental right to claim reservation in promotion.
- There is no obligation on the states to provide reservation in promotions. It is within absolute discretion of a state government to decide whether or not to do so.
- If the state government wishes to exercise their discretion and make such provision, the State has to collect quantifiable data showing inadequacy of representation of that class in public services.
- Collection of such data is a pre-requisite for providing reservations, and is not required when the State Government decided not to provide reservations.
- The inadequacy of representation of SC/STs is a matter within the subjective satisfaction of the State, subject to limited scope of judicial scrutiny.



INTERNATIONAL RELATIONS

- ❖ **Paper II (GS): All the Articles of this section are relevant to the following topics:**
 - **India and its Neighbourhood – Relations**
 - **Bilateral, Regional and Global Groupings and Agreements involving India and / or affecting India's Interests**
- ❖ **Prelims Oriented Questions and Places in News for Maps/ Matching**



KAVISH IAS
Converting Possibilities into Reality

2.1 COMMONWEALTH OF NATIONS

Why in News: Maldives has re-joined the Commonwealth, more than three years after it quit the association.

Commonwealth of Nations

- The Commonwealth of Nations, generally known as the Commonwealth, is a political association of 54 member states, mostly former territories of the British Empire.
- It is home to 2.4 billion people, and includes both advanced economies and developing countries.
- The Commonwealth dates back to the first half of the 20th century with the decolonisation of the British Empire through increased self-governance of its territories.
- It was originally created as the British Commonwealth of Nations through the Balfour Declaration at the 1926 Imperial Conference, and formalised by the United Kingdom through the Statute of Westminster in 1931.
- The current Commonwealth of Nations was formally constituted by the London Declaration in 1949, which modernised the community and established the member states as "free and equal".

Structure of Commonwealth

- The chief institutions of the organisation are the Commonwealth Secretariat, which focuses on intergovernmental aspects, and the Commonwealth Foundation, which focuses on non-governmental relations between member states.
- The human symbol of this free association is the Head of the Commonwealth, currently Queen Elizabeth II. The 2018 Commonwealth Heads of Government Meeting appointed Charles, Prince of Wales to be her designated successor, although the position is not technically hereditary.
- Member states have no legal obligations to one another, but are connected through their use of the English language and historical ties.

Commonwealth Secretariat

- The Commonwealth Secretariat, established in 1965, is the main intergovernmental agency of the Commonwealth, facilitating consultation and co-operation among member governments and countries.
- The Commonwealth of Nations is represented in the United Nations General Assembly by the secretariat as an observer.

- The secretariat organises Commonwealth summits, meetings of ministers, consultative meetings and technical discussions; it assists policy development and provides policy advice, and facilitates multilateral communication among the member governments.
- It also provides technical assistance to help governments in the social and economic development of their countries and in support of the Commonwealth's fundamental political values.

Charter of the Commonwealth

- The Charter of the Commonwealth, adopted in 2012, is a charter setting out the values of the Commonwealth of Nations as well as the commitment of its member states to various values.
- A total of sixteen core beliefs are drawn up in the charter, including democracy, human rights, international peace and security, gender equality, recognition of the needs of the small states etc.

Background

- In 2016, the Maldives pulled out of the Commonwealth terming “unjust” the grouping’s decision to penalise the country over former President Mohamed Nasheed’s controversial ouster in 2012.
- This followed the Commonwealth Ministerial Action Group (CMAG)’s warning to Maldives of suspension from the bloc.
- The CMAG had voiced deep disappointment over the country’s lack of progress in resolving the political crisis during former President Abdulla Yameen’s presidency. Yameen’s authoritarian actions had sparked concern domestically and internationally.
- However, months after current President Ibrahim Mohamed Solih won the 2018 presidential elections, he wrote to the Commonwealth requesting to re-join the bloc.
- Now, the island nation has been readmitted into the Commonwealth of Nations, after it followed a sustained reform process.
- Commonwealth Secretary-General has said that the reform process under way in Maldives aligns with the values and principles of the Commonwealth and it encourages the nation to continue on this path.

India’s stand

- India-Maldives have witnessed a significant shift following the poll defeat of former President Yameen, perceived to be a friend of China.

- India lauded the decision to readmit Maldives to the Commonwealth, as India has always been a key supporter for it to play a larger role in international organisations and the comity of nations.
- India has also acknowledged the efforts of the current government of Maldives to participate actively in international organisations, such as the United Nations and IORA and increase the global profile of Maldives as a democratic, dynamic and responsible country.
- India further stated that it is committed to working closely with Maldives on shared Commonwealth goals like development, democracy and peace.

2.1 BREXIT

Why in News: The European Parliament has approved the terms for the UK's departure from the European Union. This marked the final stage in the ratification process of Brexit.

Brexit

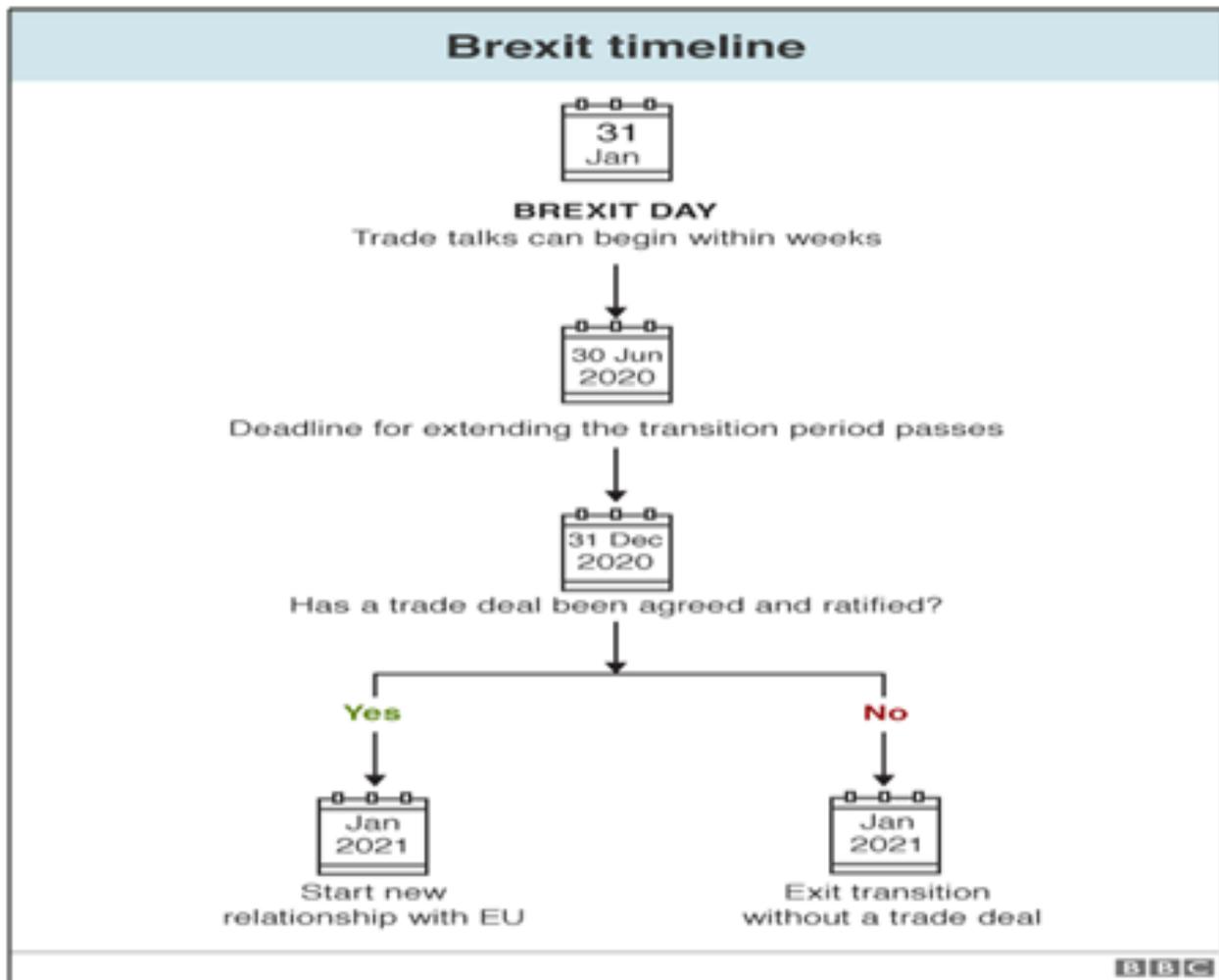
- Brexit - British exit - refers to the UK leaving the European Union.
- A public vote (known as a referendum) was held in June 2016, when 52 per cent of voters

European Union

- The EU is an economic and political union involving 28 European countries.
- It allows free trade, which means goods can move between member countries without any checks or extra charges.
- It also allows free movement of people, to live and work in whichever country they choose.
- The UK joined in 1973 (when it was known as the European Economic Community) and it will be the first member state to withdraw.

After Brexit day

- After the Brexit, negotiation will follow to decide what their future relationship will look like.
- This will be worked out during the transition period (which some prefer to call the implementation period), which begins immediately after Brexit day and is due to end on 31 December 2020.
- During this 11-month period, the UK will continue to follow all of the EU's rules and its trading relationship will remain the same.



- The transition period is meant to give both sides some breathing space while a new free trade agreement is negotiated.
- This is needed because the UK will leave the single market and customs union at the end of the transition.
- A free trade agreement allow goods to move around the EU without checks or extra charges.
- If a new one cannot be agreed in time, then the UK faces the prospect of having to trade with no deal in place. That would mean tariffs (taxes) on UK goods travelling to the EU and other trade barriers.
- Aside from trade, many other aspects of the future UK-EU relationship will also need to be decided. For example:
 - Law enforcement, data sharing and security
 - Aviation standards and safety
 - Access to fishing waters

- Supplies of electricity and gas
- Licensing and regulation of medicines

Changes after Brexit

Not member of EU summits:

- British ministers will no longer attend regular EU meetings
- The British Prime Minister will no longer be an automatic attendee at EU Council summits, although he can still join if he is given a special invitation.

New trade equations:

- While Britain was still in EU, it was not allowed to hold formal trade negotiations with countries (outside union).
- Now, it will have to build new trade relationships with countries outside the Union.
- There will also likely be priority given to a trade deal between the EU and its ex-member.

Passport

- The UK introduced burgundy design on its passport after joining EU. Now, the country will return to the blue passports it used to issue before adopting the EU design.
- This switch will be phased over a number of months; all new passports will be issued in blue by the middle of the year.

New Coins

- About three million commemorative Brexit coins, of denomination of 50 pence were circulated. They bear the date “31 January” and the inscription “Peace, prosperity and friendship with all nations”.

No Brexit department

- The Department for Exiting the European Union was set up in 2016 and disbanded.

What doesn't change

- **Travel:** Flights, boats and trains will operate as they did while Britain was in the EU. Driving licences will continue to be accepted, as long as they are valid.
- **EHIC:** European Health Insurance Card will remain valid inside Britain, and in the EU countries, during the transition.

- **Freedom of movement:** During the transition, UK nationals will continue to be able to live and work in European Union countries. EU nationals who want to live and work in the UK, too, can do so.
- **EU Budget:** The UK will for now continue to contribute to the EU Budget. Existing schemes that are funded by EU grants will continue to be funded.

2.3 INDIA AND BREXIT

Why in News: India and post-Brexit EU and Britain: Brexit is over and done with. India will need to review its policy both towards Britain and the European Union (EU).

India and Britain before Brexit:

- For several years, Britain's attraction was as a most convenient platform to do business in Europe.
- Britain had an outsized influence on EU's policies towards India, claiming a familiarity with its former colony that other member countries lacked.
- These had started diminishing over the past decade.

India and Britain after Brexit:

- London will no longer be a critical capital in Indian calculations.
- But Britain will retain its attraction as one of the most important global financial markets and as a centre of technological innovation and knowledge. It will be an opinion leader in the Anglo-Saxon world.
- Relations with Britain will lose some salience, and relations with Britain will need to be reframed with a narrower, more bilateral focus.
- India should seek a recalibrated but strong relationship with London.

Post-Brexit EU:

- EU, without Britain, would be weaker in some ways but could also gain in coherence.
- As an EU member, Britain provided its strongest link with the United States (US) and resisted more independent European initiatives such as in defence and foreign relations.
- With Britain gone and the US under Trump dismissive of the EU and of NATO, it is likely that Europe will begin to look at a more cohesive and relatively independent international role.
- This, at a time when its relationship with China is also undergoing change, due to anxiety over China's predatory investment in European strategic assets such as ports and logistic hubs.

Opportunity for India-EU strategic partnership

- This provides an opportunity for India to revive its strategic partnership with EU.
- Strategic partnership which was earlier announced in 2004 fell short of expectations due to two main factors:
- EU prioritizing relations with China, which was seen as a bigger economic opportunity than India
- Europe's inward turn in the aftermath of the global financial and economic crisis of 2008

Trade and investment agreement must be prioritized

- Negotiations on trade and investment agreement must be resumed with a clear political direction from leaders on both sides to conclude a pact speedily.
- If the economic pillar of the relationship is weak, then the strategic partnership cannot be sustained.
- Both sides will need to shed the growing protectionist tendencies in their countries.

India and the EU also have many convergent interests

- India and the EU also have a convergent interest in a multilateral rule-based international trade and investment regime embedded in a reformed World Trade Organisation (WTO).
- Convergence in interests is also in other domains such as the climate crisis, cyber security, peaceful uses of space, international terrorism and non-proliferation of weapons of mass destruction.
- Both are also multi-ethnic, multi-religious, multi-lingual and multi-cultural plural democracies.
- There is every reason for the two sides to engage in a broad-based dialogue to promote a multilateralism and rules-based regimes.

A stronger relationship will not be easy to achieve

- Criticism of Indian policies in European civil society, parliament and media may put Indian diplomacy on a defensive mode.
- This could prevent leveraging of the substantial and mutual opportunities which are emerging in a changing global landscape.
- There is a danger that both sides may settle for a transactional relationship, while downplaying shared values and affinities.

Conclusion

- India has always supported and even cheered European unity because this would enable the EU to emerge as an independent pole in a multilateral order. This role has become even more important today.
- A strong India-EU partnership can help shape a more balanced, more democratic and peaceful international order with stronger multilateral institutions and multilateral processes to tackle global challenges.
- This relationship has compelling reasons to move forward to a much stronger one.

2.4 INDIA CENTRAL ASIA COUNCIL

Why in News: India's External Affairs Minister launched the India-Central Asia business council, and spoke of improved connectivity between India and the five Central Asian countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. In this context, he noted that Chahbahar port and more air corridors could overcome the problem of direct connectivity between India and the five central Asian countries.

- India's foreign minister S. Jaishankar launched the India Central Asia Business council which brought together Indian businessmen and diplomats from the Central Asian countries.
- The India Central Asia Business Council is being set up by the Federation of the Indian Chambers of Commerce and Industry (FICCI).
- The council will form four working groups including on energy, agro and food processing, tourism and pharmaceuticals to present recommendations for ways to further boost trade.
- S. Jaishankar said that India and Central Asian countries, as developing countries, share common perspectives and also work together to meet common challenges such as terrorism, extremism, radicalisation, drug trafficking etc. which affect the region.

Trade and economic engagement with Central Asia

Constraints:

- Min of External Affairs said that great potential exists in enhancing trade and economic engagement between India and central Asia.
- However, the trade is constrained by the lack of overland connectivity, due to the barriers to transit trade through Pakistan.
- As a result, the total trade between India and Central Asia quite low at approximately \$2 billion per year.

- At present, \$1.5 billion of the \$2 billion trade with Central Asia is with Kazakhstan, and more than \$1 billion of that comes from crude oil exports to India.



Sea and Air routes to boost economic engagement

Chabahar port

- To overcome the challenge of lack of efficient overland connectivity, India seeks the route through the Chabahar port in Iran that India is helping develop.
- Note: Indian government allocated an additional Rs 100 crore to develop the port in the recent budget.
- India, Iran and Afghanistan believe that Chabahar will become the fulcrum of connectivity for Indian goods to reach Afghanistan and further north to Central Asian states.
- The landlocked Central Asia can also find access to ocean through this port. At present, most of the trade between Central Asia goes via Bandar Abbas in Iran, northern Europe or China.

Air Corridors

- Min of Ext Affairs also highlighted the need to examine the viability of establishing air corridors between India and the central Asian states.
- While flying time from Delhi for most of the Central Asian destinations is two hours, it takes up to two months for containers sent overland from India to reach these places.
- In this context, he said that availability of air corridors can boost trade in perishable goods, agricultural and food product.

More measures needed to improve India and Central Asian links:

- Businessmen and diplomats of central Asian countries called for considerable progress on infrastructure on the ground to improve viability of Chabahar port.
- Central Asian representatives called for the visa procedures to be streamlined further in order to grow services, especially medical tourism that brings hundreds of patients from Central Asia to India each year.

Chabahar Port

- Iran's Chabahar port is located on the Gulf of Oman and is the only Iranian port with direct access to the ocean. The port gives access to the energy-rich Iran's southern coast.
- The government of Iran wants to build Chabahar as the focal point with the entire coastline of 1,000 kilometres to be developed for oil refineries, petrochemical and steel factories, and other projects
- India is a key partner in the development of this port. India and Iran had in 2003 agreed to develop Chabahar. In 2016, India signed a deal with Iran entailing \$8 billion investment in Chabahar port and industries in Special Economic Zone.
- The port will also provide connectivity to Afghanistan and Central Asia through the Iranian coast.



SECURITY AND DEFENCE

❖ **Paper III: This section is relevant to the following topics:**

- **Linkages between development and spread of extremism.**
- **Role of external state and non-state actors in creating challenges to internal security.**
- **Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security; money-laundering and its prevention**
- **Security challenges and their management in border areas; linkages of organized crime with terrorism**
- **Various Security forces and agencies and their mandate**

❖ **Prelims Oriented Questions**

3.1 DEFENCE EXPO

Why in News: Prime Minister Narendra Modi inaugurated the 11th edition of DefExpo in Lucknow, Uttar Pradesh.

DefExpo

- DefExpo is the flagship biennial event of the Ministry of Defence, Government of India.
- It provides a single platform for defence manufacturing companies from India and abroad showcases their products and services in Defence arena.

DefExpo 2020

- The 11th edition of Def Expo, DefExpo 2020, is being held in Lucknow, Uttar Pradesh.
- **The main theme of the DefExpo India- 2020 is 'India: The Emerging Defence Manufacturing Hub' and the focus will be on 'Digital Transformation of Defence'.**
- More than a thousand defence manufacturers and 150 companies from all over the world are part of this Expo.
- After inaugurating DefExpo 2020, Prime Minister made his address.
 - **Key points from his speech:**
 - **India is not just a market:** PM said that India is moving ahead with a strong role in the field of security and defence. He said that India is not just a market, but is also an immense opportunity for the whole world.
 - **'Digital Transformation of Defence':** As life is becoming technology driven, the security concerns and challenges are becoming increasingly serious. It is not only important for present but for our future as well. Globally, the defence forces are evolving newer technologies. India is also keeping pace with the world.
 - **PM said that the sub theme of DefExpo 'Digital Transformation of Defence' reflects the worries and challenges of tomorrow.**
 - **He said India's goal is to develop at least 25 products of Artificial intelligence in the defence sector during the next five years.**
 - **Realising the dream of indigenising defence manufacturing:** Indigenising defence manufacturing has been accelerated in many defence products. For example, 460 defence licenses were issued in the last five years.

- India is manufacturing everything from Artillery guns, Aircraft carrier to Frigate Submarines today.

- **India's share in global Defence Exports has also increased. In the last two years India has exported about 17 thousand crores of defence products. Now India's aim is to increase Defence Exports to five billion dollars.**
- **Research & Development in defence:** In the last few years, government has made research & development a major part of the nation's policy. Necessary infrastructure is being prepared in the country for defence R&D and manufacturing. Joint ventures are being worked out with other countries. It has led to an environment that is ready for investment and innovation.

- **Partnership between the user and the producer:** PM said that national security can be made more powerful by the partnership between the user and the producer. He said the defence manufacturing should not be limited to only government institutions, but it should also have equal participation and partnership with the private sector.

- **New targets for New India:**
- **Defence manufacturing corridors:**
 - Prime Minister said that two large defence manufacturing corridors are being constructed in India. One in Tamil Nadu and the other in Uttar Pradesh.
 - Under the Defence Corridor of UP, Nodes will be established in Aligarh, Agra, Jhansi, Chitrakoot and Kanpur besides Lucknow.

- **MSMEs in defence production:**
 - In order to give further impetus to defence manufacturing in India new targets have been set.
 - The goal is to bring the number of MSMEs in the field of defence production beyond 15 thousand in the next 5 years.
 - PM called on the major industry bodies of the country to create a common platform for defence manufacturing so that they can take advantage of both the development and production of technology in the field of defence.

3.2 INTEGRATED THEATRE COMMAND

Why in News: Chief of Defence Staff (CDS) Bipin Rawat outlined the roadmap for joint/integrated theatre commands of the armed forces.

Integrated theatre command model

- An integrated theatre command envisages a unified command of the three Services, under a single commander, for geographical theatres that are of security concern.
- The commander of such a force will be able to bring to bear all resources at his disposal — from the IAF, the Army and the Navy — with seamless efficacy.
- The integrated theatre commander will not be answerable to individual Services, and will be free to train, equip and exercise his command to make it a cohesive fighting force capable of achieving designated goals.
- The logistic resources required to support his operations will also be placed at the disposal of the theatre commander so that he does not have to look for anything when operations are ongoing.

Joint operation v/s integrated command

- Joint operation means that while the 3 Services progress and develop in their respective spheres, maintaining their independent identity, they function together — and so coordinate their operations in war as to achieve the best results.
- Integrated commands, on the other hand, seek to merge individual Service identities to achieve a composite and cohesive whole. It implies enmeshing the three Services together at different levels and placing them under one commander for execution of operational plans.

Latest Developments

- The CDS outlined the roadmap for joint/integrated theatre commands of the armed forces.
- It will start in 2020 with the creation of a joint Air Defence Command.
- Informal discussions on creation of other integrated theatre commands have been mooted, and these commands will be created within three years but will initially be assigned to the services chiefs.
- **Joint/Integrated theatre commands:**
 - The CDS laid out the roadmap for integrated theatre commands, different from the US and Chinese models, in favour of a unique model suited to Indian conditions.
 - Each of the theatre commanders will be assigned to be under one of the service chiefs during the transformation phase till “full integration” happens.

- The CDS said the proposal is for a Peninsular Command for the eastern and western coastlines, a joint training command, and a joint logistics command wherein some informal discussions have been held with the three services but no formal interaction has happened so far.

CDS' comments on other issues

Huge defence pension bill

- CDS expressed concern over the rate at which the bill for defence pensions is increasing every year.
- The amount for defence pensions this year is around Rs 1.33 lakh crore, and last year it was about Rs 1.17 lakh crore, representing a sharp jump.
- He said that while retired soldiers, particularly from combat arms, need to be taken care of after retirement, the way the jump in pensions keeps happening is not sustainable.
- He said the solutions lie in increasing the retirement age of soldiers to 58 in roles which do not need them to be young and robust, and taking the soldiers of combat arms who retire at a young age into the Defence Service Corps (DSC).
- By increasing the retirement age, CDS said at least one-third of the Army to serve till 58-60 years of age, thereby reducing the ratio of pensioners to serving military personnel.
- To this end, a study to decide on increasing the retirement age has been ordered.

Defence budget management

- CDS said that it is important for the services to manage their budget, where they buy whatever is available with money in hand and are very serious about what they want and buy it.
- He said that priority in procurement is extremely important as “deficiencies really matter in getting some modern equipment and some ammunition”.
- He also highlighted the need to focus on creating indigenous capacities for production of ammunition, as a lack of surge capacity during periods of urgent requirement are an area of weakness.

Department of Military Affairs (DMA)

- The Department of Military Affairs (DMA) headed by the CDS has been newly created.
- Posts of six joint secretaries (JS) have been created under the CDS - with four uniformed officers and two IAS officials.
- The tasks allocated to these joint secretaries include works, parliamentary issues and the three defence services.

3.3 PERMANENT COMMISSION FOR WOMEN

Why in News: The Supreme Court has brought women officers in 10 streams of the Army on a par with their male counterparts in all respects, setting aside longstanding objections of all.

Background: Women in Army

- The induction of women officers in the Army started in 1992.
- The women officers were commissioned for a period of five years in certain chosen streams such as Army Education Corps, Corps of Signals, Intelligence Corps, and Corps of Engineers.
- Recruits under the Women Special Entry Scheme (WSES) had a shorter pre-commission training period than their male counterparts who were commissioned under the Short Service Commission (SSC) scheme.
- In 2006, the WSES scheme was replaced with the SSC scheme, which was extended to women officers. However, serving WSES officers were given the option to move to the new SSC scheme, or to continue under the erstwhile WSES.
- They were commissioned for a period of 10 years, extendable up to 14 years.
- They were to be however, restricted to roles in specific streams which excluded combat arms such as infantry and armored corps.
- While male SSC officers could opt for permanent commission at the end of 10 years of service, this option was not available to women officers.
- Thus, women officers were kept out of any command appointment, and could not qualify for government pension, which starts only after 20 years of service as an officer.
- The first batch of women officers under the new scheme entered the Army in 2008.

Background of the case

- In 2003, a PIL was filed before the Delhi High Court for grant of permanent commission (PC) to women SSC officers in the Army.
- In 2008, the Defence Ministry granted Permanent Commission (PC) prospectively to SSC women officers in the Judge Advocate General (JAG) department and the Army Education Corps (AEC) which was later challenged by women officers on the ground that it granted PC only prospectively, and only in certain specified streams.
- In 2010, the Delhi High ruled that women officers of the Air Force and Army on SSC, who had sought permanent commission but were not granted that status, would be entitled to PC at par with male SSC officers.

- However, this benefit was only available to women officers in service who had instituted proceedings before the High Court, and had retired during the pendency of the writ petitions.
- Women officers who had not attained the age of superannuation for permanently commissioned officers would be reinstated with all consequential benefits.
- The High Court's order was later challenged by the government in the Supreme Court, and even though the High Court judgment was not stayed, its judgement was not implementing those directions.
- In February 2019 (while the court proceedings were on), the government passed an order for the grant of PC to SSC women officers in eight streams of the Army, in addition to the JAG and AEC, which had been opened up in 2008. But they would not be offered any command appointments, and would serve only in staff posts.
- The government later came up with a proposal whereby women officers of up to 14 years of service would be granted permanent commission in line with the letter of February 2019.
- Women officers with more than 14 years of service would be permitted to serve for up to 20 years without being considered for PC, but would retire with pension.
- Women Officers with more than 20 years of service would be released with pensionary benefits immediately.

SC judgement

- The SC has done away with all discrimination on the basis of years of service for grant of PC in 10 streams of combat support arms and services, bringing them on a par with male officers.
- It has also removed the restriction of women officers only being allowed to serve in staff appointments (which is the most significant and far-reaching aspect of the judgment).
- The Supreme Court ordered the government to implement its judgment in three months.
- The implications of the judgment will have to be borne by the human resources management department of the Army, which will need to change policy in order to comply.

Implications of the SC judgement

- The women officers will now be eligible to tenant all the command appointments, at par with male officers.
- Permanent commission would be available to all women, regardless of their years of service.

- This would open avenues for further promotions to higher ranks for them. However, if women officers had served only in staff, they would not have gone beyond the rank of Colonel.
- It also means that in junior ranks and career courses, women officers would be attending the same training courses and tenancing critical appointments, which are necessary for higher promotions.

AIR FORCE

Will witness the **maximum impact of the SC judgement** as a similar case by air force officers could go the same way in the court this week

IAF has the highest proportion of women officers – at 13.28% and, importantly, it has opened all its arms for entry. This ranges from air traffic controllers to combat and transport pilots

As per internal assessments, **women officers will qualify in large numbers for command positions** because they have got top-of-the-line ratings and the requisite experience. If the SC judgement goes the same way, women officers could take over the command of Air Force bases and units in the immediate future

THE FUTURE

If equal opportunities principle is applied uniformly, it is a matter of time before the male-only training academies open up to women

The tri-services National Defence Academy is the bedrock of officers training – a case can be made for entry of women cadets to the academy. Similarly, other 'male only' academies could open up in the near future

BCCL





3.4 FINANCIAL ACTION TASK FORCE

Why in News: Pakistan will stay on the FATF 'grey list' until June 2020. Pakistan was also told it could go into the 'black list' if it failed to complete its 27-point action plan.

Background

- In June 2018, FATF placed Pakistan on enhanced monitoring process or the 'grey list', because of its deficiencies in the anti-money laundering and counter terrorist financing (AML/CTF) regime.
- Grey-listed countries are those whose domestic laws are considered weak to tackle the challenges of money laundering and terrorism financing.
- Pakistan was given a 27-point action plan that was to be implemented by September 2019, with its progress on these 27 points to be monitored by the FATF Asia-Pacific sub-group (APG).
- In February 2019, FATF continued the 'Grey' listing of Pakistan.
- In August 2019, APG put Pakistan in the Enhanced Expedited Follow Up List (Blacklist) for its failure to meet its standards.
- If Pakistan does not act based on the action plan of FATF, it could be placed in the Blacklist that comes with stringent restrictions on its financial system.

- In October 2019, FATF retained Pakistan on the “grey list” but gave a stern warning that Pakistan will be blacklisted if it does not fulfill the global standards criteria for combating terrorist financing by February 2020.
- The plenary found that, despite the high-level commitment to fix weaknesses in countering terror financing (CTF) and anti-money laundering (AML) regime, Pakistan has not made enough progress. FATF failed Pakistan on 22 out of its 27 parameters.

Important remedial measures recommended by FATF to Pakistan include

- Taking measures against UN-designated terrorists like Hafiz Saeed and Masood Azhar, Taliban and banned terror outfits such as Lashkar-e-Taiba, Jaish-e-Mohammad, Haqqani Network, and their affiliates, to demonstrate that they are deprived of their resources and their sources of funding are choked
- Ensuring that terror funding risks are properly identified assessed and that supervision is applied on a risk-sensitive basis.
- Preventing financial institutions from indulging in money laundering and terror funding.

Latest Developments

- The International Co-operation Review Group (ICRG) of the Financial Action Task Force (FATF) recommended that Pakistan be retained on the “Grey List”, given its failure to completely implement the 27-point action plan to check terror financing.
- Most of the group members were in favour of continuing the pressure on Pakistan to execute all the measures suggested against funding to banned terror outfits and United Nations designated global terrorists operating from its soil.
- Of particular concern to the FATF is Pakistan’s failure to make significant progress in prosecuting and penalising terror financing.
- Pakistan was told that it had to convincingly prosecute and convict the top jihadis of all terror groups as mentioned in the action plan.
- Pakistan was also told it could go into the ‘black list’ if it failed to complete its 27-point action plan by June 2020.
- The language used to warn Pakistan was identical to that used on Iran, which is currently in the black list.

Financial Action Task Force (FATF)

- **The Financial Action Task Force is an intergovernmental organization founded in 1989 on the initiative of the G7 to develop policies to combat money laundering.**
- **In 2001 its mandate expanded to include terrorism financing.**
- **It is also termed as "international terror financing watchdog".**
- The FATF Can be seen as a “policy-making body” which works to generate the necessary political will to bring about national legislative and regulatory reforms in combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.
- The FATF has developed a series of recommendations that are recognized as the international standard for combating of money laundering and terror financing.
- **The FATF Secretariat is housed at the OECD headquarters in Paris.**

Members

- **Currently, FATF consists of 39 members.**
- **Two regional organizations - the European Commission and the Gulf Co-operation Council**
- India is a member, as well as important countries like China, US, UK, France, Germany, Russia and Saudi Arabia. Interestingly, Hong Kong is also a separate member jurisdiction.
- Pakistan is not a member.
- Asia/Pacific Group on Money Laundering (APG), Eurasian Group (EAG), Caribbean Financial Action Task Force (CFATF), and Financial Action Task Force of Latin America (GAFILAT) etc. are FATF Associate Members.

Lists maintained by FATF

FATF maintains two different lists of countries:

Grey List

- Those countries that have deficiencies in their Anti Money Laundering /Counter Terrorist Financing (AML/CTF) regimes but they commit to an action plan to address these loopholes.
- There are eight countries in Grey list: Pakistan, Ethiopia, Serbia, Sri Lanka, Syria, Trinidad and Tobago, Tunisia and Yemen.
- As per the FATF charter, fifteen members need to support a country’s move off of the greylist.

Black List

- **The FATF black list means the country concerned is "non-cooperative" in the global fight against money laundering and terrorist financing.**
- There are two countries in the blacklist: Iran and North Korea.
- As per the FATF charter, to stay off of the FATF blacklist, the support of at least three of a total of 36 (excluding two regional organizations) FATF members is required.
- For example, Pakistan has often managed to stay off the blacklist with the support of China, Malaysia and Turkey.



ECONOMY

❖ **Paper III: The articles in this section are relevant to the following topics:**

- **Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.**
- **Inclusive growth and issues arising from it.**
- **Government Budgeting.**
- **Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.**
- **Infrastructure: Energy, Ports, Roads, Airports, Railways etc.**
- **Investment models.**



KAVISH IAS
Converting Possibilities into Reality

4.1 ECONOMIC SURVEY 2019-20 HIGHLIGHTS

Topic: Planning; Mobilisation of Resources; and Government Budgeting

Why in News: The Economic Survey for the year 2019-20 has been released. Following are the highlights of the Survey under various domains.

Economic Survey on various sectors

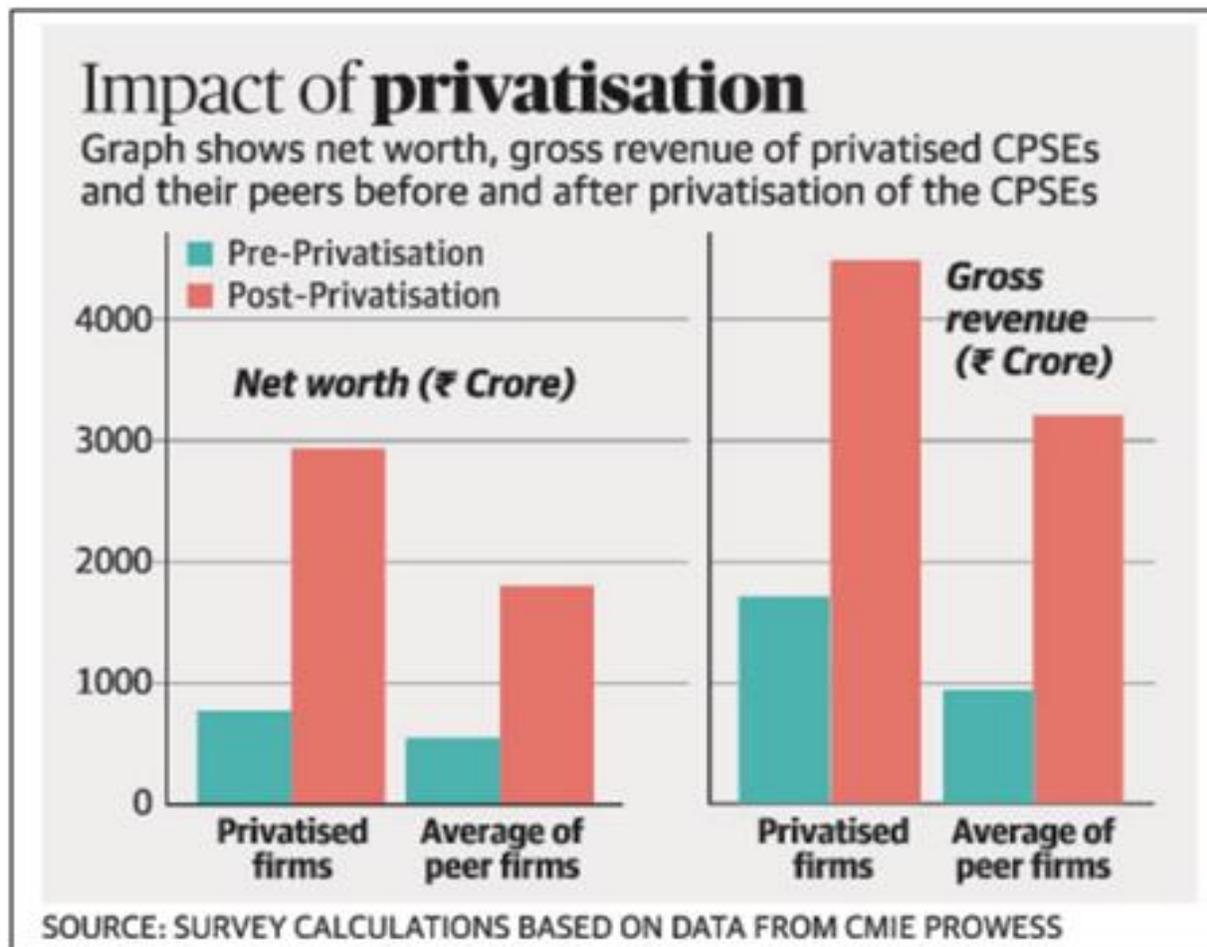
• Privatisation

- A key theme the Economic Survey **emphasises across chapters is the importance of wealth creation** which, it says, is better achieved through liberalisation of the economy and promotion of the private sector.
- **Quoting extensively from Kautilya's Arthashastra, Adam Smith's the Wealth of the Nations, Tamil saint Thiruvalluvar's Thirukural – along with evidence-based analysis – many chapters in the Survey stress the need for wealth creation and greater participation of the private sector to achieve this objective.**
- It states that India's aspiration to become a \$5 trillion economy depends critically on strengthening the invisible hand of markets together with the hand of trust that can support markets.
- Invisible hand was a concept advocated by economist Smith who argued that private players working in their self interest produce favourable economic results.
- In the case of state-owned banks, while the Survey does not advocate privatisation, it suggests granting stock options to bank employees, on the lines of private banks, to motivate them, as well as better use of data analytics and fintech platforms to improve bank productivity.

Past examples of privatisation and their impact

- The Survey cites sector after sector – cement, steel, roads, ports, banking and mutual funds: where entry of the private sector led to exponential gains, especially when compared with sectors which remained under government control – such as railways, coal, PSU banks – which fared poorly over the years.
- Another analysis in the Survey highlights the gains achieved from strategic sales between 1999-2000 to 2003-04 in key companies that were privatised, Balco, Maruti, Hindustan Zinc, Tata Communications, and Modern Food India, among others.
- Analysis shows that these privatised CPSEs, on an average, performed better post-privatisation than their peers in terms of their net worth, net profit, return on assets (ROA), return on equity (RoE), gross revenue, net profit margin, sales growth.

- The Survey also highlights the case of Bharat Petroleum Corporation Limited (BPCL) where the announcement of privatisation itself led to an increase in shareholder value by Rs 33,000 crore compared to its peer Hindustan Petroleum Corporation Limited, in which the government sold its entire stake to another state-owned player ONGC.
- HPCL shares have remained largely flat with no privatisation, while BPCL stock almost doubled in value just on announcement.



Path to privatisation

- It states that aggressive disinvestment, preferably through the route of strategic sale, should be utilised to bring in higher profitability, promote efficiency, increase competitiveness and to promote professionalism in management in state-run firms.
- The Survey argues for the setting up of a holding company structure — on the lines of Singapore government-owned Temasek Holdings — to carry out stake sale in central public sector enterprises (CPSEs). The government can transfer its stake in the listed CPSEs to this separate corporate entity.

- This entity would be managed by an independent board and would be mandated to divest the government stake over a period of time, which would help unlock value in 264 CPSEs.
- This will lend professionalism and autonomy to the disinvestment program which, in turn, would improve the economic performance of the CPSEs
- It would also help to unlock capital for use elsewhere, especially in public infrastructure like roads, power transmission lines, sewage systems, irrigation systems, railways and urban infrastructure.

Workforce and Firms

Creation of new firms

- According to the Economic Survey, India currently ranks third globally in the number of new firms created but it has lower rates of formal entrepreneurship on a per-capita basis compared to other countries.
- As per the Survey, new firm creation had gone up dramatically since 2014. While the number of new firms in the formal sector grew at a cumulative annual growth rate of 3.8% from 2006 to 2014, the growth rate from 2014 to 2018 had been 12.2%.
- As a result, from about 70,000 new firms created in 2014, the number has grown by about 80% to about 1,24,000 new firms in 2018.

Comparison with other countries

- Between the 10-year period from 2006 to 2016, the mean number of new firms registered per year per 1,000 workers was 0.10.
- In contrast, the mean entrepreneurial intensity for the U.K. and the U.S. was 12.22 and 12.12, respectively.
- The Survey also pointed out that in contrast to the other countries, a large number of India's enterprises operate in the informal economy which was not captured in the data.

Miscellaneous findings on firm creation

- The data showed that new firm creation in services sector (at around 85,000) was significantly higher than that in manufacturing (a little less than 15,000), infrastructure (about 5,000) or agriculture (less than 5,000).
- Further, the Survey highlighted that a 10% increase in registration of new firms in a district yields a 1.8% increase in GDDP (gross district domestic product).
- Thus, entrepreneurship at the bottom of the administrative pyramid — a district — has a significant impact on wealth creation at the grassroots level.

Declining female Work Force

- While the number of women employed in salaried jobs in the country has increased by 8 per cent (from 13 per cent in 2011-12 to 21 per cent in 2017- 18) with the addition of 0.71 crore new jobs for female workers, the overall participation of women in India's workforce is on the decline.
- According to NSO-EUS and PLFS estimates, female labour force participation rate for productive age-group 15- 59 years shows a declining trend in the country. The female labour force participation declined by 7.8 percentage points from 33.1 per cent in 2011-12 to 25.3 per cent in 2017-18.
- Though female labour force participation rate is higher in rural areas than in urban ones, the rate of decline has also been sharper in rural areas compared to urban areas. In urban areas, female labour force participation more or less remained constant.
- The decline of women in the rural workforce has been attributed, among other things, to the decline in subsidiary activities, from 25 per cent in 2004-5 to 5.7 per cent in 2017-18.

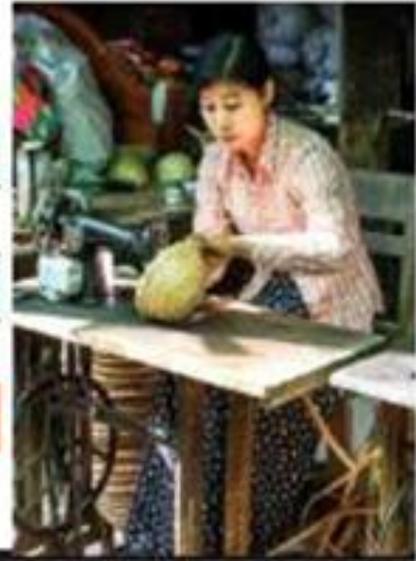
Impact of education on female labour force participation

- Expressing concern over declining female labour force participation ratio, the Survey says, continuing education past school level dramatically improves the prospects of women to be employed.
- More than half the women who never get past school end up doing full-time house work. But nearly 95% of those who study till graduation or get a diploma escape the drudgery of domestic work.
- Failure to acquire skills or attain the desired level of education keeps them out of the job market and ties them down to household chores for all their productive years.
- An analysis of the Periodic Labour Force Survey (PLFS) 2017-18 shows that for the productive age group (15-59 years), only 5.3% of highly educated women (graduate and above) are engaged in full-time domestic duties, while the figure for those educated up to secondary level is 54.6%.
- Worryingly, among women aged 30-59 who dropped out of school, the proportion of those doing domestic duties increased from 46% in 2004-05 to 65.4% in 2017-18.
- In the age group of 15-59 years, about 60% of women were outside the labour market, stuck to domestic duties, compared to less than 1% of males.
- Proportion of youth in educational institutions has risen faster from 23% in 2004-05 to 38.5% in 2017-18 for young males, while for young women the proportion almost doubled from 15.8% in 2004-05 to 30.3% in 2017-18.

HOW EDUCATION BEATS HOME WORK

Distribution of women attending domestic duties by age group and level of education 2017-18 (%)

Level of Education	Age Group		
	15-29	30-59	15-59
Illiterate	8.0	26.1	18.5
Up to middle level	23.9	24.7	24.4
Secondary	14.3	9.8	11.7
Graduate and above	6.0	4.7	5.3
Total	52.3	65.4	59.9



Source: Annual Report, PLFS 2017-18 Note: Graduate and above includes diploma/certificate courses

Miscellaneous data on female workforce

- The number of self-employed women in the country has decreased from 7.2 crore in 2011-12 to 5.54 crore in 2017-18.
- Women casual labourers have decreased from 3.97 crore in 2011-12 to 2.86 crore, while the share of women employers has remained constant at 0.6 per cent over the years.

Way Ahead

- The Survey states that enhancing ease of doing business and implementing flexible labour laws in job-creating sectors, such as manufacturing, can create the maximum number of jobs in districts and thereby, in the States.
- Further, literacy, education and physical infrastructure are the other policy levers that district and State administrations must focus upon to foster entrepreneurship and thereby, job creation and wealth creation.

Essential Commodities Act

Anachronistic legislations and Interventionist government policies

- The Economic Survey has severely criticised the Essential Commodities Act (ECA) and other “anachronistic legislations” and interventionist government policies, including drug price control, grain procurement and farm loan waivers.
- Government intervention in several areas of the Indian economy has not only been ineffective in resolving the issues it was targeting in several instances, but has sometimes also created more problems.

Essential Commodities Act (ECA)

- The mandate of the Essential Commodities Act (ECA), 1955, is to ensure affordability of essential commodities for the poor by restricting hoarding, but it has created market distortions that have prevented the efficient development of agricultural markets.
- The Act does not distinguish between hoarders and firms that “genuinely” need to hold on to these stocks due to the nature of their operations.
- These stock limits have also had “limited” success in containing volatility of prices of these commodities.
- For instance, stock limits imposed in September 2019 on onions to prevent hoarding by traders had no effect in controlling the rise in their prices and instead had led to a sharp increase in the volatility of their prices since November.
- The lower stock limits must have led the traders and wholesalers to offload most of the kharif crop in October itself.
- The Survey argued that if the government had not intervened, traders would have stored part of their produce to ensure smooth availability of the commodity at stable prices throughout the year.

Impact of ECA

- In the long term, the Act disincentivizes development of storage infrastructure thereby leading to increased volatility in prices following production/consumption shocks—the opposite of what it was intended for.
- The Act has also reduced the effectiveness of free trade and flow of commodities from areas with surplus stock to markets with higher demand.
- The Survey added that despite 76,000 raids conducted under the ECA in 2019, the conviction rate was abysmally low. This goes on to show that the ECA only seems to enable rent-seeking and harassment.

4.2 UNION BUDGET 2020-21

Topic: Government Budgeting

- **Why in News:** The General Budget 2020-21 was presented by the Union Finance Minister Nirmala Sitharaman in the Lok Sabha.



- Finance Minister Nirmala Sitharaman is only the second woman in the history of Independent India to present the Union Budget.
- Indira Gandhi was the first woman to have presented the Union Budget. In 1970, she presented the Union Budget of India for 1970-71, after she took briefly over the finance portfolio. She carried the budget documents in a 'Bahi Khata' (traditional Indian ledger),

a red parcel like bag with a key hole on the emblem, breaking the age-old tradition of carrying a briefcase.

Annual Financial Statement (Budget)

- Under Article 112 of the Constitution, a statement of estimated receipts and expenditure of the Government of India has to be laid before Parliament in respect of every financial year (1st April to 31st March).
- The Annual Financial Statement (AFS) is the main Budget document and is commonly referred to as the Budget Statement.
- **Note to students:** Go through the following graphics carefully. For example, what forms part of capital/revenue income/expenditure, which tax income is highest, which subsidy is the most etc. They could be important for prelims.

Budget at a glance



2018-19 (Actuals)

2019-20 (BE)

2019-20 (RE)

2020-21 (BE)

RECEIPTS

in ₹ crore

Revenue

15,52,916

19,62,761

18,50,101

20,20,926

Capital

7,62,197

8,23,588

8,48,451

10,21,304

EXPENDITURE

in ₹ crore

Revenue

20,07,399

24,47,780

23,49,645

26,30,145

Capital

3,07,714

3,38,569

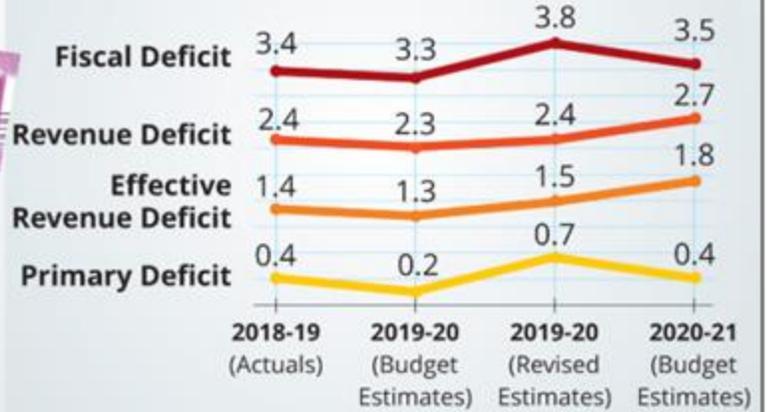
3,48,907

4,12,085

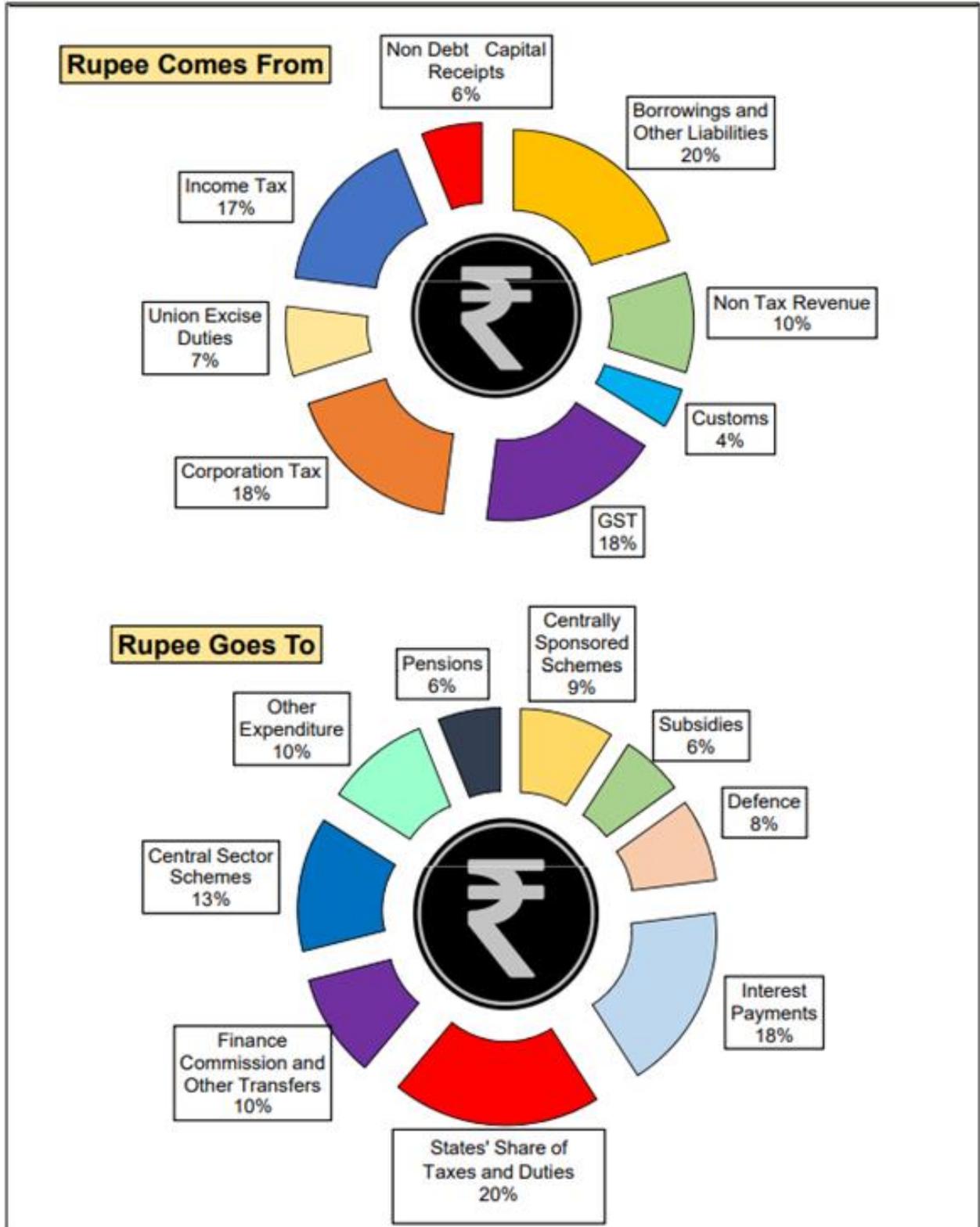


DEFICIT TRENDS

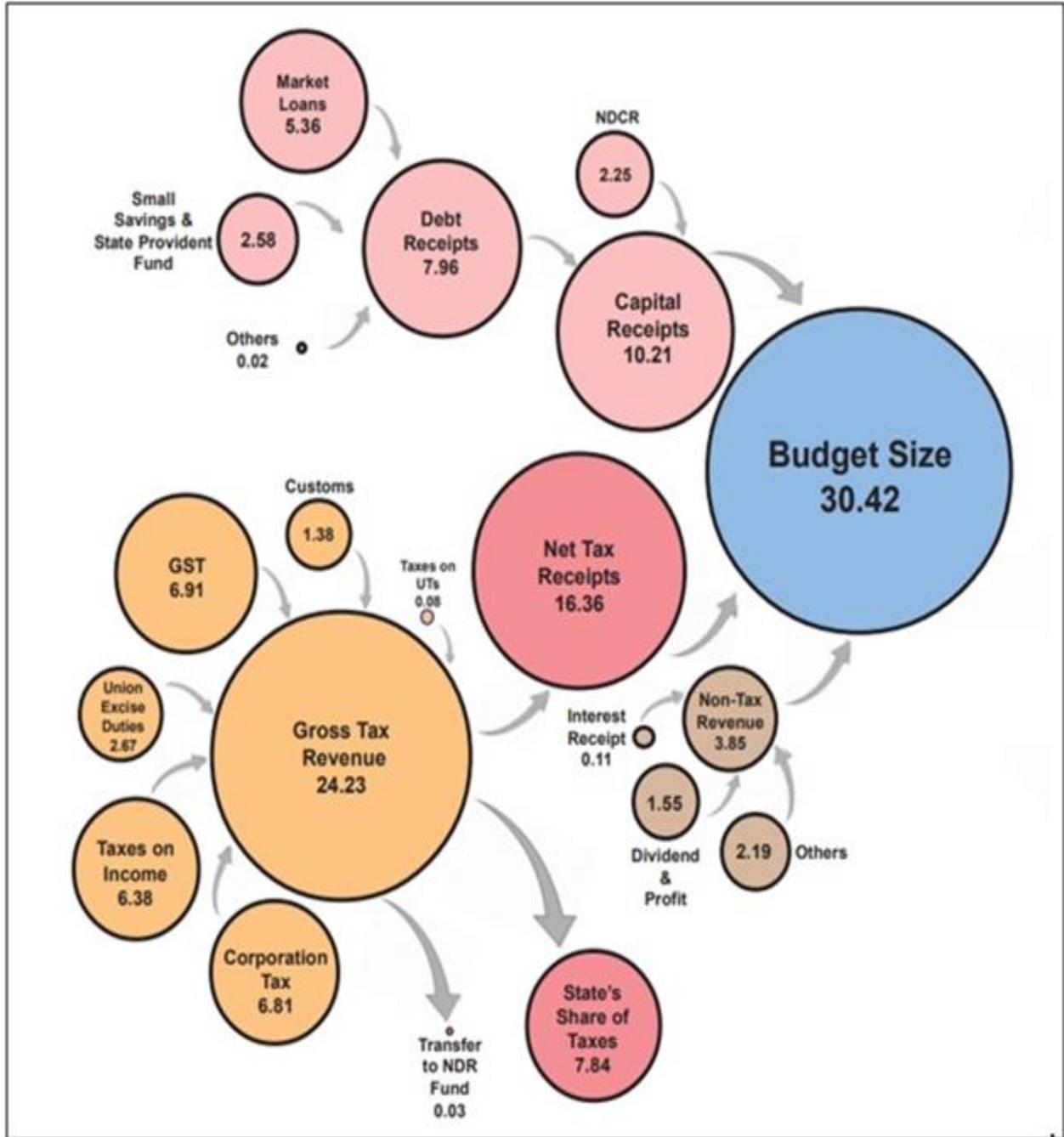
% of GDP



		(₹ करोड़) (In ₹ crore)			
		2018-2019	2019-2020	2019-2020	2020-2021
		वास्तविक	बजट	संशोधित	बजट
		Actuals	अनुमान	अनुमान	अनुमान
			Budget	Revised	Budget
			Estimates	Estimates	Estimates
1. राजस्व प्राप्तियां	1. Revenue Receipts	1552916	1962761	1850101	2020926
2. कर राजस्व (केंद्र को निवल)	2. Tax Revenue (Net to Centre)	1317211	1649582	1504587	1635909
3. कर-भिन्न राजस्व	3. Non Tax Revenue	235705	313179	345514	385017
4. पूंजी प्राप्तियां ¹	4. Capital Receipts	762197	823588	848451	1021304
5. ऋणों की वसूली	5. Recovery of Loans	18052	14828	16605	14967
6. अन्य प्राप्तियां	6. Other Receipts	94727	105000	65000	210000
7. उधार और अन्य देयताएं ²	7. Borrowings and Other Liabilities ¹	649418	703760	766846	796337
8. कुल प्राप्तियां (1+4)	8. Total Receipts (1+4)	2315113	2786349	2698552	3042230
9. कुल व्यय (10+13)	9. Total Expenditure (10+13)	2315113	2786349	2698552	3042230
10. राजस्व खाते पर जिसमें से	10. On Revenue Account of which	2007399	2447780	2349645	2630145
11. ब्याज भुगतान	11. Interest Payments	582648	660471	625105	708203
12. पूंजी परिसंपत्तियों के सृजन हेतु सहायता अनुदान	12. Grants in Aid for creation of capital assests	191781	207333	191737	206500
13. पूंजी खाते पर	13. On Capital Account	307714	338569	348907	412085
14. राजस्व घाटा (10-1)	14. Revenue Deficit (10-1)	454483 (2.4)	485019 (2.3)	499544 (2.4)	609219 (2.7)
15. प्रभावी राजस्व घाटा (14-12)	15. Effective Revenue Deficit (14-12)	262702 (1.4)	277686 (1.3)	307807 (1.5)	402719 (1.8)
16. राजकोषीय घाटा [9-(1+5+6)]	16. Fiscal Deficit [9-(1+5+6)]	649418 (3.4)	703760 (3.3)	766846 (3.8)	796337 (3.5)
17. प्राथमिक घाटा (16-11)	17. Primary Deficit (16-11)	66770 (0.4)	43289 (0.2)	141741 (0.7)	88134 (0.4)

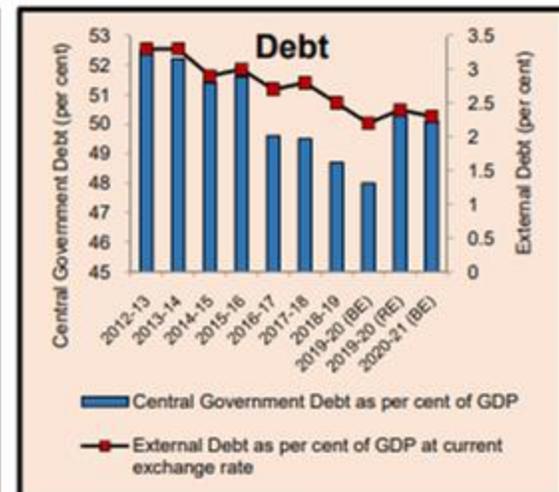
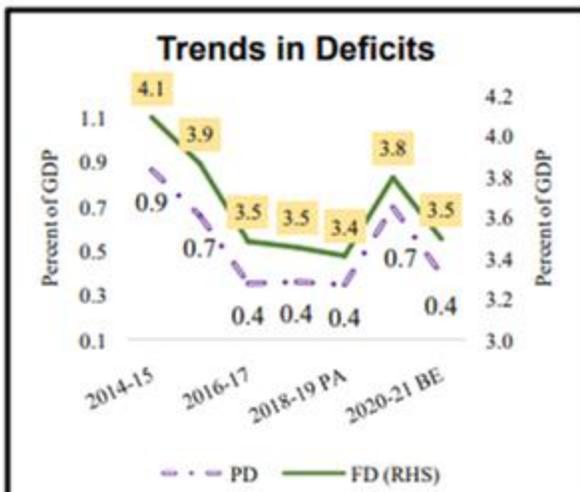
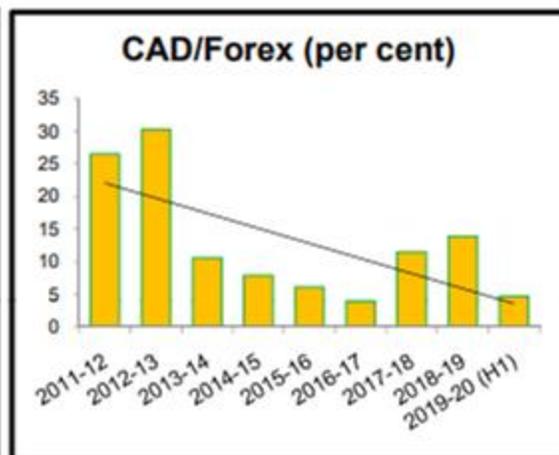
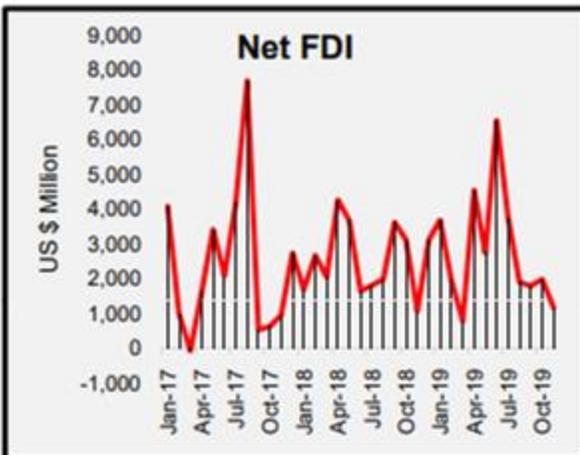
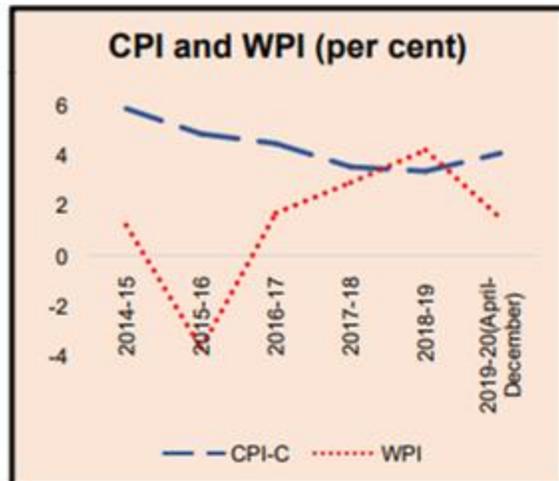
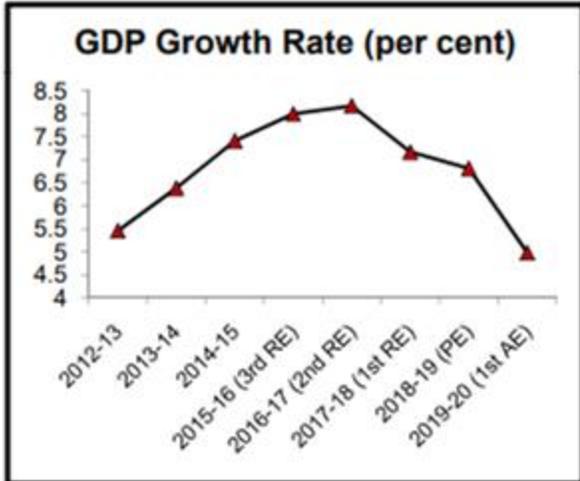


Budget Profile



State of the Economy

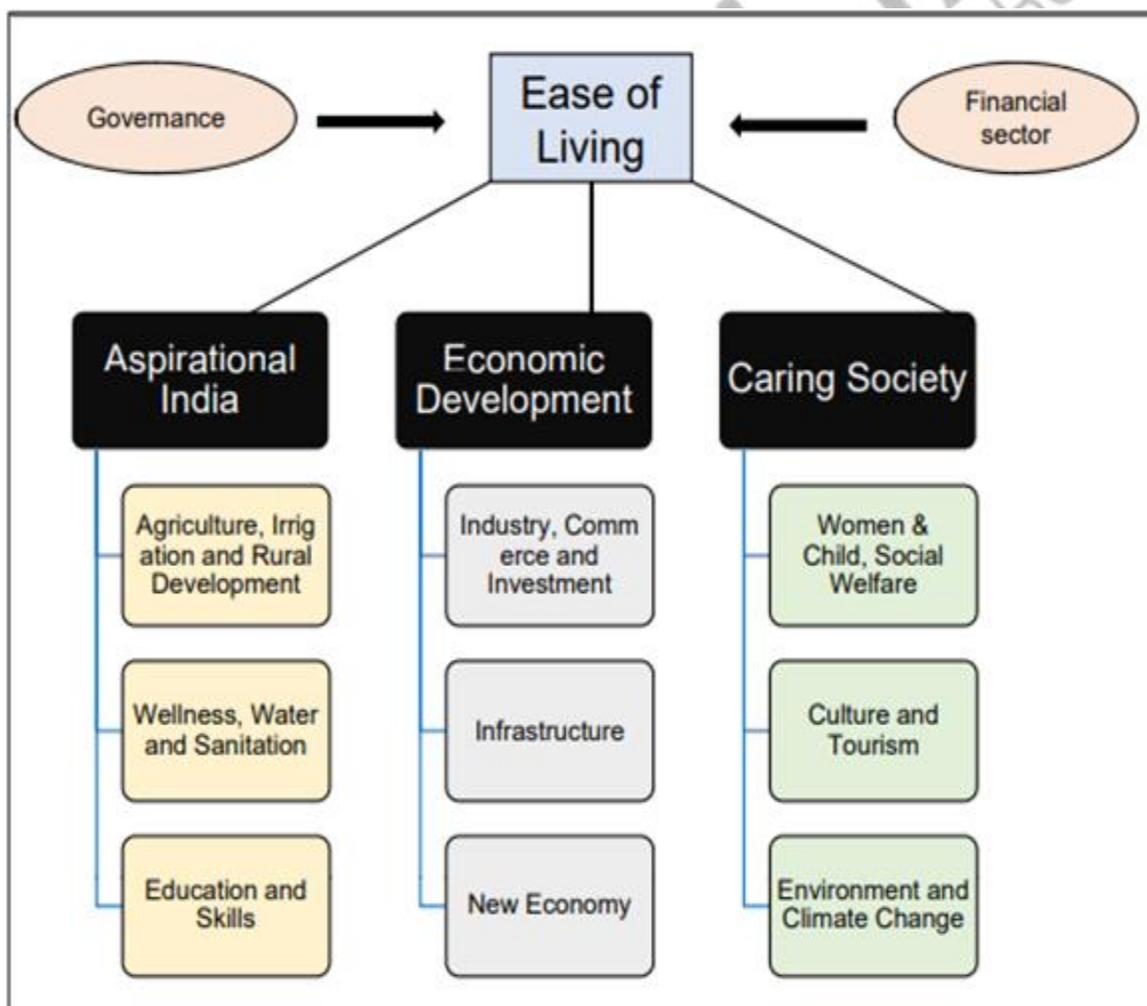
Macroeconomic Indicators



Prominent Themes of Budget 2020-21

Budget 2020-21 is woven around three prominent themes:

- **Aspirational India** in which all sections of the society seek better standards of living, with access to health, education and better jobs.
- **Economic development for all**, indicated in the Prime Minister's exhortation of "**Sabka Saath , Sabka Vikas , Sabka Vishwas**". This would entail reforms across swathes of the economy. Simultaneously, it would mean yielding more space for the private sector. Together, they would ensure higher productivity and greater efficiency.
- Ours shall be a **Caring Society that is both humane and compassionate. Antyodaya is an article of faith.**



Theme-I: Aspirational India

Program and plans towards this theme are related to:

- Agriculture Irrigation and Rural development
- Wellness, Water and Sanitation
- Education and Skills

(i) Agriculture Irrigation and Rural development

PM KUSUM to cover 20 lakh farmers for stand alone solar pumps and further 15 lakh for grid connected pumps.

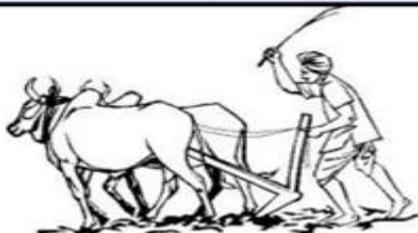
- Viability gap funding for creation of efficient warehouses on PPP mode.
- SHGs run Village storage scheme to be launched.
- Integartion of e-NWR with e-NAM.



“Kisan Rail” and “Krishi Udaan” to be launched by Indian Railways and Ministry of Civil Aviation respectively for a seamless national cold supply chain for perishables.

- Elimination of FMD and brucellosis in cattle and PPR in sheep and goat by 2025.
- Increasing coverage of artificial insemination to 70 per cent.
- Doubling of milk processing capacity by 2025.
- Agricultural credit target of ₹15 lakh crore for 2020-21.

- Fish Production target of 200 lakh tonnes by 2022-23.
- Another 45000 acres of aqua culture to be supported.
- Fishery extention through 3477 Sagar Mitras and 500 fish FPOs.
- Raise fishery exports to ₹1 lakh crore by 2024-25.



8

(ii) Wellness, Water and Sanitation



Wellness, Water and Sanitation



- More than 20,000 empanelled hospitals under PM Jan Arogya Yojana.
- FIT India movement launched to fight NCDs.

Coverage under Nikshay Poshan Yojana (₹ Lakh)

35

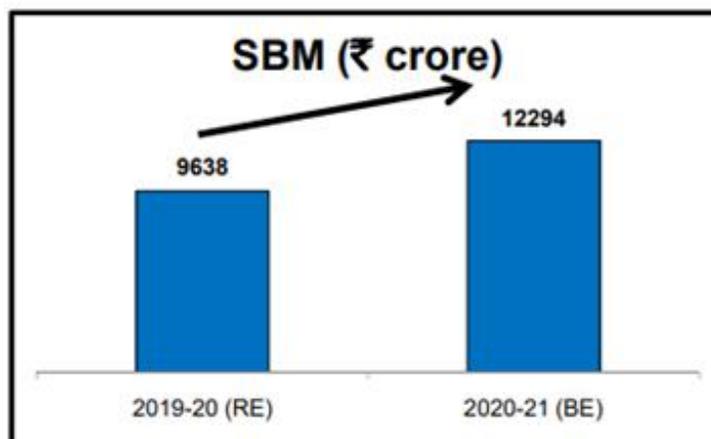
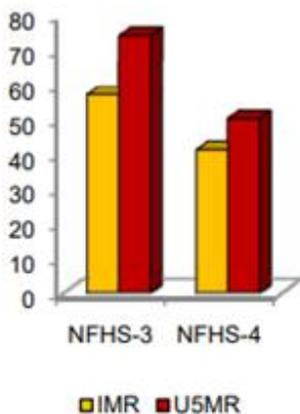


- “TB Harega Desh Jeetega” campaign launched to end TB by 2025.

- Viability gap funding proposed for setting up hospitals in the PPP mode.
- Expansion of Jan Aushadhi Kendra Scheme to all districts by 2024.



- ODF Plus to sustain ODF behaviour.
- Focus on liquid and grey water management along with waste management.

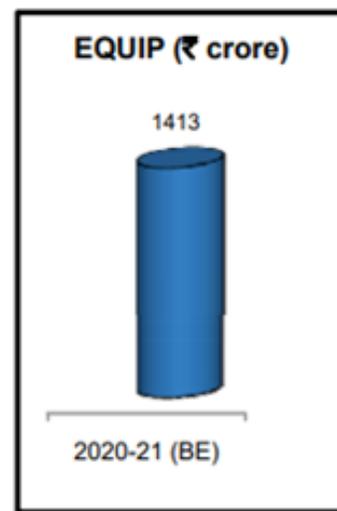
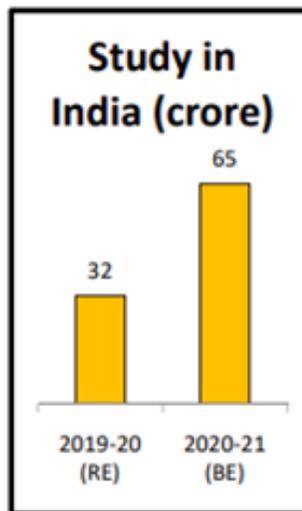
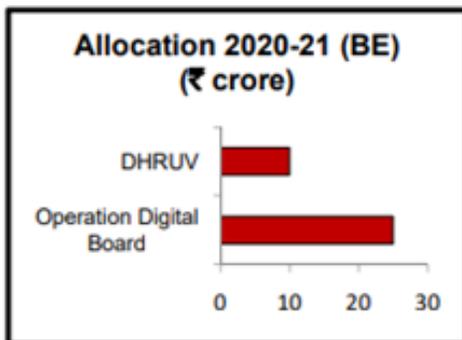


(iii) Education and Skills

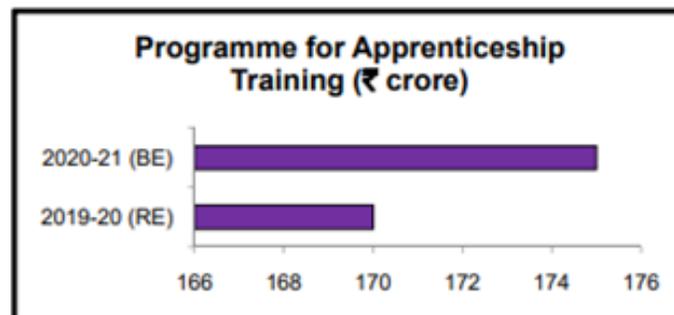
Education and Skills



- About 150 higher educational institutions will start apprenticeship embedded courses.
- Internship opportunities to fresh engineers by urban local bodies.
- Special bridge courses to improve skill sets of those seeking employment abroad.



- Degree level online education programmes for students of deprived sections of the society.
 - Ind-SAT to be conducted in Asia and Africa under Study in India programme.
-



Theme-II: Economic Development

(i) New Economy

- Knowledge Translation Clusters for emerging technology sectors

- Scaling up of Technology Clusters harbouring test beds and small scale manufacturing facilities
- National Mission on Quantum Technologies and applications with an outlay of Rs.8000 crore proposed

(ii) Industry, Commerce and Investment

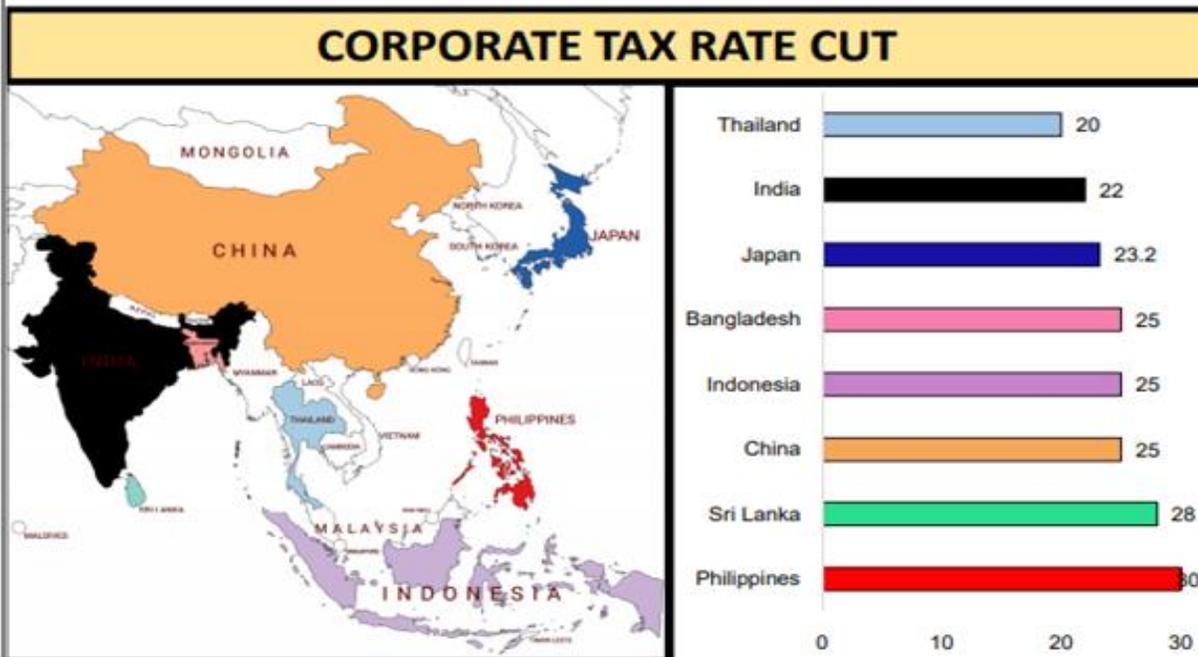


- Scheme to encourage manufacturing of mobile phones, electronic equipment and semi conductor packaging.
- National Technical Textiles Mission for a period of 4 years.



- NIRVIK Scheme for higher export credit disbursement launched.
- Setting up of an Investment Clearance Cell to provide end to end facilitation.

- Extension of invoice financing to MSMEs through TReDs.
- A scheme to provide subordinate debt for entrepreneurs of MSMEs.
- Scheme anchored by EXIM Bank and SIDBI to handhold MSMEs in exports markets.



(iii) Infrastructure



- National Logistics Policy to be launched soon.
- **Roads:** Accelerated development of Highways.
- **Railways:** Four station redevelopment projects
- 150 passenger trains through PPP mode.
- More Tejas type trains for tourist destinations.
- **Port:** Corporatizing at least one major port.
- **Air:** 100 more airports to be developed under UDAAN.

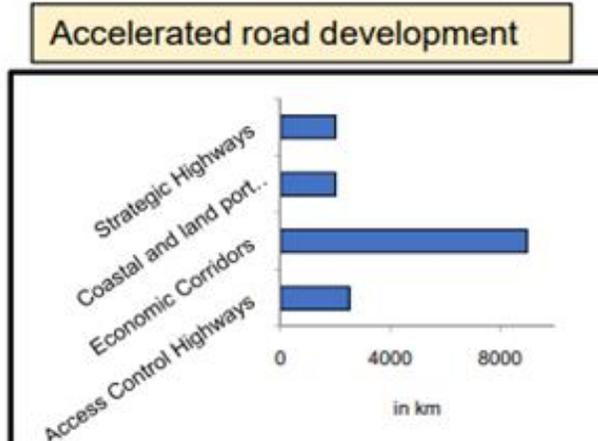
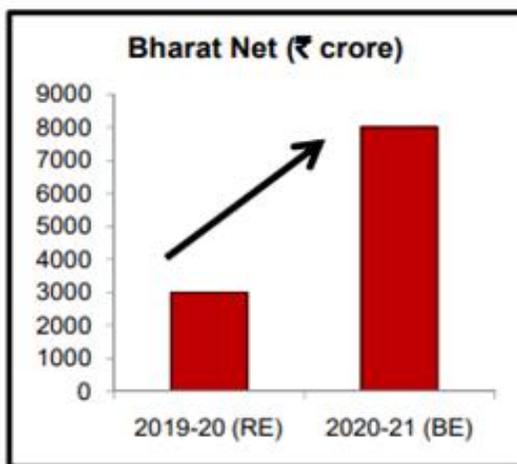


- **Power:** Efforts to replace conventional energy meters by prepaid smart meters.



- **Gas Grid:** Expand National Gas Grid to 27,000 km

- **Infrastructure Financing:** ₹103 lakh crore National infrastructure Pipeline projects announced.
- An international bullion exchange to be set up at GIFT City.



Theme-III: Caring Society



Caring Society

Women & child, social Welfare

- More than 6 lakh anganwadi workers equipped with smart phones.
- A task force to be appointed to recommend regarding lowering MMR and improving nutrition levels.

Culture and Tourism

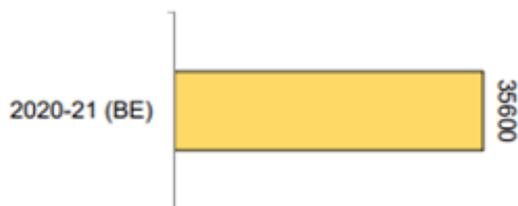
- Proposal to establish Indian Institute of Heritage and conservation.
- 5 archaeological sites to be developed as iconic sites.
- A museum on Numismatics and Trade to be established
- Tribal museum in Ranchi .
- Maritime museum to be set up at Lothal.

Environment and Climate Change

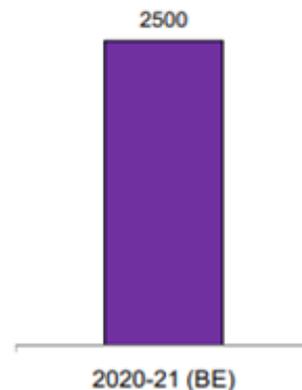
- Coalition for Disaster Resilient Infrastructure launched in September 2019.
- Encouragement to states implementing plans for cleaner air in cities above 1 million.



Nutrition related programmes (₹ crore)



Tourism promotion (₹ crore)



New Scheme

NIRVIK

To achieve higher export credit disbursement, a new scheme, NIRVIK is being launched, which provides for higher insurance coverage, reduction in premium for small exporters and simplified procedure for claim settlements.



4.3 FINANCIAL COMMISSION

Why in News: The Fifteenth Finance Commission report (headed by N K Singh), and an Action Taken Report, was recently tabled in Parliament. The government had accepted the recommendations of the Commission.

Finance Commission

- The Finance Commission is a constitutionally mandated body that decides, among other things, the sharing of taxes between the Centre and the states.
- Article 280 (1) of the Constitution requires for the President to constitute, “within two years from the commencement of this Constitution and thereafter at the expiration of every fifth year or at such earlier time as the President considers necessary”.
- Article 280(3)(a), mandates the Finance Commission to make recommendations to the President about the distribution of the net proceeds of taxes between the Centre and states, and among the states.
- Accordingly, the Commission determines a formula for tax-sharing between the states, which is a weighted sum of the states’ population, area, forest cover, tax capacity, tax effort and demographic performance, with the weights expressed in percentages.
- This crucial role of the Commission makes it instrumental in the implementation of fiscal federalism.
- The First Commission was set up in November 1951 under the Chairmanship of K C Neogy, a former member of the Constituent Assembly and diwan of a princely state.

Members of Finance Commission

- The Finance Commission shall consist of a Chairman and four other members.
- The Finance Commission Rules, 1951, lay down the criteria for being members of the constitutional body:
- The Criteria for being a member of Finance Commission:
- Those having special knowledge of finance and accounts of government with wide knowledge and experience in financial matters and in administration, or with special knowledge of economics, and those who have been qualified to be appointed as a judge of a High Court.
- The report of the Fifteenth FC, along with an Action Taken Report, was tabled in Parliament.
- The panel has suggested a new methodology which combines capacity, risk exposure and proneness to hazard and vulnerability for better resource allocation taking in mind about the disaster risk management.
- The commission would submit its final report to the President during the latter part of the year, for five years beginning 2021-22.

15th Finance Commission Report Summary

Reduced Vertical Devolution:

- The Commission has reduced the vertical devolution (the share of tax revenues that the Centre shares with the states) from 42% to 41%.

- The 1 per cent decrease in the vertical devolution is roughly equal to the share of the erstwhile state of Jammu and Kashmir, which would have been 0.85% as per the formula described by the Commission.

A non-lapsable fund for defence and National security

- The Commission intends to set up an expert group to initiate a non-lapsable fund for defence expenditure.
- The fund will be created from the gross tax revenue before computing the divisible pool (which means that states would get a smaller share of the taxes).

Grant to local bodies

The commission has also recommended Rs 90,000 crore as grants to local bodies for 2020-21, which is 4.31 per cent of the estimated divisible pool.

Change in share of states:

According to the Commission's recommendations, the share of several states has decreased in the divisible pool for financial year 2020-21 while others has increased.

LOSERS AND GAINERS			
STATE	SHARE IN TAXES, 14th FC	SHARE IN TAXES, 15th FC	INCREASE/DECREASE
Karnataka	4.71%	3.64%	-1.07
Kerala	2.50%	1.94%	-0.56
Maharashtra	5.53%	6.13%	0.61
Rajasthan	5.49%	5.98%	0.49
Bihar	9.66%	10.06%	0.40

Criteria for tax distribution:

Population:

- The previous FC used both the 1971 and the 2011 populations to calculate the states' shares, giving greater weight to the 1971 population (17.5%) as compared to the 2011 population (10%).

- The 15th Finance has calculated in terms of 2011 population and has argued that in the interest of fiscal equalisation, it is necessary to use the latest Census figures.
- The use of 2011 population figures have resulted in states with larger populations like Uttar Pradesh and Bihar getting larger shares, while smaller states with lower fertility rates (the number of children born to a woman in her life) have lost out.

Demographic effort

- In order to reward population control efforts by states, the Commission developed a criterion for demographic effort (which is essentially the ratio of the state's population in 1971 to its fertility rate in 2011) with a weight of 12.5%.
- Shares of states like Maharashtra, Himachal Pradesh and Punjab, along with Tamil Nadu, all of which have fertility rates below the replacement level, have increased slightly.
- Replacement rate: The number of children that have to be born to a woman of reproductive age in order for the population to maintain itself at the current level without migration.
- On the other hand, Andhra Pradesh, Kerala, Karnataka, and West Bengal's shares have fallen, even though their fertility rates are also low.

Income distance criterion

- The total area of states, area under forest cover, and "income distance" were also used by the FC to arrive at the tax-sharing formula.
- Income distance is calculated as the difference between the per capita gross state domestic products (GSDP) of the state from that of the state with the highest per capita GSDP, with states with less income getting a higher share in order to allow them to provide services comparable to those provided by the richer ones.

4.4 VIVAD SE VISHWAS BILL

Why in News: The finance minister has introduced The Direct Tax Vivad se Vishwas Bill, 2020 in the Lok Sabha to give effect to the Budget announcement to resolve direct tax disputes.

- The scheme is modeled on a similar scheme (Sabka Vishwas Scheme) for indirect tax which was announced in last year's Budget.
- The government has said that nearly 95% of 1.9 lakh outstanding cases were resolved under Sabka Vishwas Scheme, resulting in over Rs 35,000 crore of revenue for the government.

Need for the Bill to resolve Direct Tax disputes:

- As many as 4,83,000 direct tax worth over Rs 9 lakh crore cases are pending in various appellate forums i.e. Commissioner (Appeals), ITAT, High Court and Supreme Court.
- Tax disputes consume lots of time, energy and resources both on the part of the government as well as taxpayers and deprives the government of timely collection of revenue.
- Therefore, there is an urgent need to provide for resolution of pending tax disputes.

The Direct Tax Vivad se Vishwas Bill

- The bill offers waiver of interest, penalty and prosecution for settlement of disputes that are pending before the commissioner (appeals), Income Tax Appellate Tribunals (ITATs), high courts or the Supreme Court as on January 31, 2020.
- The pending appeal may be against disputed tax, interest or penalty in relation to an assessment or reassessment order or against disputed interest or fee. In fact, the appeal may even be against tax determined on defaults in respect to tax deducted or collected at source.
- The scheme provides that if a taxpayer avails it by March 31, 2020, then he/she would get complete waiver of interest and penalty. However, a taxpayer who chooses the scheme post this cut-off date will have to pay the disputed tax and 10% of it extra.
- In case of tax arrears pertaining to only disputed interest or penalty, 25 per cent of the disputed penalty or interest will need to be paid while settling appeals up to March 31. Cases coming for resolution after this date would have to pay 30% of penalty and interest.
- The order passed by the designated authority determining the amount payable will be final and no further recourse in terms of appeals, arbitration, mediation or conciliation will be available to the taxpayer.

Cases not covered under the scheme

- The scheme will not apply to prosecution cases under the Indian Penal Code (IPC), the Prevention of Money Laundering Act (PMLA) and the Prohibition of Benami Property Transactions Act.
- Besides, the disputed tax amount should not relate to undisclosed foreign income, assets, assessment or reassessment.

Impact

- As the Bill emphasises on trust building and provides a formula-based solution without any discrimination, it is expected that the scheme will reduce litigation expenditure for the government.

- This will not only benefit the government by generating timely revenue but also the taxpayers, as they will be able to deploy time, energy and resources saved by opting for such dispute resolution towards their business activities.
- The scheme will also come in handy for cases such as additions of unexplained cash deposited during demonetisation, additions for penny stocks, etc. where factually the taxpayers have high exposures.
- It would be beneficial for such taxpayers, to pay the tax amount and settle the disputes without imposition of interest and penalty.

Way Ahead

- In order to implement the Vivad Se Vishwas scheme, the CBDT needs database on such litigations pending at high court level.
- Hence, the CBDT has asked all principal chief commissioners to collate the data on pending appeals in high courts and send it to it by next week.



SCIENCE AND TECHNOLOGY

❖ **Paper III: The articles in this section are relevant to the following topics:**

- **Science and Technology- developments and their applications and effects in everyday life**
- **Achievements of Indians in science & technology; indigenization of technology and developing new technology.**
- **Awareness in the fields of IT, Space, Computers, robotics, Nano-technology, bio-technology and issues relating to intellectual property rights.**



KAVISH IAS
Converting Possibilities into Reality

5.1 GENOME INDIA PROGRAM

Topic: Science and Technology; developing New Technologies.

Why in News: The govt has given the green signal to roll out the Rs 238 crore Genome India Program which will involve the IISc and a few IITs.

Genome

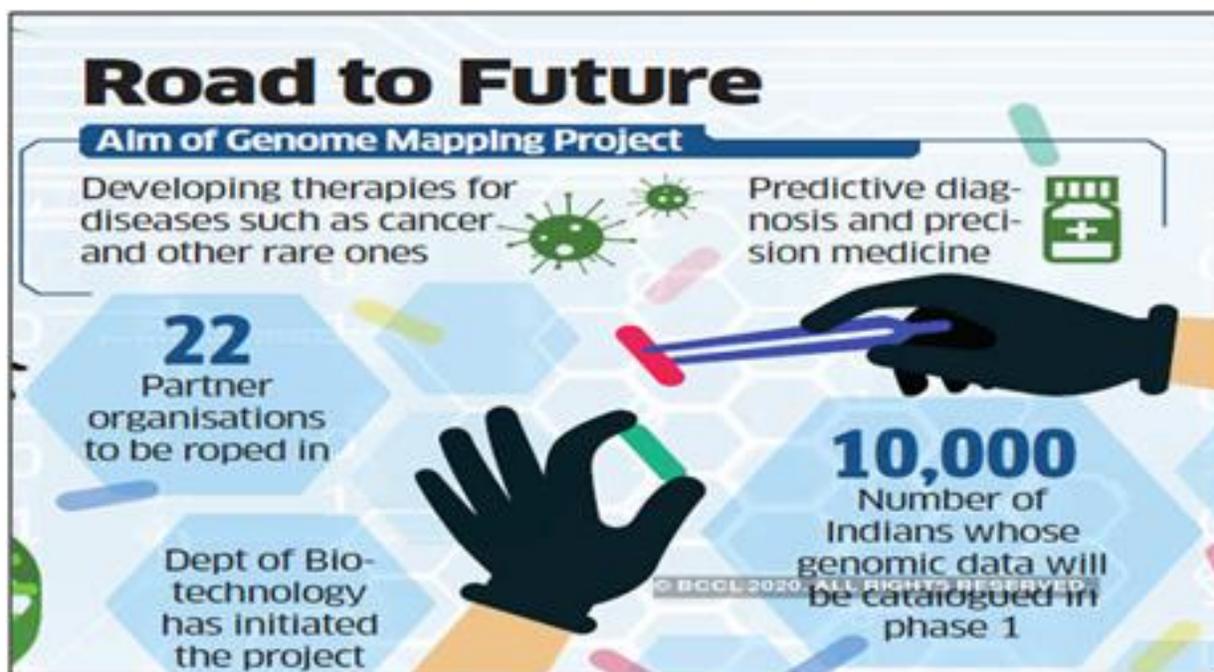
- A genome is an organism's complete set of DNA, including all its genes.
- It contains all the information needed to build and maintain that organism.
- By sequencing the genome, researchers can discover the functions of genes and identify which of them are critical for life.

Whole Genome Sequencing

- Most of the DNA is in the nucleus and intricately coiled into a structure called the The rest is in the mitochondria, the cell's powerhouse.
- Every human cell contains a pair of chromosomes, each of which has three billion base pairs or one of four molecules that pair in precise ways.
- The order of base pairs and varying lengths of these sequences constitute the "genes", which are responsible for making amino acids, proteins and, thereby, everything that is necessary for the body to function.
- It is when these genes are altered or mutated that proteins sometimes do not function as intended, leading to disease.
- Sequencing a genome means deciphering the exact order of base pairs in an individual.
- This "deciphering" or reading of the genome is called Genome Sequencing.

Genome India project

- **Aim:** The Genome India project will aim to make predictive diagnostic markers available for some priority diseases such as cancer and other rare and genetic disorders,
- The project has been initiated by the Department of Biotechnology (DBT).
- The IISc's Centre for Brain Research, an autonomous institute, will serve as the nodal point of the project
- The institutions involved will work on different aspects of the project, including providing clinical samples and assisting with research.



Two Phases of Project

- In a first stage of the project, a basic reference grid will be formed by looking at the genetic samples of 10,000 healthy people across the country.
- Second phase, involves genome sequencing of 10,000 diseased individuals.

National Biological Data Centre

The data generated would be accessible to researchers through a proposed National Biological Data Centre envisaged in a policy called the 'Biological Data Storage, Access and Sharing Policy'.

Note: A similar project, The Human Genome Project, was completed in 2003, led by an international team of researchers looking to sequence and map all the genes – together.

Significance

- The genomic information will be helpful in new advancements in medical science like predictive diagnosis and precision medicine, significant for the treatment of diseases such as cancer and other genetic disorders.
- Considering the diversity of population in our country, and the disease burden of complex disorders, including diabetes, mental health, etc., once we have a genetic basis, it may be possible to take action before the onset of a disease
- The genome project will also lead to improved techniques of genetic screening for diseases prior to birth.

- The Genome project may answer questions regarding evolution. By comparing human DNA with primate DNA, it may be possible to piece together the evolution puzzle.

Concerns on the fair usage of Genetic data

- Can be used in Genetic engineering
- Use of genomic data to differentiate groups within society, and
- It can be used for predictive insurance tests and targeted marketing.

5.2 RO WATER

Why in News: The Union Environment Ministry has issued a draft notification that seeks to regulate membrane-based water filtration systems in areas where the source of water meets drinking water norms of the Bureau of Indian Standards. This primarily affects reverse osmosis (RO)-based water filtration systems and the rules, effectively prohibit homes from installing domestic RO systems.

Reverse osmosis (RO) system

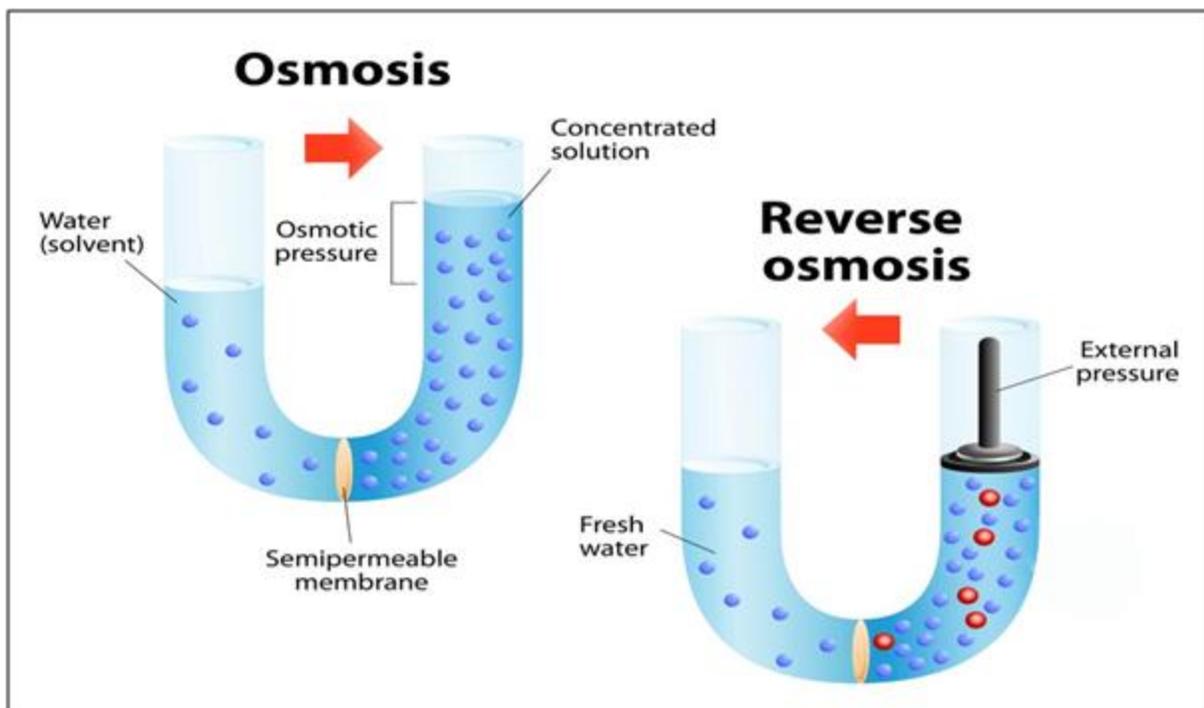
To understand the process of Reverse Osmosis you first need to understand the Osmosis Process.

Osmosis

Osmosis is defined as the process of molecules passing through a semi-permeable membrane from a less-concentrated solution into a more-concentrated solution.

Explanation

- Take a tube, twist it into a 'U'-shape and insert a semi-permeable membrane (a material with very small holes that will allow only certain molecules to filter through) at the point where the tube curves.
- Fill half the tube with salt water and the other with freshwater.
- Over time, fresh water will cross over into the salty arm until the proportion of salt and water in both arms is the same. This is due to osmotic pressure which dilutes a region with a higher concentration of solute (in this case, the salt).



Reverse osmosis (RO) and RO systems

- RO was originally a technology devised to desalinate sea water.
- RO desalination came about in the late 1950s and primarily in large industrial settings to convert brackish sea water into potable drinking water.

Process: Reverse osmosis is simply the opposite of Osmosis process.

- Under Reverse Osmosis, molecules are forced through a semi-permeable membrane to form a less concentrated solution.
- Essentially, the membrane acts like a type of filter as it has extremely tiny pores that help remove microscopic contaminants from the water you drink by straining them out.
- In the case of reverse osmosis drinking water systems, the semi-permeable membrane only lets water molecules through while other contaminants are collected and flushed away.
- If a wide array of membranes is deployed at multiple stages, an RO would be able to filter a wide variety of solutes (arsenic, fluoride, hexavalent chromium, nitrates, bacteria) that come mixed in water.

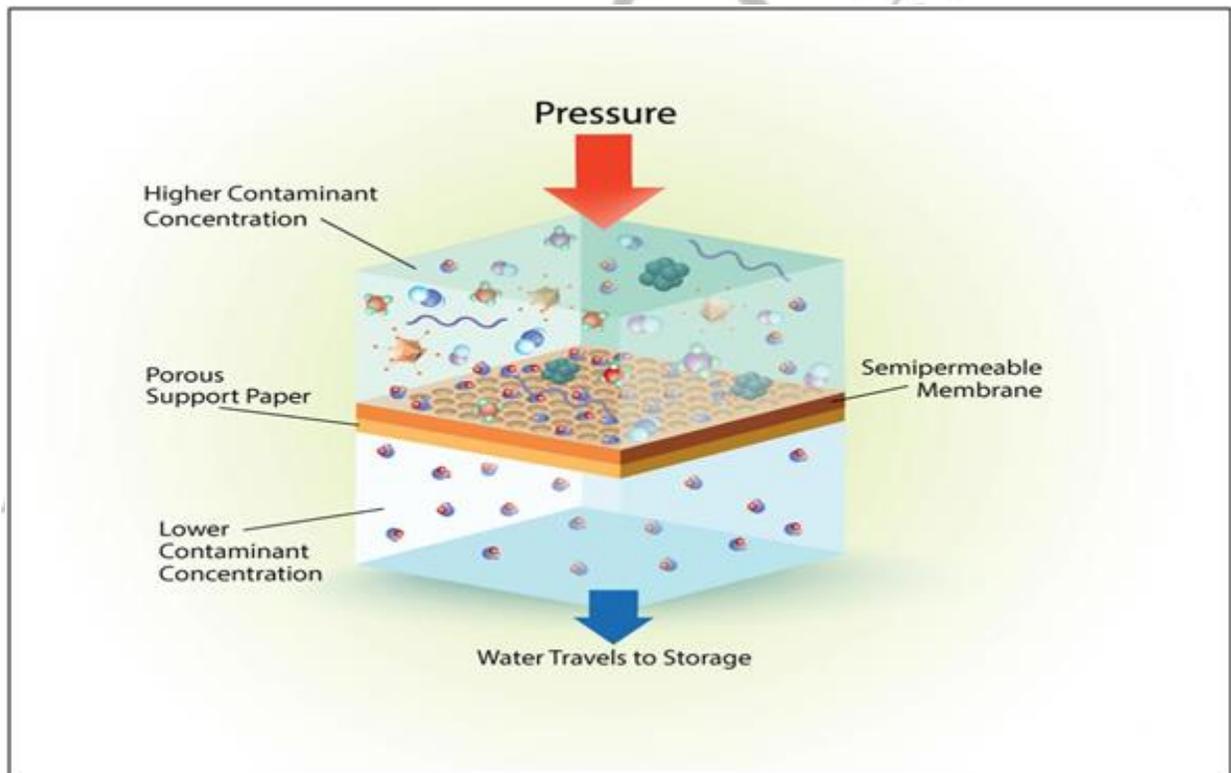
Explanation:

- Take a tube, twist it into a 'U'-shape and insert a semi-permeable membrane at the point where the tube curves.

- Fill half the tube with salt water and the other with freshwater.
- If you want to have all the salt in one arm and pure water in the other, you would need to create some external pressure that will counter the osmotic pressure and suck all the water from the salty arm into the freshwater arm while leaving the salt behind.
- This is the essential principle of a RO system.

External Pressure: To create external pressure, RO relies on a pump and electric motors.

- For Filtration: It uses “activated carbon” components, such as charcoal and carbon black that can filter out contaminants as well as organic substances such as bacteria. It all depends on the filtering material and the number of filters that incoming tap water must pass through.
- This has led to an industry of home-RO systems that are installed in a multiplicity of ways to provide potable water.
- The average RO system only aims to reduce Total Dissolved Solids, ensure water is odourless and has a pH from 6.5-8.5.



5.3 ADITYA-L-1

Topic: Science and Technology- developments in the field of space.

Why in News: The ISRO is preparing to send its first scientific expedition to study the Sun. The mission named Aditya-L1 will observe the Sun from a close distance and is expected to be launched in early 2021.

Studying Sun

Challenges in studying Sun

- The distance of the Sun from Earth (about 149 million km on average, compared to the only 3.84 lakh km to the Moon)
- The super-hot temperatures and radiations in the solar atmosphere.

Previous international missions to Sun

- NASA's Parker Solar Probe has already gone far closer but it will be looking away from the Sun.
- The earlier Helios 2 solar probe, a joint venture between NASA and space agency of erstwhile West Germany, went within 43 million km of the Sun's surface in 1976.

Significance of studying Sun

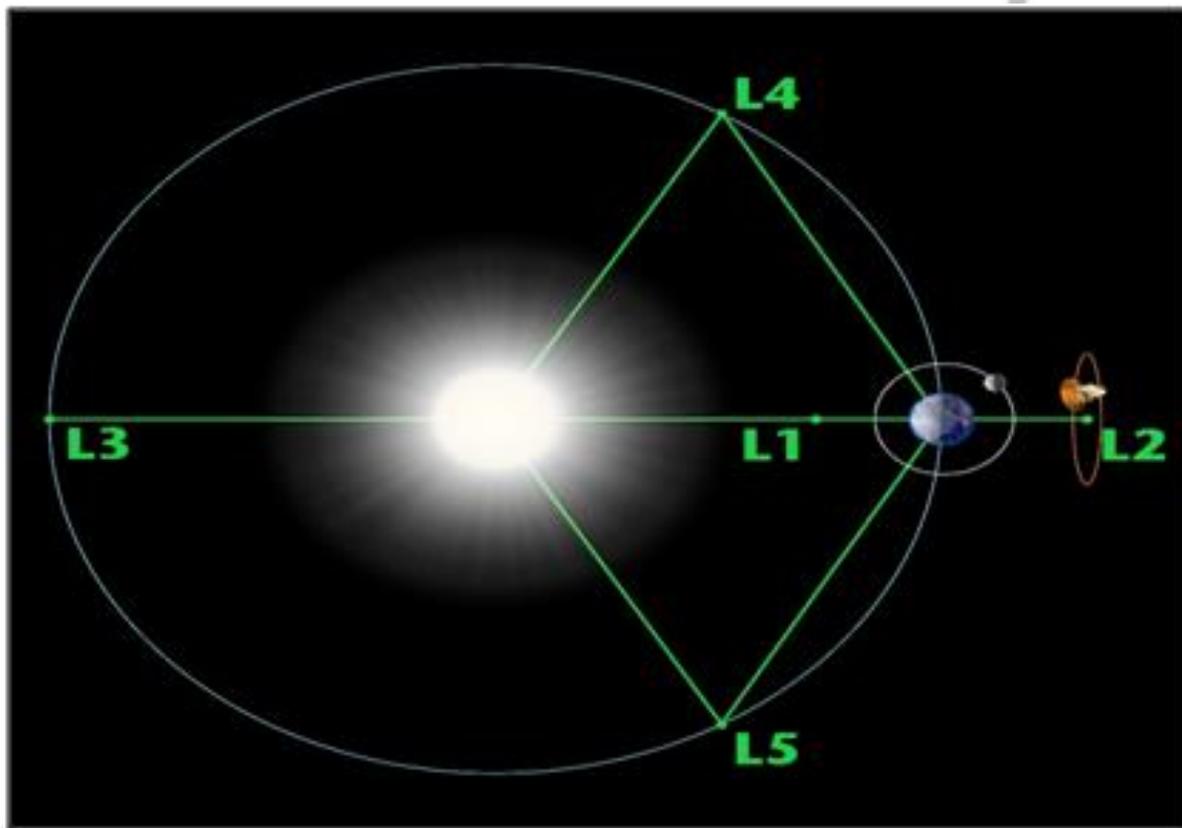
- Knowledge of solar events is key to understanding space weather.
- The solar weather and environment affect the weather of the entire system, which can be determined by the processes taking place inside and around the sun.
- Variations in this weather can change the orbits of satellites or shorten their lives, interfere with or damage onboard electronics, and cause power blackouts and other disturbances on Earth.
- To learn about and track Earth-directed storms, and to predict their impact, continuous solar observations are needed.

Continuous observation of Sun

- Every storm that emerges from the Sun and heads towards Earth passes through L1, and a satellite placed in the halo orbit around L1 of the Sun-Earth system has the major advantage of continuously viewing the Sun without any occultation/eclipses.
- L1 refers to Lagrangian/Lagrange Point 1, one of five points in the orbital plane of the Earth-Sun system and is about 1.5 million km from Earth, or about one-hundredth of the way to the Sun.

What are Lagrange Points

- Lagrange Points, named after Italian-French mathematician Joseph-Louis Lagrange, are positions in space where the gravitational forces of a two-body system (like the Sun and the Earth) produce enhanced regions of attraction and repulsion.
- These can be used by spacecraft to reduce fuel consumption needed to remain in position.
- The L1 point is home to the Solar and Heliospheric Observatory Satellite (SOHO), an international collaboration project of NASA and the European Space Agency (ESA).



Aditya-L1

- Aditya L1 will be ISRO's second space-based astronomy mission after AstroSat (launched in 2015).
- The mission will try to obtain information about Sun's atmosphere and magnetic field.
- It is a 400 kg-class satellite which will be launched using the Polar Satellite Launch Vehicle (PSLV) in XL configuration.

- The Satellite will be placed in the halo orbit around the Lagrangian point 1 (L1) of the Sun-Earth system has the major advantage of continuously viewing the Sun without any occultation/ eclipses.
- Therefore, the Aditya-1 mission has now been revised to “Aditya-L1 mission” and will be inserted in a halo orbit around the L1, which is 1.5 million km from the Earth.
- The satellite carries additional six payloads with enhanced science scope and objectives.
- Areas to be studied: Sun’s corona, solar emissions, solar winds and flares, and Coronal Mass Ejections (CMEs) and will carry out round-the-clock imaging of the Sun.
- Moving Components: Aditya L1 will have some moving components. For example, the spacecraft’s design allows for multiple operations of the front window of the telescope — which means the window can be opened or shut as required.
- Aditya L1 will perform continuous observations looking directly at the Sun.
- It will stay much farther away, and the heat is not expected to be a major concern for the instruments on board.
- The mission will be undertaken in collaboration between various labs of ISRO, along with institutions like the Indian Institute of Astrophysics (IIA), Bengaluru, Inter University Centre for Astronomy and Astrophysics (IUCAA), Pune, and Indian Institute of Science, Education and Research (IISER), Kolkata.
- All participating institutions are currently in the final stages of developing their respective payloads. Some payloads have been built, and are in the testing phase with each component being checked and calibrated. Some payloads are at the stage of integration of individual components.

5.4 3-D Printing

Topic: Science and Technology – Awareness and developments

3D Printing

- 3D printing belongs to a class of techniques known as additive manufacturing.
- Additive processes build objects layer-by-layer rather than through molding or subtractive techniques (such as machining).
- Today, 3D printing can create objects from a variety of materials, including plastic, metal, ceramics, glass, paper, and even living cells.
- These materials can come in the form of powders, filaments, liquids, or sheets.

3D Printing Techniques

- A variety of 3D printing techniques are in use today.
- In all cases, objects are formed one layer at a time, each layer on top of the previous, until the final object is complete.
- With some techniques, this is accomplished by melting material and depositing it in layers, while other techniques solidify material in each layer using lasers.

Major techniques include

Selective laser sintering (SLS)

In this technique, a layer of powder is deposited on the build platform, and then a laser “draws” a single layer of the object into the powder, fusing the powder together in the right shape. It is capable of producing very complex parts.

Direct metal laser sintering (DMLS)

It is similar to selective laser sintering but deposits completely melted metal powder free of binder or fluxing agent, thus building a part with all of the desirable properties of the original metal material. DMLS is used for rapid tooling development, medical implants etc.

Fused deposition modeling

A filament of plastic resin, wax, or another material is extruded through a heated nozzle in a process in which each layer of the part is traced on top of the previous layer.

Stereolithography:

- A laser or other UV light source is aimed onto the surface of a pool of photopolymer (light-sensitive resin)
- The laser draws a single layer on the liquid surface; the build platform then moves down, and more fluid is released to draw the next layer.
- SLA is widely used for rapid prototyping and for creating intricate shapes with high-quality finishes, such as jewelry.

Inkjet bioprinting

- Bioprinting uses a technique similar to that of inkjet printers, in which a precisely positioned nozzle deposits one tiny dot of ink at a time to form shapes.
- In the case of bioprinting, the material used is human cells rather than ink.
- The object is built by spraying a combination of scaffolding material (such as sugar-based hydrogel) and living cells grown from a patient’s own tissues.

- After printing, the tissue is placed in a chamber with the right temperature and oxygen conditions to facilitate cell growth.
- When the cells have combined, the scaffolding material is removed and the tissue is ready to be transplanted.

Advantages & Limitations

Advantages:

- 3D printing has several advantages over conventional construction methods.
- With 3D printing, an idea can go directly from a file on a designer's computer to a finished part or product, potentially skipping many traditional manufacturing steps, including procurement of individual parts, creation of parts using molds, machining to carve parts from blocks of material, welding metal parts together, and assembly.
- 3D printing can also reduce the amount of material wasted in manufacturing and create objects that are difficult or impossible to produce with traditional techniques, including objects with complex internal structures that add strength, reduce weight, or increase functionality
- Bioprinting can create organs with an internal network of blood vessels.

Limitations:

- Current limitations of 3D printing, which vary by printing technique, include relatively slow build speed, limited object size, limited object detail or resolution, high materials cost, and, in some cases, limited object strength.
- However, in recent years rapid progress has been made in reducing these limitations.



ECOLOGY and ENVIRONMENT

❖ **Paper III: The articles in this section are relevant to the following topics:**

- **Conservation, environmental pollution and degradation, environmental impact assessment**
- **Disaster and disaster management.**

❖ **Prelims Oriented Questions**



KAVISH IAS
Converting Possibilities into Reality

6.1 PLANS FOR BIRDS

Why in News: Amid growing threats to a number of bird species in the country, the Union environment ministry has come out with a 10-year comprehensive plan for conservation of birds and their habitats in India. The final document is expected to be released by March after fine-tuning the draft and taking in view stakeholders' suggestions.

Need for the Plan

Sambhar Lake Tragedy:

- The plan assumes significance in view of the recent catastrophic incident of bird deaths at Sambhar lake in Rajasthan. Over 17,000 birds were reported to have succumbed to avian botulism caused by *Clostridium botulinum*.
- The partial handover to Hindustan Salts Limited and the lack of management in the region has been cited as reasons for the deteriorating ecology.
- In a 2016 directive, the National Green Tribunal had noted the impact of the salt industry — including “unauthorised salt pans” — on the ecosystem of Sambhar Lake and asked the state government to cancel allotment of salt pans. However, numerous illegal salt pans are still active in the region.

Illegal trade of birds:

- Though India had put a complete ban on local trade in birds long ago, illegal harvesting of birds from forest and non-forest areas, and trade in wild birds are prevalent in most parts of the country.
- In India, over 370 bird species are reportedly traded in more than 900 markets, making the country the third highest in bird trade globally despite a complete ban on export of live birds (indigenous and captive-bred exotics).

Habitats under severe pressure:

- Referring to avian habitats, the ministry shared that there are a total of 870 Protected Areas (PAs) (National Parks, Wildlife Sanctuaries, Community Reserves and Conservation Reserves) in the country, many with high avian diversity.
- A total of 554 sites in India have also been designated as “Important Bird & Biodiversity Areas (IBAs)” of which 219 IBAs are outside the PA network and are under severe anthropogenic pressure.

- Decline in their populations is due to destruction of their natural habitats, environmental degradation, changes in land use such as urbanization, environmental pollution and other factors.

Impact of declining bird population

- The decline in bird population leads to ecological imbalances like increase in insect and rodent populations, vector-borne diseases.
- Citing an example, the ministry noted that the population decline of vultures, which are carrion feeders, led to an alarming increase in the population of stray dogs especially in urban areas across the country.
- A study found that this abrupt increase in stray dog population resulted in high rates of rabies incidences, costing the country about Rs 3,400 crores during the period 1993-2006.

Visionary Perspective Plan (2020-2030)

- The main objective of the visionary perspective plan is to prepare a long-term perspective plan on priority areas for conservation of avian diversity, habitats, ecosystems and landscapes in the country.
- The VPP will be implemented by different stakeholders including ministries, with the Salim Ali Centre for Ornithology and Natural History (SACON) being the focal institution for this purpose.
- The plan highlights the importance of saving birds and avian habitats, by noting how birds perform various ecosystem services and functions such as control of insect pests in agriculture and forestry, pollination of plants, seed dispersal and forest regeneration and scavenging.
- The draft document listed 15 major programs, ranging from conserving avian habitats in urban areas to conservation of migratory birds, which would be implemented over the short-term (4 years), medium-term (4-7 years) and long-term (7-10 years) periods.
- The conservation measures would also include curbing illegal trade of birds and constant surveillance of avian disease to prevent a situation similar to Sambhar Lake.
- The program on curbing illegal trafficking of birds include mapping hotspots of sources, transit and markets, creating a national repository of avian reference samples and generating database on DNA and feather structure for forensic purposes.
- In the absence of such a database, only 1% of the cases of wildlife crime/trade currently ended in conviction. This low conviction rate is largely attributed to lack of legally admissible evidence with respect to authenticity of species identification by enforcement agencies.

6.2 ELEPHANT CONFLICTS

Why in News: In response to a question by an MP, a report has been tabled in Rajya Sabha by the Ministry of Environment, Forest and Climate Change (MoEFCC) regarding man-elephant conflict. Data shows that three states including West Bengal, Odisha and Assam account for about half the fatalities in man-elephant conflict in the country.

Man-Elephant Conflict

Human-elephant conflict can take their toll both on human lives and property as well as elephant populations.

Major reasons of the conflict

Crop raiding and property damage

- Almost all elephant habitat is surrounded by farmland where locals earn their living and often reside.
- Farmlands adjacent to elephant habitats are often prone to crop raiding from nearby elephants.
- Small and economically vulnerable farmers in the surrounding areas suffer greatly as their livelihood might be destroyed by a herd of elephants in a single night.

Fragmentation of elephant habitats

- With increasing human populations, there are ever-growing demands for space and water. This often results in humans settling in areas which are part of elephant migratory paths or part of elephant home range areas.
- As a result of human settlement and developments, this sometimes results in fragmentation of elephant habitats.
- Elephants, being migratory animals, rely on matriarchs to lead their herds through ancient migratory routes for food and water. When ancient routes are hindered by humans, the results have been quite devastating.

Retaliatory killings

- When elephants raid crops and destroy villages, they are viewed as nuisance, danger, and risks to livelihoods for farmers and villages. The result is often detrimental for elephants.
- Every year, hundreds of elephants are killed in retaliation through shooting, electrocution, and poisoning.
- Human negligence has also led to number of deaths in India.

Poaching

- Studies have shown that ivory poaching was responsible for between 44 and 68% of all male elephant deaths in several Indian regions.
- There is also a strong demand of elephant body parts in many Eastern Asian countries for their usage in traditional Asian medicines. However, studies have suggested that there is no scientific evidence for benefits from such body parts usage for medicinal purpose.

Three States in the eastern and north-eastern parts of the country including West Bengal, Odisha and Assam, account for about half of both human and elephant deaths in the overall human-elephant conflict in the country.

Data regarding Human Casualties

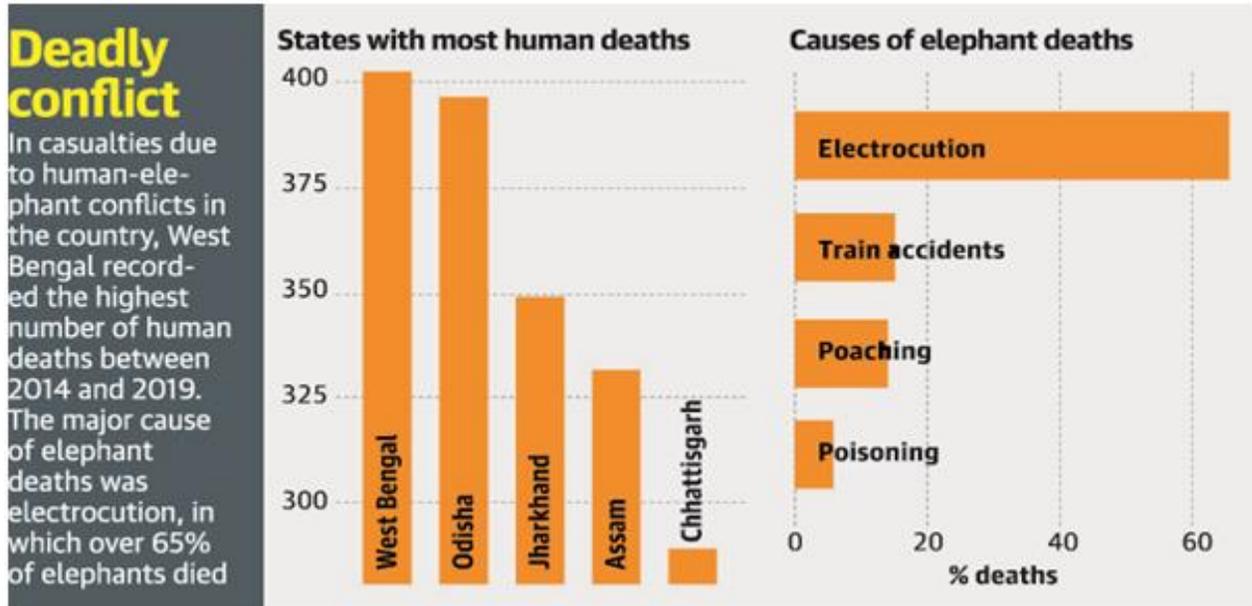
- From 2014-15 to 2018-19:2,361, human deaths were recorded in elephant attacks across the country, of which 48% fatalities were from these three States.
- West Bengal had the highest number of human casualties, followed by Odisha, Jharkhand and Assam.

Data regarding Elephant Casualties

- From 2014-15 to 2018-19:510, deaths due to unnatural events (mainly due to poaching, train accidents, electrocution and poisoning) across the country, of which 53% occurred in these three States alone.
- Among the reasons for unnatural deaths of elephants, electrocution (by hanging electricity wires) is at the top of the list, accounting for 68% of elephant deaths in the country.
- The second most common cause for unnatural deaths of elephants is train accidents.
- Note: West Bengal, Odisha and Assam are home to just about 31% of the total population of all elephants in India.

Note: The data assumes significance when India is moving to include Asian Elephants in the list of species that merit heightened conservation at the 13th Conference of Parties on the

Conservation of Migratory Species of Wild Animals scheduled to be held at Gandhinagar in February 2020.



6.3 CONVENTION ON MIGRATORY SPECIES

Why in News: India is hosting the 13th Conference of the Parties to the Convention on Migratory Species (CMS COP13) in Gandhinagar.

Migratory Species

- Migratory species are those animals that move from one habitat to another during different times of the year, due to various factors such as food, sunlight, temperature, climate, etc.
- The movement between habitats can sometimes exceed thousands of miles/kilometres for some migratory birds and mammals.
- A migratory route can involve nesting and also requires the availability of habitats before and after each migration.

Convention on Migratory Species (CMS)

- The Convention on Migratory Species (CMS) is an intergovernmental treaty, concluded under the aegis of the United Nations Environmental Program (UNEP).

- The treaty provides a global platform for the conservation and sustainable use of migratory animals and their habitats.
- It is the only global convention specialising in the conservation of migratory species, their habitats and migration routes.
- The pact was signed in 1979 in Germany and is known as the Bonn Convention.
- It provides a global platform for the conservation and sustainable use of migratory animals and their habitats and brings together the States through which migratory animals pass, the Range States, and lays the legal foundation for internationally coordinated conservation measures throughout a migratory range.
- CMS listing makes member countries responsible to work towards protecting these animals/birds, conserving their habitats and controlling other factors that might endanger them.

Appendix I of the Convention: 'Threatened Migratory Species'

- Migratory species threatened with extinction are listed on Appendix I of the Convention.
- CMS Parties strive towards strictly protecting these animals, conserving or restoring the places where they live, mitigating obstacles to migration and controlling other factors that might endanger them.
- Currently, 173 species from across the globe are listed in CMS Appendix I.

Appendix II of the Convention: 'Migratory Species requiring international cooperation'

- Migratory species that need or would significantly benefit from international co-operation are listed in Appendix II of the Convention.
- A total of 518 species are listed in Appendix II, but this listing also includes entire species groups including sub-species.

India and CMS

- India is a temporary home to several migratory animals and birds.
- The important among these include Amur Falcons, Bar-headed geese, Black-necked cranes, Marine turtles, Dugongs, Humpbacked Whales, etc.
- India has been member of the convention since 1983.
- Hosting COP13 marks India's commitment to tackle loss of biodiversity and protection of vulnerable species.
- Three species from India (Great Indian Bustard, Asian Elephant and Bengal Florican), will be included in a special global list for protection under the 'Convention on Conservation of Migratory Species' (CMS) during COP13.

- The Indian sub-continent is also part of the major bird flyway network, i.e, the Central Asian Flyway (CAF) that covers areas between the Arctic and Indian Oceans, and covers at least 279 populations of 182 migratory waterbird species, including 29 globally threatened species.
- India has also launched the National Action Plan for the conservation of migratory species under the Central Asian Flyway.
- Further, India has developed and is implementing the 'National Conservation Action Plans of Dugongs, Great Indian Bustard, Sea Turtles and Amur Falcons'.

CMS COP13

- **The theme of the conference: "Migratory species connect the planet and together we welcome them home".**
- **Logo:** The CMS COP 13 logo is inspired by 'Kolam', a traditional art form from southern India. In the logo of CMS COP-13, Kolam art form is used to depict key migratory species in India like Amur falcon, humpback whale and marine turtles.
- **Mascot:** The mascot for CMS COP13, "Gibi - The Great Indian Bustard" is a critically endangered species that has been accorded the highest protection status under the Wildlife Protection Act, 1972.

Key agendas of COP13

- To minimise impact of light (artificial light) pollution, plastic pollution and impact of energy and other infrastructure on migratory species.
- The artificial light was increasing worldwide, affecting insects and migratory species such as bats, birds and marine turtles.
- Representative from 110 countries will also discuss adoption of dedicated actions to protect 12 species, including Gangetic River Dolphin, Gabon and Giraffe. India has prepared a concerted action proposal to protect Gangetic River Dolphin.
- Outcomes expected at CMS COP13 include negotiated decisions, political commitments and new initiatives, including proposals to add 10 new species for protection under the CMS.
- These include the Asian Elephant, the Jaguar, the Great Indian Bustard, and the Smooth Hammerhead Shark.
- Parties will also discuss the adoption of dedicated concerted actions for 12 different species, including the Giraffe, the Ganges River Dolphin, the Common Guitarfish and the Antipodean Albatross

SOCIAL ISSUES

❖ **Paper I: The articles in this section are relevant to the following topics:**

- **Salient features of Indian Society, Diversity of India.**
- **Role of women and women's organization, population and associated issues, poverty and developmental issues, urbanization, their problems and their remedies.**
- **Effects of globalization on Indian society**
- **Social empowerment, communalism, regionalism & secularism.**

7.1 REGULATION OF SURROGACY

Why in News: The Union Cabinet has approved the Surrogacy (Regulation) Bill, 2020, (which aims to ensure effective regulation of the surrogacy service) after incorporating the recommendations of a Rajya Sabha Select Committee. The latest bill is a reformed version of the draft legislation which was passed by Lok Sabha in August 2019.

Surrogacy

- Surrogacy is a practice where a woman gives birth to a child for an eligible couple and agrees to hand over the child after the birth to them.
- Altruistic surrogacy involves a surrogacy arrangement where the monetary reward only involves medical expenses and insurance coverage for the surrogate mother.
- Commercial surrogacy includes a monetary benefit or reward (in cash or kind) that exceeds basic medical expenses and insurance for the surrogate mother.
- The Surrogacy (Regulation) Bill was first mooted in 2016 in the wake of repeated reports of exploitation of women who were confined to hostels, not provided adequate post-pregnancy medical care and paid a pittance for repeatedly becoming surrogate mothers to supplement family income.

Background

The Surrogacy regulation bill, 2019 was passed by the Lok Sabha on August 5, 2019, but was referred to the select committee by the Upper House after members raised concerns over several clauses.

Concerns were majorly over

- Allowing only altruistic surrogacy with a near relative as a surrogate
- Not allowing single woman
- The definition of infertility in the proposed legislation.
- The Committee studied the earlier version of the draft legislation and submitted its report on 5th Feb 2020.
- The latest bill incorporates all recommendations made by the Rajya Sabha Select Committee.
- The bill is expected to be introduced in Parliament during the second phase of the Budget Session beginning on March 2.

Key Provisions of the Surrogacy (Regulation) Bill, 2020

- The Bill is aimed at banning commercial surrogacy and allowing altruistic surrogacy. The Bill puts a blanket ban on commercial surrogacy with penal provisions of jail term of up to 10 years and fine of up to ₹10 lakh.
- The bill allows a single woman, such as a widow, a divorcee and PIOs aged between 35 and 45 years are allowed to avail of surrogacy.
- Only Indian couples, with both partners being of Indian origins, can opt for surrogacy in the country.
- Besides, couples who already have children will not be allowed to opt for surrogacy.
- They cannot have a surviving child, either biological or adopted, except when they have a child who is mentally or physically challenged or suffers from a life-threatening disorder with no permanent cure.
- Also, the intending couple should have a 'certificate of essentiality' and a 'certificate of eligibility' issued by the appropriate authority.
- The Bill also seeks to regulate the functioning of surrogacy clinics. All surrogacy clinics in the country need to be registered by the appropriate authority in order to undertake surrogacy or its related procedures.
- Any "willing" woman is allowed to become a surrogate mother provided all other requirements are met and the appropriate authority has cleared the surrogacy.
- A woman can be a surrogate only once in her lifetime.
- The Bill proposes to regulate surrogacy by establishing a National Surrogacy Board and State Surrogacy Boards and appropriate authorities in the States and Union Territories respectively.
- The surrogate mother will not be paid any compensation except medical expenses and insurance.
- The proposed insurance cover for a surrogate mother has now been increased to 36 months from 16 months earlier.

Note: Definition of "infertility" as the inability to conceive after five years of unprotected intercourse has been deleted from the earlier draft. It was seen as too long a period for a couple to wait for a child.

7.2 MEDICAL DEVICES RULES

Why in News: The Ministry of Health and Family Welfare has notified changes in the Medical Devices Rules, 2017, to regulate medical devices on the same lines as drugs effective from April 1, under the Drugs and Cosmetics Act, 1940. At present, only 37 medical devices are notified as drugs.

Background

- For much of 2019, the health sector has been at the centre of attention following revelations about faulty hip implants marketed by Pharma major Johnson & Johnson.
- It exposed the lack of proper regulatory oversight when it came to medical devices.
- In fact, even after Johnson & Johnson agreed in a Texas court to pay out \$1 billion to settle about 6,000 lawsuits in the US before the product was withdrawn, in India for a very long time it maintained that it had not received any adverse events report in the product.
- The matter dragged on, exposing the regulatory loopholes until finally the company agreed in court to pay Rs 25 lakh each to the 67 people who had had to undergo revision surgeries because the implants were defective.
- The said incident led to the beginning of the discussion regarding the regulation of medical devices.
- Led to moved towards for improved regulation of medical devices:
 - In April 2019, the Drugs Technical Advisory Board (DTAB) had recommended that all medical devices should be notified as “drugs” under the drug regulation law to ensure they maintain safety and quality standards.
 - Later in October, the ministry had circulated copies of the then proposed notification for public comments following recommendations of the DTAB, which is the highest technical body for these decisions.
- The Ministry of Health and Family Welfare has notified changes in the Medical Devices Rules to regulate medical devices on the same lines as drugs effective from April 1.
- Called the Medical Devices (Amendment) Rules, 2020, the new rules are applicable to devices intended for internal or external use in the diagnosis, treatment, mitigation or prevention of disease/disorder in human beings or animals.

Medical Devices (Amendment) Rules, 2020

- As per the new rules, the devices would need to get online registration with the Central Licensing Authority through an identified online portal established by the Central Drugs Standard Control Organisation (CDSCO) for this purpose.
- The manufacturer will also have to submit a certificate of compliance with respect to ISO 13485 standard accredited by National Accreditation Board for Certification Bodies or

International Accreditation Forum in respect of such medical device.

- This would mean that every medical device, either manufactured in India or imported, will have to have quality assurance before they can be sold anywhere in the country
- The notification calls for a voluntary registration within a period of 18 months from April 2020 and obtaining manufacturing/import licence under the Medical Device Rules within 36 months for some devices and 42 months for others.
- The registration process carries no government processing fees and does not expire till the manufacturer/importer obtains the import/manufacturing licence within a period of 36 and 42 months.
- Once registered the local registration holder will be required to notify the CDSCO and Materiovigilance Programme of India (MvPi) of Serious Adverse Events (SEA) occurring in India.
- The temporary registration may be cancelled or suspended by the CDSCO for product safety concerns, or when superseded by an Import/ Manufacturing License.

Penal provisions under Indian law

- There are various penal provisions under the Drugs and Cosmetics Act, 1940 for various kinds of offences.
- Manufacture or sale of substandard items is punishable with imprisonment of at least 10 years, which may extend to imprisonment for life.
- There is also a provision for fine that will not be less than Rs 10 lakh rupees or three times value of the confiscated items.

Impact

- The move will also ensure that all medical devices available will be safe and effective.
- Apart from expanding the scope of regulation to ensure safety and efficacy, the move may pave the way for regulation of prices under the Drugs Price Control Order (DPCO).
- It will also make companies, in case of violations, liable to be penalised in a court of law.

Industry's Response

- The industry has so far reacted positively, though doubts remain about the ability of the Central Drugs and Standards Control Organisation (CDSCO) to effectively regulate both drugs and medical devices.
- They are particularly wary of the CDSCOs competence, expertise and most importantly its commitment towards patient safety given its dismal track record.

- Hence, there is an urgent need for comprehensive reforms to strengthen the regulatory mechanism in relation to patients' safety.

Drugs and Cosmetics Act, 1940

- The Drugs and Cosmetics Act, 1940 is a Central Act that regulates the import, manufacture and distribution of drugs in India.
- The primary objective of the act is to ensure that the drugs and cosmetics sold in India are safe, effective and conform to state quality standards.
- The related Drugs and Cosmetics Rules, 1945 contains provisions for classification of drugs under given schedules and there are guidelines for the storage, sale, display and prescription of each schedule.
- The term "drug" as defined in the act includes a wide variety of substance, diagnostic and medical devices.
- The act defines "cosmetic" as any product that is meant to be applied to the human body for the purpose of beautifying or cleansing.
- In the year 1964, the act was amended to include Ayurveda and Unani drugs as well.

Central Drugs Standard Control Organization (CDSCO)

- The CDSCO is the national regulatory body for Indian pharmaceuticals and medical devices, and serves parallel function to the Food and Drug Administration of the United States.
- Within the CDSCO, the Drug Controller General of India (DCGI) regulates pharmaceutical and medical devices, under the gamut of Ministry of Health and Family Welfare.
- The DCGI is advised by the Drug Technical Advisory Board (DTAB) and the Drug Consultative Committee (DCC).
- It is divided into zonal offices which do pre-licensing and post-licensing inspections, post-market surveillance, and recalls when needed.

MISCELLANEOUS and SCHEMES

❖ GLOBAL TALENT COMPETITIVE INDEX

INSEAD business school in partnership with Tata Communications and Adecco Group has released Global Talent Competitive Index, 2019.

Global Talent Competitive Index

- It is a comprehensive annual benchmark measuring how countries and cities grow, attract and retain talent, providing a unique resource for decision makers to understand the global talent competitiveness picture and develop strategies for boosting their competitiveness.
- The report measures levels of Global Talent Competitiveness by looking at 68 variables.
- The 2019 index covers 125 national economies and 114 cities (respectively 119 and 90 in 2018) across all groups of income and levels of development.

Highlights of the Report

- Switzerland continues to lead the index, while Singapore and the United States come in second and third respectively.
- The top three is followed by Scandinavian countries, Norway (4th), Denmark (5th), Finland (6th), and Sweden (7th).
- Yemen has finished at the bottom of this year's index at 125th, just below Congo (124th) and Burundi (123rd).
- Washington is the top-ranked city followed by Copenhagen, Oslo, Vienna and Zurich. Washington's position can be attributed to its strong performance across four of the five pillars measured in the research, specifically in the "Be Global", "Attract", "Grow" and "Enable" pillars.
- The steady economy, dynamic population, outstanding infrastructure and connectivity, highly-skilled workforce and world class education are all characteristics which contribute to making the city a talent hub.
- The report also reveals that cities rather than countries are developing stronger roles as talent hubs and will be crucial to reshaping the global talent scene.

- This growing importance of cities is due to their greater flexibility and ability to adapt to new trends and patterns – as nimble economic units where policy can be changed more swiftly, cities are thus more attractive for talent, especially entrepreneurial talent.

❖ **Beijing +25**

- The 1995 Fourth World Conference on Women, held in Beijing, was one of the largest ever gatherings of the United Nations, and a critical turning point in the world's focus on gender equality and the empowerment of women.
- The Beijing Declaration and Platform for Action of 1995 is the most ambitious road map for the empowerment of women and girls everywhere.
- In 2020, it will be 25 years since the Beijing Platform for Action set strategic objectives and actions for the achievement of gender equality in 12 critical areas of concern.
- The Beijing+25 Regional Review Meeting provided a forum for United Nations Economic Commission for Europe (UNECE) member States to review progress and identify challenges in the implementation of the Beijing Platform for Action.

National Consultation on the review of Beijing +25

- To mark of 25 years of the adoption of Beijing Platform for Action, Ministry of Women & Child Development (MWCD), the National Commission for Women (NCW) and UN Women organized a National Consultation on the Review of Beijing+25.
- It aims to galvanize all stakeholders to implement actions that remove the most conspicuous barriers to gender equality.
- The consultation will bring together civil society and the women and youth of India, gender equality advocates from all walks of life, in a national public conversation on the urgent actions that need to be taken for the realization of gender equality.

❖ **PROJECT (Natcap)**

- Its stated mission is “pioneer the science, technology and partnerships that enable informed decisions for people and nature to thrive.”
- Daily's NatCap is a leading global organization providing policy makers with information on the services provided by natural ecosystems.
- The organization enables governments to make the right policies directed towards conservation of nature and its value to human civilizations.
- The innovative software 'InVEST' created by NatCap assesses risks and costs associated with loss of biodiversity and estimates the return-on-investment in nature, under future scenarios.

❖ **International Platform on Sustainable Finance**

- The European Union is launching the International Platform on Sustainable Finance (IPSF) together with relevant authorities from Argentina, Canada, Chile, China, India, Kenya, and Morocco
- It will be introduced at the IMF and World Bank Group Annual Meetings, in Washington D.C.
- To reach the Paris targets, trillions of investments in sustainable infrastructure will be needed over the next decades.
- The launch of this Platform is essential to stimulate investment and redirect capital flows towards our climate objectives at the scale required for the most important economic transition.
- It will act as a forum for facilitating exchanges and, where relevant, coordinating efforts on initiatives and approaches to environmentally sustainable finance, while respecting national and regional contexts.
- It will focus on environmentally sustainable initiatives in particular in the areas of taxonomies, disclosures, standards and labels, which are fundamental for investors to identify and seize green investment opportunities worldwide.

❖ **Classical Swine Fever (CSF) Vaccine**

- ICAR-Indian Veterinary Research Institute (IVRI), Izatnagar, develops classical Swine Fever Cell culture Vaccine.
- CSF is one of the most important diseases of pigs causing high mortality.
- A lapinized CSF vaccine (Weybridge strain, UK) is being used in India since 1964 for controlling the disease.
- IVRI recently developed a new CSF Cell Culture Vaccine by attenuating an indigenous virulent CSF virus in cell culture.
- The vaccine virus has a very high titre, lakhs of doses can be produced very easily in cell culture, and the country's requirement can be easily fulfilled using this new vaccine.
- The new vaccine is ready for release and commercial production will be completed in less than a year.
- The vaccine would be the best choice for use in the CSF Control Program (CSF-CP) already launched by Department of Animal Husbandry and Dairying (DAHD)

❖ **SATHI**

- Department of Science and Technology has launched Sophisticated Analytical & Technical Help Institutes (SATHI).
- It is an Initiative for building shared, professionally managed strong S&T infrastructure.
- It will facilitate seamless application and capture IPRs.

- It can be readily accessible to academia, start-ups, manufacturing, industry and R&D labs
- These Centers 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.

❖ **Santusht Portal**

- ‘Santusht’ - Implementation Monitoring Cell (IMC) has been constituted in the Office of Minister of State (Independent Charge) for Labour and Employment.
- The objective of ‘Santusht’ is to promote transparency, accountability, effective delivery of public services and implementation of policies, schemes of Ministry of Labour and Employment at grass root level through constant monitoring.
- For public grievances, the Centralized Public Grievance Redressal and Monitoring System (CPGRAM) portal is already functional.
- Besides, written grievances as received from stakeholders are also disposed of by the Ministry.
- Further, online portal under ‘Santusht’ for public grievances has not been started so far.

❖ **Solar Risk Mitigation Initiative**

- The World Bank– Energy Sector Management Assistance Program (WB-ESMAP), in partnership with, Agence Française de Développement (AFD), International Renewable Energy Agency (IRENA) and International Solar Alliance (ISA) developed the Solar Risk Mitigation Initiative (SRMI).
- This unique approach offers technical assistance to help countries develop evidence-based solar targets, implement a sustainable solar program, and maintain robust procurement processes with transaction advisors.
- SRMI aims to support countries in developing sustainable solar programs that will attract private investments and so reduce reliance on public finances.
- It has three components to mitigate the risk of solar deployment:
 - Sustainable Solar Targets
 - Transparent Procurement
 - Viable Risk Mitigation Coverage

❖ **Public Health Emergency of International Concern**

A Public Health Emergency of International Concern (PHEIC) is a formal declaration by the World Health Organization (WHO).

It is declared during an extraordinary event which is determined to constitute a public health risk to other States through the international spread of disease and to potentially require a coordinated international response.

It is formulated when a situation arises that is "serious, sudden, unusual or unexpected", which "carries implications for public health beyond the affected State's national border" and "may require immediate international action".

Under the 2005 International Health Regulations (IHR), states have a legal duty to respond promptly to a PHEIC.

Since 2009, there have been six PHEIC declarations:

- In 2009 H1N1 (or swine flu) pandemic,
 - In 2014 polio declaration,
 - In 2014 outbreak of Ebola in Western Africa,
 - In 2015–16 Zika virus epidemic,
 - In 2015-16 Kivu Ebola epidemic,
 - In 2020 novel coronavirus outbreak.
- The recommendations are temporary and require reviews every three months.
 - SARS, smallpox, wild type poliomyelitis, and any new subtype of human influenza are automatically PHEICs and therefore do not require an IHR decision to declare them as such.
 - PHEIC is not only confined to infectious diseases, and may cover an emergency caused by a chemical agent or a radio nuclear material.
 - It is a "call to action" and "last resort" measure.
 - Most epidemics and emergencies do not gain public attention or fulfill the criteria to be a PHEIC.



**CONTACT- 8017756589
8789245158**

**1st floor CL BHAWAN
56/2 HAZRA ROAD
KOL-19**