



# INSIGHTSIAS

SIMPLIFYING IAS EXAM PREPARATION

- I A S   S E L F   S T U D Y   G U I D E -

## **INSIGHTS** into EDITORIAL TV/Radio **Synopsis**

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## INSIGHTS into EDITORIAL

### 1. For a wider pool

#### **Context:**

- A growing number of people are over-volunteering for clinical trials in order to supplement their income. There is a disturbing trend that is putting at risk the health of serial volunteers as well as the reliability of trial data.
- In May 2017, 53-year-old from Telangana state, who volunteered for the trial on a bio-equivalence study, to compare the biological behaviour of an unapproved formulation of melatonin with an older one, was died.

#### **Troubling trend**

- Financially needy people serially volunteer for trials to supplement their income. This is a worldwide phenomenon, including in high-income regions like the U.S. and the European Union.
- The problem arises when volunteers who are desperate for money deceive investigators, lying about their age, health or other medications, just so they can participate.
- Such serial volunteers are an especially vulnerable class of people, because of their poverty and low levels of education.
- Under the Indian Drugs and Cosmetics Act, an independent body of doctors and laypersons, known as an ethics committee, must oversee a trial to make sure the rights of such groups are safeguarded. But bioethicists say this isn't happening.

#### **What are Clinical Trials?**

- Clinical trials are research studies that explore whether a medical strategy, treatment, or device is safe and effective for humans. Before a drug is launched in market, it has to be tested for its safety and efficacy. This is done in stages, with a large pool of patients after which the data from the trials is assessed.
- In India, Central drug Standard Control Organisation (CDSCO) regulates under Drugs and cosmetics Act.
- India has been a preferred destination due to the availability of large genetic pool with a wide spectrum of diseases, educated work force and lower operational costs.

#### **Ethical considerations to be followed while conducting clinical trials**

- Informed consent and Voluntary Agreement of the participant
- Maintain privacy of the participant
- Accountability and transparency while conducting trials
- Research and trial details should be in public domain.

#### **Prevailing Issue in India**

- The major issues w.r.t Clinical trials in India are Regulatory failures, Unethical clinical trials, spurious drugs, Collusion between drug companies and doctors.
- Landmark amendments to the Drugs and Cosmetics Act in 2013 led to better protection of vulnerable groups such as illiterate people, but more regulation is needed to ensure truly ethical research.
- Clinical research organisations (CROs) have argued that more rules will stifle the industry; the truth is that ethical science is often better science. The big problem plaguing clinical research is an over-representation of low-income groups among trial subjects.

- Sometimes CROs recruit them selectively, exploiting financial need and medical ignorance; at other times people over-volunteer for the money.
- Because these subjects are well-paid, and get no therapeutic benefit, their only reward from the trial is financial. This results in an incentive to lie about one's medical history or enroll in multiple trials to maximise one's income.

### **Protecting the vulnerable**

- In any trial that relies heavily on vulnerable groups like daily wage earners, the ethics committee can choose to monitor subjects intensively, and counsel them on health risks. There are several tools to do this, like meeting participants and administering questionnaires to gauge their awareness.
- The pervasiveness of serial volunteering and deception is not just a risk to participants but also taints the quality of data collected by CROs in bioequivalence studies. Unsafe drugs can make their way into the market as a result, or safe drugs can get rejected.
- One potential solution is a national registry of trial volunteers, which will alert a CRO when someone signs up for two studies simultaneously without compromising volunteer's privacy.
- So regulators need to create a system that anonymises each participant's data.
- Another option is to pay volunteers less, taking away the financial incentive to fudge their participation history. But this measure, in isolation, would reduce trial participation dramatically: an unacceptable side-effect because clinical trials are essential to drug research.
- A third, more sustainable solution is to encourage a wider cross-section of society to participate in research on human subjects.

### **Way Forward**

- Compulsory registration of all clinical trials before any dosing starts. This will help in stopping illegal trials. Audio visual recording of informed consent in trials is important. Ethics committee of the Institute must also be accredited (recommendation of Ranjit Roy Choudhury Expert Committee)
- Society at large must realise the valuable service that clinical research subjects perform by making drugs safe for the rest of us. Civil society's vigilance is vital.

## **2. Unseemly haste**

### **Context:**

- On December 28, the Lok Sabha passed the 'triple talaq' Bill — the Muslim Women (Protection of Rights on Marriage) Bill — following a day of engaging discussion. It will soon be tabled in the Rajya Sabha. The legislation was mooted in the aftermath of the Supreme Court's judgment in August declaring that the practice of instant triple talaq was not constitutionally protected and would have no legal effect.
- However, in Rajya Sabha Opposition demanded to send the controversial triple talaq legislation criminalising instant triple talaq, or *talaq-e-biddat*, to a select committee.

### **Background:**

- The egregious practice that many Muslim men employ to divorce their wives instantaneously and without their consent, merely by uttering the word talaq thrice, was rendered legally invalid by the Shamim Ara vs State of UP judgment of 2002 and subsequent orders from various High Courts. But this has not stopped the practice; many Muslim women are unaware of the judgments or have had to accept such pronouncements owing to pressure from conservative sections.
- Many women have undergone severe trauma after being thrown out of their homes. Shayara Bano, one such victim of this arbitrary custom — not to speak of years of domestic violence — has

filed public interest litigation in the Supreme Court seeking a ban on the practice. The conservative All India Muslim Personal Law Board that seeks to wield influence on questions of Muslim personal law has found it an occasion to air its regressive views on the issue.

### **Earlier Supreme Court set aside instant 'talaq'**

- In a majority 3:2 judgment, a five-judge Bench of the Supreme Court set aside 'talaq-e-biddat' — instant and irrevocable 'talaq' — as a "manifestly arbitrary" practice.
- By declaring the discriminatory practice of instant triple talaq as unconstitutional, the Supreme Court has sent out a clear message that personal law can no longer be privileged over fundamental rights. Three of the five judges on the Constitution Bench have not accepted the argument that instant talaq, or talaq-e-biddat, is essential to Islam and, therefore, deserves constitutional protection under Article 25. Two judges in the minority favoured imposing a six-month injunction to enable Parliament to enact legislation on the subject; the judges in the majority specifically chose not to do so.
- The purpose of the court's judgment was disarmingly simple: to deprive talaq-e-biddat of recognition in the eyes of the law. That remains the case irrespective of the frequency with which it is exercised.

### **What does the new Bill say?**

- The Muslim Women (Protection of Rights on Marriage) Bill, 2017 was passed by the Lok Sabha.
- It makes the pronouncement of talaq-e-biddat "void and illegal." According to clause 3 of the Bill, "Any pronouncement of talaq by a person upon his wife, by words, either spoken or written or in electronic form or in any other manner whatsoever, shall be void and illegal."

### **What is the punitive measure mentioned in the bill?**

- A man who pronounces talaq on his wife will be punished with a jail term and a fine. This Bill also makes the mentioned of talaq-e-biddat a non-bailable offence and shall be punished with imprisonment for a term which may extend to three years and fine.
- This Bill puts men at the centre of legislative policy, by triggering a number of legal consequences upon the utterance of those words.

### **How does this protect Muslim women's rights?**

- The woman upon whom talaq is pronounced will have to receive an allowance from her husband, and she retains custody of her children and shall be entitled to custody of her minor children in the event of pronouncement of talaq by her husband.
- Law Minister says that this legislation will, help in ensuring the larger Constitutional goals of gender justice and gender equality of married Muslim women and help sub serve their fundamental rights of non-discrimination and empowerment.

## **3. Crisis in Male**

### **Context:**

- Political unrest continued in the country Maldives, strategically located Maldives in the Indian Ocean, after the Supreme Court ordered the release and retrial of opposition leaders including exiled former President Mohammed Nasheed.
- The Supreme Court clarification has made it clear that there is no hurdle in implementation of its ruling ordering the release of convicted opposition leaders and the reinstatement of 12 parliamentarians.
- On the other hand, Maldives government has shown no intent to release the opposition leaders and begin retrial.
- This has led to constitutional breakdown and military is seen all over the capital city of Male.

**Background:**

- Till 2008, Maldives was marked by autocratic rule, human rights abuses and corruption by then-President ***Maumoon Gayoom***. After the internal protests and international pressure, elections were held for the first time and ***Mohammad Nasheed*** became first democratically elected president in 2008. During his tenure, Maldives had faced major rise in inflation, tough economic crisis.
- In 2011, opposition held mass symposium in the name of protecting the 'Islam' which they believed that Nasheed's government was unable to maintain in the country. The mass event became the foundation of a campaign that brought about social unrest within the capital city
- In 2012, the Maldives military arrested SC judge on charges he was blocking the prosecution of corruption and human rights cases against allies of former President Gayoom. It resulted into weeks of protests and demonstrations.
- To contain these protests, Nasheed ordered police and army to subdue the anti-government protesters. But police came out to protest against the government instead. It was followed by Nasheed's resignation on the same day as president. Nasheed's vice president, ***Mohammed Waheed***, was sworn in as president.
- The protesters demonstrated against the coup and in favour of Nasheed. Supporters of Nasheed's political party, the Maldivian Democratic Party (MDP), led massive demonstrations. Amnesty has raised concerns of human rights abuses during this round of protests. The Commonwealth suspended the Maldives from its democracy.
- In February 2013, a court ordered Nasheed's arrest in the same case, and he took refuge in the Indian High Commission in Male. India had intervened in the crisis urged all parties to maintain peace and calm.
- In November 2013, Nasheed lost the presidential election to current President ***Abdulla Yameen Abdul Gayyoom***, a half-brother of Maumoon Abdul Gayyoom. Nasheed was booked under tougher anti-terror laws and was sentenced to thirteen years in prison on charges of terrorism.
- Nasheed is now in exile.

**What is the reason for recent crisis?**

- The worst political crisis to have hit the archipelago in the past few years with President Abdulla Yameen showing no sign of implementing the Supreme Court ruling which ordered the release of all political prisoners, including former President Mohamed Nasheed.
- The ruling said all political prisoners must be released as the trials against them violated the Maldives' Constitution and international law.
- After the court ruling, Nasheed has declared that he can and will contest the elections which should take place this year.

**What is the response from other countries?**

- Western countries including the US and UK have welcomed the Supreme Court verdict.
- India has said, in the spirit of democracy and rule of law, it is imperative for all organs of the Government of Maldives to respect and abide by the order of the apex court.
- Delhi's leverage in the Maldives is less than it has ever been. Three years ago Indian Prime Minister cancelled his visit to Male. This has singled Maldives out as the only country in the South Asian and Indian Ocean Region that he hasn't visited.

**Way Out:**

- Concerted action from the international community is required to persuade Mr. Yameen to steer the Maldives out of this crisis, without taking recourse to coercive means.

- As the Maldives is in the midst of a constitutional crisis, calling fresh elections, which are in any case due later this year, may be the best way out.
- Being largest neighbouring nation and SAARC member, India also has a moral responsibility to facilitate “inclusive, free and fair elections in the Maldives” in 2018.

#### 4. Mixing work with study

##### Context:

- The Annual Status of Education Report (ASER)-Rural, 2017 by NGO-Pratham has been concerned with children in the age bracket of 14 to 18.
- District level 'ASER – Beyond Basics' study was based on a sample of 28,323 youth who are at different levels of development. This cohort is an important segment of the population who are on their threshold of adulthood. The study focused on data on some important dimensions of the preparedness of youth, in rural India, with respect to their ability to lead productive lives as adults.

##### What are the reasons for the discontinuing of studies?

- 14.4% of youth aged 14 to 18 years are not enrolled in school or college. It varies with age: while it is 5.3% for 14-year-olds, it rises to 30.2% at age 18.
- The imperative clearly is to look at factors that prevent them from being part of formal higher secondary education, of which availability and affordability of schools would be important.
  - Around 25% of the youth who dropped out after grade 8 due to financial reasons.
  - A large number of students (34% of boys and 19% of girls) dropped out due to lack of interest, pointing to deficiencies in the curriculum and teaching infrastructure.
  - More no of girl students dropped out due to 'family constraints'.
  - Some of the students dropped out because they failed in their studies.
- No-detention policy doesn't allow schools to fail students until grade 8. As the ASER report points out, while the intention of the policy is commendable, there need to be measures in place to identify and focus on students who have fallen behind in the earlier grades.
- Despite the fall in enrolment rates, over 86% of youth in the 14-18 range continue to be within the formal education system. Only about 5% are taking some type of vocational training.

##### What are the problem areas of Vocational Education in India?

- There is a high dropout rate at Secondary level.
- Vertical mobility after the skills obtained is less.
- Employers mostly tend to prefer young workers with strong basic academic skills and not just vocational skills.
- Private Industry Participation is lacking.
- Lack of continuous skill up-gradation.
- Experienced and qualified teachers to train students on vocational skills are not sufficient.
- Poor quality of training most of the times is not in line with industry needs.

##### What should be the objectives of Vocational education in India?

- Vocational education plays an important role in the Indian education system. India as a country has quantitative advantage when it comes to workforce but in terms of quality, it has inefficient workforce. Vocational education can fill this gap if we move forward with clear objectives. It would help raise the productivity of both individuals and the economy.

Objectives:

- Enhance the employability of youth through demand driven competency based modular vocational courses.
- Maintain their competitiveness through provisions of multi-entry multi-exit learning opportunities and vertical mobility/ interchangeability in qualifications.
- Fill the gap between educated and employable.
- Reduce the dropout rate at the secondary level.

**What are the Government Initiatives in the area of vocational education?**

- To stimulate and support reforms in skills development and to facilitate nationally standardized and acceptable, international comparability of qualifications, a "*National Vocational Qualifications Framework*" (NVQF) is being established by the Central Government. Several states have initiated vocational education programmes operated in alignment with NVQF.
- National Skill Development Corporation India (NSDC) is a one of the kinds of Public Private Partnership in India. It aims to promote skill development by catalysing creation of large, quality, for-profit vocational institutions.
- Ministry for Skill Development and Entrepreneurship has launched the *Skills Assessment Matrix for Vocational Advancement of Youth (SAMVAY)* that provides seamless movement from education to skill.
- A scheme for skilling the unemployed youth in engineering skills using the facility of the technical institutions has been launched as a part of the *PM Kaushal Vikas Yojana (PMKVY)*.
- *Gram Tarang* – Targeting tribal/naxal affected areas. Training centres created to train people in Auto CAD, advanced welding on advance machinery funded by NSDC.

**Successful Vocational education model in Germany – ‘classroom instruction plus apprentice training’**

- The German system of Dual Vocational Education and Training (VET) has proven itself to be successful over the last centuries.
- It is placed to bridge the gap between the increasing need for theoretical knowledge and real world application of these skills.
- The German system encourages the direct involvement and ownership of the industry in the educational process and is in demand all over the globe – also in India.
- VET plays a vital role in India’s further development, especially in the light of government’s “Make in India” campaign.

**Way Forward**

- ASER’s statistics indicate that overall, only 5.3% of the age group is enrolled in a vocational course, while 60.2% of out-of-school youth are engaged in some form of work. These trends underscore the need to scale up substantive skill-building programmes.
- A National Vocational Policy should establish equivalence for degrees, diplomas and certifications in the vocational education sector for lateral and vertical mobility.
- SSC (vocational) or its equivalent 10th grade certification in vocational stream may be created on similar lines as HSC (Vocational) at both national and state level.
- Private Participation from Industry and other players must be encouraged and is critical for the success of the vocational education growth in India.

- 79% of working 14-18 years age group is engaged in farming, mostly in their family farms. By contrast, agriculture as work ranked very low as an aspiration among the youth. It is in this context that the role of agriculture as a provider of jobs and prosperity must be viewed.
- So, a useful education in agriculture, coupled with access to the formal economy for finance and marketing, could raise the quality of life. AGRI-UDAAN programme to promote innovation and entrepreneurship in agriculture is a step in the right direction.
- The ability of farmers to adopt technology, avail benefits offered by the government and demand stronger institutions should also be enhanced.

## 5. Making health insurance work

### **Context:**

- A flagship ***National Health Protection Scheme – Ayushman Bharat*** to cover nearly 10 crore poor and vulnerable families providing coverage up to 5 lakh rupees per family per year for hospitalization.
- Government says that the scheme is going to be the world's largest government funded health care programme and it will provide adequate funds for its implementation.

### **Introduction:**

- Healthcare has become one of the largest sectors in India in terms of revenue and employment. Booming population, rising income levels, growth in infrastructure, increased awareness, insurance policies and India's emergence as a hub of medical tourism and clinical trials have contributed to the development of health care sector in India.
- As the needs of this sector are increasing, to provide up to date medical facilities is very essential. Government funded health insurance would enable poor in India to get benefited from timely care without the burden of out of pocket expenditure.

### **What are the major problems of Health sector in India?**

- After the independence the focus has been increased significantly on Health status of people. As a result there has been a significant increase in life expectancy of people from 35 years to 65 years. However, it is unevenly distributed in different parts of the country. The health problems in India are still a cause of concern.
- As the income levels of the people have increased there is spurt in non-communicable or life style diseases which accounted for nearly half of the deaths.
- The existing healthcare infrastructure is just not enough to meet the needs of the population. The central and state governments do offer universal healthcare services and free treatment and essential drugs at government hospitals. However, the hospitals are understaffed and under-financed. People living below poverty line continue to rely on insufficient health care facilities in rural areas.
- India has one of the lowest per capita healthcare expenditures in the world. The high out-of-pocket expenses in India stem from the fact that majority of Indians do not have health insurance.
- Moreover, majority of the skilled health care professionals happen to be concentrated in urban areas. This is the main reason for rural- urban disparity in terms of healthcare.

### **Some Major Government initiatives in Health care sector:**

- High Level Expert Group (HLEG) on Universal Health Coverage (UHC) has suggested an integrated health policy with multiple targets in terms of greater equity, improved health outcomes, Efficient, accountable and transparent health system, reduction of poverty, greater productivity and financial protection.

- The National Health Mission (NHM) encompasses its two Sub-Missions, the National Rural Health Mission (NRHM) and the National Urban Health Mission (NUHM). The mission envisages achievement of universal access to equitable, affordable & quality health care services that are accountable and responsive to people's needs. NRHM especially deals with vulnerable groups.
- "Mission Indradhanush", was launched to fully immunise children who are either unvaccinated or partially vaccinated.
- Rashtriya Swasthya Bima Yojana has been launched by Ministry of Labour and Employment, Government of India to provide health insurance coverage for Below Poverty Line (BPL) families.

### **What is the need of introducing a new health insurance scheme in Budget?**

- Considering the poor state of healthcare infrastructure, health insurance is a product that every Indian must acquire. A significant section of the Indian populace falls into poverty because of health ailments that necessitate high costs.
- It provides protection to BPL households from financial liabilities arising out of health shocks that involve hospitalization.
- Existing government insurance scheme Rashtriya Swasthya Bima Yojana (RSBY), provided limited coverage of only ₹30,000, usually for secondary care. Though it improved access to health care, it did not reduce out-of-pocket expenditure (OOPE). The new flagship scheme aimed to address these problems.
- However, health care is not just a matter of health insurance, involving as it does many other elements such as the availability of a multi-layered, multi-skilled health workforce.

### **What is National Health Protection Scheme (NHPS)?**

- 2018-19 Union Budget has laid foundation of the flagship scheme National Health Protection Scheme (NHPS) – Ayushman Bharat which offers various health benefits to the people. This scheme will overcome the flaws of the existing scheme RSBY.
- The scheme will provide cost coverage, up to ₹5 lakh annually, to a poor family for hospitalisation in an empanelled public or private hospital.
- It is expected that the scheme is set to cover more than 10 Cr poor and unsecured families under NHPS.
- The beneficiaries will be able to take the treatments with in the country in private as well as government hospital and health care centres.
- It would be a cashless and Aadhaar enabled scheme.
- The NHPS will pay for the hospitalisation costs of its beneficiaries through 'strategic purchasing' from public and private hospitals.
- Though implementation on this scale will be a challenge, hospitals in the affordable healthcare space will benefit.

### **How will it work financially?**

- Under the NHPS, the government pays most of the money on behalf of the poor. However, the scheme operates around the insurance principle of 'risk pooling'. When a large number of people subscribe to an insurance scheme, only a small fraction of them will be hospitalised in any given year.
- The NHPS will be financially viable, despite a high coverage offered to the few who fall sick in any year, because the rest in the large pool do not need it that year.
- At present 2000 Cr allocated under NHPS scheme and it is expected to require ₹5,000-6,000 crore to get it going in the first year and ₹10,000-12,000 crore annually as it scales up.

- It will draw additional resources from the Health and Education Cess and also depend on funding from States to boost the Central allocation.
- The premiums are expected to be in the range of ₹1,000-1,200 per annum. Unlike RSBY, the NHPS policyholders will have a fully pre-paid smartcard that will allow for maximum deductions of Rs 5 lakh per year.

### **What are the execution concerns?**

- The major concern was expressed over putting healthcare in the hands of private healthcare providers and insurance companies when they are poorly regulated.
- Universal health insurance through private hospitals has not worked for the poor earlier.
- Predecessor scheme RSBY has been plagued with problems of transparency and poor service delivery. Given the low coverage private healthcare providers kept away from the scheme.
- The fund allocations for RSBY remained unutilised and number of states participating dwindled, with only eight states utilising the money disbursed to them under the scheme.
- Shortage of medicines, lack of infrastructure and skilled manpower such as nurses, technicians and doctors in semi-urban and rural areas will be a huge challenge in rolling out NHPS.
- Experts expressed concern that the government is turning into a payer from provider.
- The NHPS addresses the health concerns by sharply raising the coverage cap. But like RSBY the outpatient care is not covered which accounts for the largest fraction of Out of pocket expenditure.

### **What will the States do?**

- With respect to NHPS, there have been indications that States need to contribute to the flagship scheme as State governments have the main responsibility of health service delivery. However, it needs to be seen whether states with tight fiscal situation will be able to contribute such high expenditure.
- The NHPS needs a buy-in from the States, which have to contribute 40% of the funding.
- Even with the low cost coverage of the RSBY, several States opted out. Some decided to fund their own State-specific health insurance programmes, with distinctive political branding.
- In a federal polity with multiple political parties sharing governance, an all-India alignment around the NHPS requires a high level of cooperative federalism, both to make the scheme viable and to ensure portability of coverage as people cross State borders.

### **Way Forward:**

- NHPS scheme involves private hospitals and insurers as the major stakeholders. It is important to address the concerns of misuse by private hospitals.
- This calls for a well-defined list of conditions that will be covered, adoption of standard clinical guidelines for diagnostic tests and treatments suitable for different disorders, setting and monitoring of cost and quality standards, and measuring health outcomes and cost-effectiveness.
- Both Central and State health agencies will have to develop the capacity for competent purchasing of services from a diverse group of providers to avoid hospitals to undertake unnecessary tests and treatments to tap the generous coverage.
- Primary health services will reduce the need for advanced care. Hence along with providing insurance coverage, there is also a need for proactively strengthening primary health services and public hospitals.

## 6. Biologics, patents and drug prices

### Context:

- Pharmaceutical R&D is an expensive, time consuming and uncertain process that may take many years to complete. The useful new drugs are patented, protecting them from competition and allowing them to charge high prices. When the patent ends, other companies are allowed to supply the previously patented drug. These are known as generics. The prices of generic drugs are much lower than the prices of in-patent drugs.
- However, Pharmaceutical companies through ever-greening continue to seek extra patents on variations of the original drug. Such is the case with the world's best-selling prescription drug, Humira, continue to grow even after the expiry of the patent over its main ingredient, adalimumab, and a biologic used for the treatment of arthritis by Secondary Patents.
- The U.S. recognises and encourages secondary patents. India, however, does not. India's rejection of secondary patents has kept blockbuster medicines affordable for many.

### Blockbuster Drug

- A blockbuster drug is an extremely popular drug that generates annual sales of at least \$1 billion for the company that sells it. Examples of blockbuster drugs include Humira and Lipitor.
- Blockbuster drugs are commonly used to treat common medical problems like high cholesterol, diabetes, high blood pressure, asthma and cancer.
- Pharmaceutical companies through ever-greening continue to make profits by seeking extra patents on variations of the blockbuster drug.

### How does ever-greening works?

- Patents offer their owners market exclusivity for a limited period of time. For medicines, this exclusivity should last as long as the primary patent — which relates to the active pharmaceutical ingredient (API) of the medicine — is in effect, typically 20 years. The end of patent exclusivity will reduce the drug prices drastically.
- However, pharmaceutical companies find new ways to postpone their exclusivity by filing secondary patents making small changes to an original drug with a new formulation, a dosage regimen, or a new method of administering the medicine. This practice is called ever-greening.

### Ever-greening of drugs is not accepted in India

- Patent holder attempts exploit the loopholes in patent laws and related regulatory processes in order to maximize their monopoly.
- In India, couple of years ago, Swiss company Novartis filed a new patent on its drug Glivec, a drug used to fight leukaemia. But Supreme Court refused to grant Novartis a patent for a new version of its cancer drug as the drug was not substantially different from original one. SC alleged new drug Glivec was only a 'beta-crystalline' form of the already existing cancer drug Imatinib. This has reduced the cost of drug from 1.6 lakh rupees to 11 thousand rupees.
- Likewise, Spiriva, a medicine for asthma, enjoys patent protection until 2021 in the U.S., largely due to secondary patents. All of these secondary patents were rejected in India. As a result, while the monthly cost of

### Indian Patent Act

- Majority of rejected pharmaceutical patents at the Indian Patent Office have sought protection in the form of secondary patents for blockbuster medicines.
- Indian patent law helps thwart ever-greening practices by pharmaceutical companies. This dramatically expanded access to medicines for important health problems such as cancer, AIDS, asthma and cardiovascular diseases.
- The basic principle of the Patent Law in our country is that patent is granted only for an invention which must be new and useful.

the medicine in the U.S. is over ₹19,100, it costs a mere ₹250 in India.

- India's patent law also does not accept Ever-greening of drugs.

Major innovations in Indian patent law:

- As per **Section 2(1)(ja) of the Patents Act** the product in question must feature a technical advance over what came before that's not obvious to a skilled person. Because secondary patents for pharmaceuticals are often sought for trivial variants, they typically fail to qualify as an invention.
- **Section 3(d)** necessitates a demonstration of improvement in its therapeutic efficacy. The provision also bars patents for new uses and new properties of known substances. In case of Novartis, Glivec was just a new form of a known substance, imatinib, and therefore the patent for Glivec was rejected under section 3(d) of the Patents Act.
- **Section 3(e)** ensures that patents for combinations of known substances are allowed only if there is synergistic effect.
- **Section 3(i)** ensures that no exclusivity can be claimed over methods of treatment.
- Together, Sections 3(d), 3(e) and 3(i) have been instrumental in rejecting hundreds of secondary patents for pharmaceuticals.

**Does Indian Patent act extend to Biologics?**

- A biologic is manufactured in a living system such as a microorganism, or plant or animal cells. A substance that is made from a living organism or its products is used in the prevention, diagnosis, or treatment of cancer and other diseases. Biological drugs include antibodies and vaccines. These are new big players in the therapeutics marketplace.
- Indian Patent Act provisions also extend to biologics as biologics are no stranger to the lure of secondary patenting for extending patent terms.
- For instance, a quarter of the secondary patents for Humira, a biologic, are directed towards new uses and methods of treatment. Thanks to the provisions in the patent law, Humira enjoys no patent protection in India, since AbbVie Company restricted their Indian filings to only cover their secondary patents.

**Conclusion**

- Blockbuster medicines are crucial to the success of public health. But they have been gamed, and rendered inaccessible to the people and governments who need them.
- In order for these medicines to be accessible, there is a need to enact strong standards to filter out bad patents.

## 7. Should States have their own flags ?

**Context:**

- The Karnataka state government recently set up a panel to explore if the state can have its own separate flag. The Panel includes bureaucrats and academics to advice on the legality of the issue and also suggest a design for the state flag.
- The only state in India so far to have a separate state official flag is Jammu and Kashmir, which enjoys special status under Article 370 of Indian constitution.

**Is there any provision in the constitution prohibiting a state from having its own flag?**

- The Indian National flag represents the hopes and aspirations of the people of India.
- Supreme Court said that here is no prohibition in the Constitution for the State to have its own flag. However, the manner in which the state flag is hoisted should not dishonour the national flag.

- Under the Constitution, a flag is not enumerated in the Seventh Schedule. However, Article 51A rules that every citizen shall abide by the Constitution and respect its ideals and institutions, the national flag, and the national anthem.

### **Is it regulated under any parliamentary Act?**

- The Emblems and Names (Prevention of Improper Use) Act, 1950 and The Prevention of Insults to National Honour Act, 1971 regulates the hoisting of the national flag.
- Emblems and Names (Prevention of improper use) Act 1950 prohibits the use of National Symbols for commercial use in India.
- Under the 1971 Act, insulting the national flag by burning it, mutilating it, defacing it, is prohibited.
- Even the Flag Code of India, 2002 does not impose prohibitions on a State flag. The Code expressly authorises the flying of other flags under the condition that they should not be hoisted from the same masthead as the national flag or placed higher than it.
- By implication, the Code provides space for a State flag as long as it does not offend the dignity and honour of the national flag.

### **Can states have their own flags?**

- Assertion of regional identity has always been a tricky issue in a country as diverse as India.
- People against state flags say that the tricolour binds India together and any move to allow states to have flags would reduce the standing of the national flag. Allowing one state to have its own flag could trigger demands from other states too.
- Arguments in favour of the decision stresses on the fact that states in both Germany and USA have their own flags without any danger of their imminent disintegration.
- The committee that is being setup has to look into legal ramifications of having a separate state flag. State government's move to have a committee to look into the possibilities of having a state flag is anything that would amount to the threat of national integrity.
- However, there should be clear rules that flag of state cannot be substitute of national flag and it should be smaller and fly lower.

## **8. Big discoveries have small origins**

### **Context:**

- Innovations in science and technology are integral to the long-term growth of any nation and have instrumental and intrinsic value for society.
- Though India can point to many contributions to global scientific knowledge, it underspends on R&D even relative to its development.
- Economic Survey 2017-18 calls for doubling Research and Development expenditure from its current level of about 0.6% of GDP. However, it would still lag behind China (2.1), Israel (4.3), Korea (4.2) and the U.S. (2.8), each spending more than 2% of their GDP on research.

### **What could be the likely reasons for low R&D spending in India?**

- In India, government plays a dominant role in spending on R&D. As a fraction of GDP, public expenditures on research have been stagnant – between 0.6-0.7 percent of GDP – over the past two decades.
- Public expenditure is dominant, although its share has come down from three-fourths of all expenditures to about three-fifths.

- About Three-fifths of government's investment in R&D goes to mission-oriented projects in the areas of defence, space, nuclear and environmental sciences.
- The government is not just the primary source of R&D funding but also it's the primary user of these funds. Even more, government expenditure on R&D is undertaken almost entirely by the central government.
- Private investments in research have severely lagged public investments in India. According to Forbes, 2017 analysis there are 26 Indian companies in the list of the top 2,500 global R&D spenders compared to 301 Chinese companies.
- India's universities play a relatively small role in the research activities of the country. Publicly funded research in India concentrates in specialized research institutes under different government departments and largely plays a teaching role.
- It appears that fewer Indian students have been enrolling in recent years for Ph.D. degrees, whether due to more attractive options after a master's degree or rising work visa challenges for other countries like USA.
- In terms of publications trends reveal a fact that India is gradually improving its performance. However India produces fewer patents per capita. An undue delay in processing patents penalizes innovation and innovators within the country.
- India to catch up in the near future, there needs to be a greater focus on R&D in addition to rising income levels.

#### **Possible solutions to expanding R&D in India**


- India needs to redouble its efforts to improve science and R&D in the country by doubling national expenditures on R&D coming from both public and private sector and universities.
  1. Improve mathematics and cognitive skills at school level.
  2. India needs to gradually move to investigator driven model funding science research. Science and Engineering Research Board (SERB), a statutory body of DST has sanctioned about three and half thousand new R&D projects to individual scientists. It is a step in the right direction.
  3. Increase funding for research from private sector as well as from state governments. Government can also work with the private sector to create new R&D funding opportunities in line with 50:50 partnerships with SERB for industry relevant research under the Uchatar Avishkar Yojana (UAY).
  4. State governments too need to recognize the need to invest in application oriented research aimed at problems specific to their economies and populations.
  5. Create a new knowledge eco-system by linking national labs to universities. This would facilitate qualified faculty from research institutes to work with bright young university students.
  6. Mission driven approach would be helpful for the growth in R&D.
  7. Facilitate greater engagement of public in science and research establishments.
  8. There are a number of government fellowship programs such as the Ramanujan Fellowship Scheme and the Innovation in Science Pursuit for Inspired Research (INSPIRE) Faculty Scheme that provide avenues to qualified Indian researchers residing in foreign countries, to work in Indian institutes/universities. These schemes could be enhanced according to the current needs.
  9. Important innovations often result from the small-scale science research. Time and again, small science projects have demonstrated the potential to emerge as harbingers of technological changes. For instance, Higgs boson at CERN had its humble origins in seminal theoretical works of several scientists working independently.

**Conclusion**

- Investing in educating youth in science and mathematics, reform the way R&D is conducted, engage the private sector and the Indian diaspora, and take a more mission-driven approach is the need of the hour in India.
- Vigorous efforts to improve the “ease of doing business” need to be matched by similar ones to boost the “ease of doing science.”

**9. Are fiscal risks increasing ?****Context:**

- The Fiscal Responsibility and Budget Management (FRBM) Act was enacted in 2003 which set targets for the government to reduce fiscal deficits. The targets were breached time and again.
- Finance Minister deferred the fiscal deficit target of 3.2% due to several factors such as low GST collections, spike in oil prices and pressure to spend more.



**The Fiscal Responsibility & Budget Management Act , 2003**

FRBM is an Act of Parliament to institutionalize financial discipline, reduce India's Fiscal deficit , improve macroeconomic management and overall management of the Public funds by moving towards a Balanced Budget. The main purpose was to eliminate Revenue deficit of the Country and to bring Fiscal deficit to a manageable 3 %.

It also casted an obligation on Central Government to take suitable measures to ensure greater transparency in its fiscal operations in the public interests .

**Background: Why FRBM became necessary?**

- The financial health of the government was eroded by excessive government borrowing and its resultant debts. High revenue deficit due to higher expenditure on subsidies, salaries, defence etc. compelled the government to make big borrowing.
- The borrowing again produced high interest payments. Interest payments became the largest expenditure item of the government.
- The Government introduced FRBM Act, 2003 to check the deteriorating fiscal situation.

**What is FRBM Act?**

- The Fiscal Responsibility and Budget Management Act, 2003 (FRBMA) was passed with an aim to institutionalize financial discipline, reduce India's fiscal deficit and improve macroeconomic management by moving towards a balanced budget.
- The main purpose was to eliminate revenue deficit of the country and bring down the fiscal deficit to a manageable 3% of the GDP by March 2008. Fiscal deficit occurs when the government's expenditure outgrows its revenues.
- However, the deadlines for the implementation of the targets in the act were postponed due to the 2007 international financial crisis and later it was suspended.
- In later amendments, Concept of Effective Revenue Deficit was introduced and additional Medium-term Expenditure Framework statement should be prepared by government and laid before both Houses of Parliament.
- In Budget 2016-17, a panel under the chairmanship of N.K Singh was constituted to review the Fiscal Responsibility and Budget Management Act.

### What are the main recommendations of NK Singh committee?

- Committee recommended that the **combined debt-to-GDP ratio** of Centre and States should be brought down to 60% by 2023(40% Centre and 20 % States) as against existing 49.4% of centre and 21% of states.
- For fiscal consolidation, the centre should reduce its **fiscal deficit** from the current 3.5% (2017) to 2.5% by 2023.
- The central government should reduce its **revenue deficit** steadily by 0.25 percentage (of GDP) points each year, to reach 0.8% by 2023.
- The committee has recommended an **Escape Clause** to accommodate counter cyclical fluctuations such as Boom or Recession or in case of any natural calamities.
- The Committee proposed to create an autonomous **Fiscal Council** with a role of preparing multi-year fiscal forecasts, recommending changes to the fiscal strategy, improving quality of fiscal data, advising the government if conditions exist to deviate from the fiscal target, and advising the government to take corrective action for non-compliance with the Bill.

### What are the proposed changes to FRBM Act in the Budget 2018-19?

- Missing the fiscal responsibility targets year after year and changing the statutory framework time and again has been a concern to fiscal discipline.
- Budget 2018-19 has proposed amending the FRBM Act again, which will shift the target of 3% fiscal deficit-GDP ratio to end-March 2021. No target has been set for revenue deficit and combined and central debt-GDP ratios are to be reduced to 60% and 40% of GDP by 2024-25.
- The current Budget has retained the fiscal deficit at 3.5% of GDP, missing the budgeted target of 3.2% which was itself a deviation from the stipulated target of 3% for 2017-18 in the amended FRBM Act.
- In the absence of improvement in the fiscal deficit level in 2017-18, the debt-GDP ratio has increased to 49.1% in 2017-18 from 48.7% in 2016-17 rather than falling.
- The NK Singh committee had recommended a target at which the fiscal deficit to GDP ratio was to be stabilised set at 2.5%. The government apparently did not accept this framework and continued with the 3% target. However, government has to abide by this 3% mandate beyond 2020-21 to bring down debt to GDP ratio to 40% by 2024-25.
- The committee had specified a revenue deficit glide path, reaching 0.8% by 2022-23. This too was not accepted. Unless government dis-savings are eliminated, it will be difficult to reverse the trend of a falling savings rate.
- The Central government did not accept the recommendation of setting up a fiscal council.

### Higher reliance on extra budgetary resources may lead to Fiscal risks

- Fiscal risks may be higher with the reliance on extra-budgetary resources for financing a number of ambitious government spending programmes.
- In the Budget for 2018-19, the total outlays for three focus areas, namely, agriculture and rural livelihoods, infrastructure and education, and health and social sectors, amount to 11.6% of GDP.
- These are to be funded using budgetary and extra-budgetary resources. Budgetary resources constitute only 16.4% of the total outlay. The balance, 83.6%, is to be raised as an extra-budgetary resource by the public sector enterprises concerned, special purpose vehicles and other similar institutions.
- Any dependence on borrowing for these extra-budgetary resources while the saving rate is falling can put considerable pressure on interest rates.

- Another year of slippage can be damaging. Interest payments to revenue receipts of the Centre stand at 35.3%. This restricts the space for other development expenditures.

### **Way Forward**

- The fiscal rules adopted by government have generally not been followed by the Central Government, especially after 2008 mainly because of the global crisis.
- In this context, an important question is whether there is need for stiff fiscal rules and should these be adhered strictly or prudently in the welfare of the society.
- In view of the changing circumstances in the economy, probably, there is a need for a regular and constant review of the fiscal policy and targets contained in FRBM, as circumstances can change in the economy.
- There is need to have transparency in macroeconomic forecasting on the basis of which growth rates are projected as well as different types of deficits are computed in the Union budget.
- Budget deficits should not only be confined to a single year computation but preferably balanced over a medium term. Therefore, the Government should consider a medium-term framework for fiscal policy and ensure that over the medium term targets are met.
- In the FRBM, the Golden Rule of revenue neutral, preferably surplus, should be strictly followed.
- To achieve fiscal discipline and meet targets there is need to raise tax to GDP ratio. The use of technology can be considered to ensure effective and efficient tax collection. The current drive of adopting GST and digitalizing India can help in higher tax collections.
- Interest payments obstruct a substantial part of revenue receipts. Given the limitations of enhancing tax collection, the Government increasingly resorts to borrowing. Therefore, there is a need to rationalize interest expenditure of the Central Government.

## **10. States of health**

### **Context:**

- NITI Aayog released recently a comprehensive Health Index report titled, "Healthy States, Progressive India".
- The report ranks states and Union territories innovatively on their year-on-year incremental change in health outcomes, as well as, their overall performance with respect to each other.
- The report said common challenges for the states is to address vacancies in key staff, establishment of Cardiac Care Units and quality accreditation of public health facilities.

### **What are the key highlights of the Report?**

- States with a record of investment in literacy, nutrition and primary health care have achieved high scores in NITI Aayog's first Health Index.

#### Among Larger States:

- Kerala, Punjab and Tamil Nadu have ranked top among the larger states in terms of overall performance.
- Jharkhand, Jammu and Kashmir and Uttar Pradesh are at top in the terms of annual incremental performance in indicators such as Neonatal Mortality Rate (NMR), Under-five Mortality Rate (U5MR), full immunization coverage, institutional deliveries, and People Living with HIV (PLHIV) on Anti-Retroviral Therapy (ART).

Among Smaller States:

- Among Smaller States, Mizoram ranked first followed by Manipur on overall performance, while Manipur followed by Goa were the top ranked States in terms of annual incremental performance.
- Manipur registered maximum incremental progress on indicators such as PLHIV on ART, first trimester antenatal care (ANC) registration

Among UTs:

- **Lakshadweep showed both the best overall performance as well as the highest annual incremental performance.**
- Lakshadweep **showed the highest improvement in indicators such as institutional deliveries, tuberculosis (TB) treatment success rate.**

What are the common challenges to states in Health sector?

- About one-third of the States have registered a decline in their performance in 2016 as compared to 2015 stressing the need to pursue domain-specific, targeted interventions.
- States and UTs need to focus on addressing vacancies in key staff, establishment of functional district Cardiac Care Units (CCUs), quality accreditation of public health facilities and institutionalization of Human Resources Management Information System (HRMIS).
- Almost all Larger States need to focus on improving the Sex Ratio at Birth (SRB).

What is the goal of this new report?

- Health Index has been developed as a tool to leverage co-operative and competitive federalism to accelerate the pace of achieving health outcomes.
- Centre provides financial and policies support and it is the responsibility of the states to deliver Health services.
- With the annual publication of the Index, it is expected to keep every stakeholder alert to the achievement of Sustainable Development Goals (SDGs) Goal number 3.
- This Index is expected to encourage States towards further achieving a rapid transformation of their health systems and population health outcomes.
- The Index hopes to make a difference here by encouraging a competitive approach for potentially better outcomes. For instance, it should be possible for Odisha to bring down its neonatal mortality rate, estimated to be the highest at 35 per thousand live births.

Way forward

- Both the Centre and the States have the responsibility to scale up their investment on health as a percentage of their budgets, to be more ambitious in interventions. Intra-State inequalities need to be addressed.

Healthy States, Progressive India Report

- The aim was to establish an annual systematic tool to measure and understand the heterogeneity and complexity of the nation's performance in Health.
- The report has been developed by NITI Aayog, with technical assistance from the World Bank, and in consultation with the Ministry of Health and Family Welfare (MoHFW).
- States and UTs have been ranked in three categories namely, Larger States, Smaller States, and Union Territories (UTs), to ensure comparison among similar entities.

What domains does the Health index cover?

- The Health Index is a weighted composite Index, which for the larger States, is based on indicators in three domains:
  - (a) Health Outcomes (70%);
  - (b) Governance and Information (12%); and
  - (c) Key Inputs and Processes (18%).

- States should strive to achieve higher scores in the Index by taking systematic improvements to preventive and primary care.
- The process of index refinement should involve inputs from the States and UTs, national and international sector experts, and development partners. Data submitted by the States & UTs should be validated by an Independent Validation Agency.
- There is an urgent need to improve data systems in the health sector, in terms of representativeness of the priority areas, periodic availability for all States and UTs, and completeness for private sector service delivery.

## 11. For India, it should be neighbourhood first

### Context:

- Indian presence in global matters is increasing.
- For the first time, on this year's republic day, the leaders of ASEAN shared stage with our PM. The historic gathering came just two months after Indian PM visited Manila to attend the ASEAN Summit which coincided with the 25<sup>th</sup> anniversary of India becoming a partner of ASEAN.
- India's increased presence in West Asia can be demonstrated by the visit of Israeli Prime Minister Benjamin Netanyahu to India, and Indian Prime Minister's latest forays to the United Arab Emirates (UAE), Oman and Palestine.
- Indian PM's neighbourhood first policy was hailed by many as a radical approach to Indian South Asian neighbours. However, somehow a perception has gained ground that the policy has not delivered on its potential.
- These developments also demand India to contemplate and reflect deeply on what is happening in India's immediate neighbourhood.

### What are the India's recent developments with its neighbourhood?

- Recently, India and the ASEAN commemorated 25 years of their partnership, 15 years of summit-level interaction, and five years of strategic partnership. ASEAN-India Commemorative Summit was held on the theme "***Shared Values, Common Destiny***" with a focus on counter-terrorism, security and connectivity.
- India has been engaging successfully with West Asia which is in turmoil for several years. India has been working according to its national interests with a more constructive and long term policies. Indian could maintain good relationship with both Saudi Arabia and Iran. Saudi Arabia is the largest exporter of oil to India and at the same time India will get operational control of Iran's Chabahar Port.
- India's West Asia policy has no reason to share hostility of other countries. It is seen in India's stand against US decision to consider Jerusalem as Israel's capital.
- India could successfully handle an Israeli Prime Minister's visit to India just prior to PM's visit to Palestine, and yet avoid negative fallout. PM, during his Palestine visit could conclude as many as six agreements and express the hope that Palestine would soon emerge as a sovereign independent country in a peaceful manner.
- With UAE, trade and economic ties as also counter-terror aspects have been on a growth curve. India and Oman have close naval co-operation and an agreement was reached to give the Indian Navy access to Duqm port
- However, India has some troubled relationship with its immediate neighbourhood.

**What are the challenges to India in its immediate neighbourhood?**

- It is in South Asia where troubles are mounting, where India cannot succeed without looking at some hard options.
- Dealing with a new government in Nepal or containing prolonged communal and terror related unrest in Bangladesh will need more than fine gestures; they will need far more closer monitoring.
- Another and a more imminent challenge for India is to sort out the imbroglio in the Maldives which is threatening to spill out of control. India cannot afford not to be directly engaged in finding a proper solution.
- Anti-Indian tendencies under current President have steadily increased and there has been a pronounced tilt in favour of China. Maldives Free trade agreement with China will provide an excellent opportunity to enhance Chinese influence in western Indian Ocean.
- Maldives occupies a crucial position along the main shipping lanes in the Indian Ocean. The Southern Maldives has long remained an object of interest to the major powers. With the U.S. taking a step back, China has begun to display a great deal of interest in the area. This coincides with Chinese on-going plans to take control of Gwadar Port and establish a naval base in Djibouti in the Horn of Africa.
- The last year ended with a serious ceasefire violations along the Line of Control with 200% increase in number of violations. Pakistan has also not refrained from persisting with its proxies like the Lashkar-e-Taiba and the JeM in its war with India. Pakistan shows no sign of altering its anti-India trajectory even after US president's changed rhetoric on Pakistan.
- Afghanistan's position today is the worst ever since the 1970s. This January, the capital city of Kabul witnessed one of the worst ever incidents of violence anywhere, in which over 100 civilians were killed following a series of terror strikes. This happened despite the presence of foreign troops, elements of the Afghan military and also of the Afghan police.

**What is the way out for India?**

- India cannot afford to remain idle and must come up with a solution early that is consistent with India's strategic interests. Else it would have far-reaching consequences for India in terms of losing its stranglehold in South Asia.
- With Pakistan, India can hardly afford to remain as relaxed and let things slide, without effectively trying to find ways and means to change a situation which is certainly not to our advantage.
- Equally vital for India is to try and find a way out of the Afghan problem. The collapse of the Afghan state does have severe consequences for India and nations in the vicinity. As a regional power, India has significant stakes in Afghanistan. India has spent over \$2billion in providing humanitarian assistance to Afghanistan. So India's true stake lies in sustaining the future of the Afghan state.
- This is something that demands India's critical attention and specially for a display of its leadership skills.

**Conclusion**

- India's immediate neighbourhood directly impacts it geopolitically, geo-strategically and geo-economically because of its vicinity. Whatever be the ambit of India's reach elsewhere, India's principal focus, hence, will need to be on this neighbourhood.

## 12. Woods and trees

### **Context:**

- Forest Survey of India, an organization under Ministry of Environment Forests & Climate Change recently published 'India State of Forest Report 2017' based on satellite imagery. The report presented a net positive balance in the form of 24.4% of India's land under some form of forest cover.

### **India State of Forest Report 2017**

- India State of Forest Report-2017 is a fifteenth biennial publication of Forest Survey of India (FSI) (MoEFCC). The Report provides state/district wise forest cover of the country and change thereon with the previous assessment. It also provides the estimates of growing stock within and outside the forest areas, forest cover in hill, tribal and north eastern states.
- ISFR serves as an important tool to monitor the country's forest resources and plan suitable scientific and policy interventions for their management.
- According to the report, forest and tree cover together registered a 1% rise over the previous estimate two years ago.
- The Tree cover is estimated by using sampling based exercise and estimated partly through high resolution satellite data (**Resourcesat-II** with a spatial resolution of 23.5 meters) and partly through field level inventory data.
- In the current report, along with Tree cover, information on Carbon stock in India's forest and Bamboo resources have been incorporated.
- Forests play an important role in mitigation and adaptation of climate change. Carbon data by FSI was reflected in India's initial National communication submitted to UNFCCC. Carbon stock information has been used for deciding the target for India's INDC (Intended Nationally Determined Contributions).

### **What is the difference between Forest Cover and Recorded Forest Area?**

- The term Forest Cover refers to all lands more than one hectare in area with a tree canopy of more than 10% irrespective of land use, ownership and legal status. It may include even orchards, bamboo, and palm.
- On the other hand Forest Area refers to all the geographic areas recorded as 'Forest' in government records under Indian Forests Act, 1927 and under other respective local acts. Such areas with less than 10% tree cover such as cold deserts, alpine pastures will be excluded from the assessment.
- Technological and methodological advances enabled FSI to classify forest cover into three types.
  1. Very Dense Forest (Canopy Density >70%)
  2. Moderately Dense Forest (canopy density is 40% to 70%)
  3. Open Forest (Canopy density 10% to 40%)
- The increase in the forest cover has been observed as 6,778 sq km and that of tree cover as 1, 243 sq km. The total forest and tree cover is 24.39% of geographical area of the country.

### **What are the Special Features of current FSI report?**

1. Forest cover in the country is assessed irrespective of ownership, legal status and land use. This information provides qualitative and quantitative attributes for effective forest management and devising appropriate strategies.
2. FSI has given information on forest cover in and outside green wash area for those states from where digitized records are not present. Green wash areas are represented by forests by Survey of India during its survey.
3. Information has been given for 633 districts by using new and updated district boundaries.

4. State wise information on Carbon stock in the country's forests has been provided.
5. FSI fire alerts issued to State Forest departments during last five years has been provided.
6. For the first time, the report contains information on the decadal change in water bodies in forests.

### **How does FSI data useful in Forest Fire monitoring?**

- Forest fires are a recurrent phenomenon in India during fire season which is generally from January to June.
- In order to advise State Forest Departments on vulnerable areas, which are prone to forest fires in the near future, a pre warning alert system for forest fires has been developed and made it operational.
- FSI has been carrying out real time forest fire monitoring at national level since 2004 using Remote Sensing and GIS Technology. The objective is to detect and inform state forest departments about active forest fires on near real time basis.
- FSI alerts have considerably minimized the reaction time towards remedial and preventive measures on ground by state forest departments.

### **What are the Key findings of ISFR 2017?**

1. **Very Dense Forest has increased by 1.36%** as compared to the last assessment. This is very promising as VDF absorbs maximum carbon dioxide from the atmosphere.
2. **Water bodies** inside forest cover have **increased by 2,647 sq km** during the last decade.
3. **Mangrove forests have expanded by 181 sq km**. Maharashtra (82 sq km), Andhra Pradesh (37 sq km) and Gujarat (33 sq km) are the top three gainers in terms of mangrove cover. Out of the 12 mangrove states, 7 show an increase in mangrove cover and none shows any negative change.
4. Top 5 states where maximum forest cover has increased are Andhra Pradesh (2,141 sq km), Karnataka (1,101 sq km), Kerala (1,043 sq km), Odisha (885 sq km) and Telangana (565 sq km).
5. 15 states/ UTs have above 33% of the geographical area under forest cover.
6. Mizoram, Lakshadweep, Andaman & Nicobar Islands, Arunachal Pradesh, Nagaland, Meghalaya and Manipur — have more than 75% forest cover.
7. **India ranks among the top 10 countries of the world** in terms of forest area.
8. Shifting cultivation, felling of trees, and diversion of forest lands for developmental activities, submergence of forest cover, agriculture expansion and natural disasters decreased the forest cover in India.

### **What are the measures taken by government for forest cover growth?**

1. National policies like Green India Mission, National Agro-Forestry policy (NAP), REDD plus policy, Joint Forest Management (JFM), National Afforestation Programme and funds under Compensatory Afforestation to states.
2. Successful agro-forestry practices, better conservation of forests, improvement of scrub areas to forest areas, increase in mangrove cover, conservation and protection activities, among other things, have all led to an increase in forest and tree cover.
3. This can be further enhanced by steps like the Green Highways (Plantations & Maintenance) Policy to develop a 1,40,000 km-long treeline with plantation along both sides of national highways.

### **What are the limitations of assessment of Forests in India?**

- An estimate listing very dense, moderately dense, open and scrub forests mapped through remote sensing does not really provide deep insights into the integrity of the green areas.

- Report considers even plantation areas under its assessment. However, the ecosystem services performed by plantations that have a lot of trees grown for commercial purposes cannot be equated with those of an undisturbed assemblage of plants, trees and animals.
- A cumulative loss of forests is recorded in Mizoram, Nagaland and Arunachal of nearly 1,200 sq km. The impact of such a loss must be seen against the backdrop of the Northeast representing a global biodiversity hotspot.
- Any gains achieved through remediation programmes in Odisha, Assam, Telangana, Rajasthan, Himachal Pradesh, Uttar Pradesh, Jammu and Kashmir and Manipur cannot compensate for it adequately.

### **Way Forward**

- Centuries of pre-colonial and colonial exploitation and development pressures reduced our ancient forest cover. Hence, Forest restoration should aid the return of native vegetation.
- India must review its initiatives to revive forests, and move away from monoculture plantations that are favoured by even forest development corporations in many States.
- Scientific reforms to bring true nature back are needed.
- The latest assessment categorises more than 300,000 sq km of area as open forests with a tree canopy of 10-40%. These lands provide the opportunity to bring back diverse, indigenous trees.
- Such a measure, combined with a policy against allowing open cast mining, can bring about a renaissance.
- Dedicated efforts will be required to protect the precious forests of the Northeast.

## **13. As the borders begin to close**

### **Context:**

- Remittances are a lifeline for developing countries.
- Remittances to low- and middle-income countries are on course to recover in 2017 after two consecutive years of decline as per World Bank's report.
- Remittances growth to the South Asia region is moderate due to continuing impact of lower oil prices and 'nationalization' policies leading to constrained labour market conditions in the GCC.
- Remittances to **India, the world's largest remittance recipient**, grew by 4.2 percent in 2017 to \$65 billion, following a decline of **nine percent** in 2016.

### **Remittances to India**

- Remittances to India are money transfers from non-resident Indians (NRIs) employed outside the country to family residing in India.
- India is the world's leading receiver of remittances, claiming more than 12% of the world's remittances, followed by China and Philippines. These economies have benefited from increasing globalisation and the growing movement of goods and people between countries.
- Since 1991, India has experienced sharp remittance growth. In 1991 Indian remittances were valued at 2.1 billion USD; which touched highest figure of \$70.4 billion in 2013-14.
- In recent years many banks are offering money transfers and this has grown into a huge business.
- Kerala, Andhra Pradesh, Tamil Nadu, Punjab, Uttar Pradesh are the largest recipients of remittances in India.

- India receives about 56% of its remittances from migrants in West Asia, with the remainder from mainly North America and Europe. UAE, USA and Saudi Arabia are the major source countries for remittances to India.
- Asia remains the main remittance-receiving region, with 55 per cent of the global flows and 41 per cent of total migrants.

### **What is the importance of remittances?**

- Remittances are becoming a key source of funding for many projects in developing countries.
- Twenty-three countries, led by India and followed by China, the Philippines, Mexico, Pakistan and Nigeria, receive over 80% of global remittances.
- However, as a share of gross domestic product (GDP), the top five recipients are smaller nations: Haiti, the Kyrgyz Republic, Liberia, Nepal and Tajikistan.
- In these low- and middle-income countries, remittances have helped lift millions out of poverty and unemployment and enhanced their standard of living and human development. . It can also help provide food, clothing and health care.
- The positive impact of migration on economic growth and development through increased remittances is well established.

### **What are the limitations of remittances?**

- The development of infrastructure projects needs sizeable funds which individual remittances cannot provide. For instance schools, hospitals, roads, bridges etc. need concentrated funds.
- Relying on remittances may mean that we lose some of our skilled labour force (Brain drain).
- Although remittances do generate substantial income they will never replace aid as some poorer countries will always require assistance from their developed counterparts.
- A sudden stop in the inflow of remittances can cause serious financial crisis in countries which are dependent on remittances rather than investments.

### **What are the reasons for the fall in remittances?**

- Since 2014, the year which saw highest remittances, the value of remittances to India has seen a modest decline: \$68.9 billion in 2015 and \$62.7 billion in 2016. There was a slight improvement last year — \$65.4 billion. However uncertainties about remittances still remain.
- These large chunks of remittances mainly come from West Asia and Europe & North America. The reasons are different for the decline in remittances from West Asia and Western Countries.

#### West Asia:

- Rapid changes in the economy and the socio-political climate in West Asia and the economic slump arising out of an unprecedented fall in crude oil prices have an impact on remittances.
- The Arab Spring in 2010 and subsequent counter-revolutionary moves by states had an impact.
- Nationalisation policies and regional governments in Gulf Cooperation Council (GCC) decided to prioritise filling their workforce with their nationals.
- For instance, "Omanisation" in Oman and Saudi Nationalisation Scheme or Nitaqat system aimed at replacing expatriate workers with trained national personnel.
- The younger natives of West Asia, who are increasingly becoming educated, will replace migrants in the coming years, in turn leading to a reduction in remittances, especially to the South Asian and Southeast Asian regions.

### Europe and North America:

- The recent refugee crisis, the largest since World War II, has unsettled European economies, fuelling xenophobic and anti-immigration sentiments.
- Additionally, developments such as Brexit and the Trump presidency's stronger immigration policies in the U.S. have further complicated matters.
- The rich nation starts to rely on its own workforce and tightly controlled their borders. This has badly impacted the remittances to developing countries especially India.

### **What needs to be done to the changing Kerala's remittance economy?**

- Since the 1970s, the Gulf region has attracted millions of Malayalis, with remittances amounting to over 36% of the State's GDP. Kerala is unique in this sense that no other large State in India depends so much on remittances.
- The Kerala Migration Surveys have studied migration from Kerala since 1998. In 2016, for the first time in 20 years, the Malayali migrant community got smaller by 10% to 2.2 million. This resulted in a similar decrease in remittances to the state.
- This was on account of nationalisation policies of West Asian countries. Unskilled and semi-skilled migrants from Kerala were not only replaced by migrants from other Asian countries such as the Philippines and Nepal, but also by other Indian migrants from Bihar, Rajasthan and Uttar Pradesh.
- The changed environment in the state demands innovative policies targeted at skilling, reskilling and educating both prospective and returned emigrants.
- The government should adopt measures to utilise local resources and create jobs.
- Migration comes with a lot of social costs. A migrant worker might make more money, but (s)he also leaves a family behind. Women, children and the elderly who are left behind deal with issues such as loneliness, anxiety, depression and inadequate care. Hence government should come out with a policy to tackle this issue.

### **Way Forward**

- Migration and remittances will take on a more prominent role in national and international politics.
- While the latter part of the last century was commanded by liberal ideas on migration and open borders, the near future seems to be influenced by populist, right-wing ideas. This negative reaction to migration among developed countries is likely to spread.
- Therefore, it is imperative that developing nations that have relied on remittances formulate strategies to compensate for the restricted flow of remittances that is expected in the near future.
- India must remember that with the rapid and large-scale economic and cultural changes in West Asia, Europe or the U.S., the future of emigration and remittances remains uncertain.
- The Kerala Migration Survey 2018 and the proposed India Migration Survey 2020 would be helpful to explore these issues and evolve adequate policy responses.

## **14. Should Supreme Court proceedings be live-streamed ?**

### **Context:**

- Senior Advocate has filed a petition in the Supreme Court that seeks to live stream the Supreme Court hearings of cases/proceedings of matters of constitutional and national importance that impact the public at large.

- This petition, filed under Article 32 of the Constitution aims to further the principle of access to courts, and particularly in advancement of right to information and expression guaranteed under Article 19(1)(a) of the Constitution of India.
- The petition refers to the proceedings from the Lok Sabha and Rajya Sabha being recorded in both audio and video and since 2004 these proceedings have also been telecasted on their respective television channels.

### **What is the basis to the petition filed?**

The Supreme Court of India today deals with issues such as clean air, environmental pollution, safe drinking water, drunken driving, and firecracker ban. It also deals with issues such as challenge to Aadhaar, challenge to Section 377, Triple Talaq etc.

- Citizens have a right to know what arguments are made and the responses of the judges as their judgements bind us all.
- Petition contends that this would be in continuance of the principle that justice should not only be done but seen to be done.
- Live streaming would empower, and provide access to citizens who cannot personally come to court due to social, economic, health, or physical disability related constraints
- It would enable citizens to have first-hand information of case proceedings on issues of constitutional importance that affect them directly or indirectly.
- It would help citizens understand how judgments and orders that impact them are arrived at.
- Earlier, SC considered it desirable for CCTV cameras to be installed in all subordinate courts.
- Most other constitutional courts live stream their proceedings. Petitioner cites the example of us being able to see the proceedings before the International Court of Justice in the case concerning former Indian Navy Officer Kulbhushan Jadhav, who was sentenced to death by a Pakistani Military Court.

Telecasting the proceedings of LS and RS facilitate the citizens understanding of governance and functioning of democracy among the masses. In the same way, Live streaming of cases of national importance would also inspire public confidence in the judiciary.

### **Can Judiciary Live stream all the cases?**

- Live-streaming is neither called for in all types of matters nor in all courts.
- Live streaming or videography could be avoided in the matters which have a privacy dimension, such as family matters or criminal matters.
- The emphasis is to make those matters that are of great public importance available for all to see.
- Matters which have a bearing on important public interest issues such as entry of women to the Sabarimala temple, or the scope of the right to the choice of one's food, or the constitutionality of the Aadhaar scheme, or the legality of Section 377 of the Indian Penal Code, all of which are pending before the Supreme Court, could be available for all to watch.

### **What are issues associated with Live-streaming of court proceedings?**

Critics against the petition say that the role of the judiciary cannot be equated with the roles of the legislature and the executive and Judges are accountable only to the rule of law and to the Constitution, as established by law.

There are few practical issues with the live streaming of court proceedings.

- Unwanted public gaze caused by live-streaming will tend to make judges subject to popular public opinion.

- The individuality of judges is more likely to become a subject of public debate through live-streaming, creating problems of its own.
- There is a greater likelihood of lawyers aspiring to publicise themselves through their addresses to the Bench.
- Live-streaming will do away with the medium of responsible reporting by those lawyers and journalists who are experts in the field.
- It will affect the normalcy of the proceedings.
- Indian Supreme Court may be unique in terms of the cases it takes on, and the logistics involved in setting up cameras within it.
- The Indian Supreme Court on any given day is actually 12-13 panels of judges hearing cases simultaneously, and had more than 55,000 pending cases as of November 2017.
- SC issues a far higher number of judgments than any comparable court.

Lawyers and judges before the Supreme Court tend to rely extensively on an 'oral' culture where much less emphasis is placed on written briefs. Lawyers in India get more time to argue their cases than in any other jurisdiction.

Given these practical issues, televising the proceedings may run the risk of adversely affecting court proceedings.

### **What must be done in our Judiciary before going for televising its proceedings?**

- There has to be a greater reliance on written briefs and the significance accorded to them, time limits for oral arguments, and a greater emphasis on preparation in advance.
- Audio and video recordings of court proceedings would reform the administration of justice. These can be used at the time of review or appeal of a case
- The Supreme Court had already passed an order in *Pradyuman Bisht v. Union of India (2017)* directing all High Courts to ensure CCTVs and audio and video recordings in subordinate courts.
- This order should be extended to the Supreme Court and High Courts, and a copy of the recordings may be made available to the parties concerned and to the general public under the Right to Information Act.

## **15. Is the Supreme Court verdict on Cauvery fair ?**

### **Context:**

- The sharing of waters of the Kaveri River has been the source of a serious conflict between the two states of Tamil Nadu and Karnataka.
- Recently Supreme Court pronounced its verdict in Cauvery river water dispute. While the Supreme Court awarded additional 14.75 TMC of Cauvery water to Karnataka, it reduced the share of Tamilnadu. However, Puducherry and Kerala's allocation remain unchanged.

### **Cauvery River**

- River rises on Brahmagiri Hill of the Western Ghats in south-western Karnataka state. It flows in a south-easterly direction for 475 miles through the states of Karnataka and Tamil Nadu.
- Before emptying into the Bay of Bengal south of Cuddalore, Tamil Nadu, the river breaks into a large number of distributaries forming a wide delta called the "garden of southern India." The river is important for its irrigation canal projects.
- In the upper course, at the Krishnaraja Sagara, the Kaveri is joined by two tributaries, the Hemavati and Lakshmantirtha, where a dam was constructed for irrigation.

- Upon entering Tamil Nadu, the Kaveri continues through a series of twisted wild gorges until it reaches Hogenakal Falls. There the Mettur Dam was constructed for irrigation and hydel power.
- The Kaveri's main tributaries are the Kabani (Kabbani), Amaravati, Noyil, and Bhavani rivers.

### **Cauvery River water sharing: a dispute since British Raj**

- The 122 years old Cauvery water sharing dispute has been a bone of contention between Karnataka and Tamil Nadu since the time of the British Raj. Cauvery river water dispute started in 1892 between Madras Presidency and the Princely state of Mysore. Madras disagrees to Mysore administration's proposal to build irrigation systems, arguing that it would impede water flow into Tamil Nadu.
- Later in 1924 an agreement was reached and allowed construction of the Krishnaraja Sagar dam in Mysore. The agreement was to be valid for 50 years.

### **Post-Independence**

- The issue of water sharing became a real problem after the re-organisation of the states in 1956.
- Karnataka's argument was that the 50-year time period for the 1924 agreement had ended in 1974, and hence the state was not obliged to stick to the regulations.
- Between 1960 and late 1980s, Karnataka built four dams on Cauvery – Hemavati, Harangi, Kabini and Suvarnavathy.
- Tamil Nadu, the lower riparian state, argued that this put them in a precarious situation approached Centre for setting up Cauvery Tribunal in 1986. After the SC direction, Centre had setup a Cauvery Water Dispute Tribunal (CWDT).
- In its first interim award, CWDT asked Karnataka to release 205 tmcft of water to Tamil Nadu every year.
- In 2007, CWDT passed the final award and allotted 30 tmc to Kerala, 270 tmc to Karnataka, 419 tmc to Tamil Nadu and 7 tmc to Puducherry.
- Since 2013, several petitions are filed in SC, seeking direction to the state of Karnataka to release water to Tamil Nadu.
- On 16 February 2018, clearing all the pending cases and the confusion, SC awarded Karnataka 14.75 tmc ft of Cauveri water from Tamilnadu's share.
- This means that the annual water release obligation of Karnataka reduces to 177.25 tmc ft, compared to 192 tmc ft as per the tribunal award.

### **Allocation for Bengaluru**

- The court acknowledges the need for a higher share of Cauvery water for Bengaluru, which now has more than 10 million inhabitants.
- In its verdict, the SC has granted the global status to Karnataka's capital city of Bengaluru; hence it will get more Cauvery river water.
- Keeping in mind the global status that Bengaluru has attained, an additional 4.75 tmc ft has been awarded to it in order to implement the existing water supply schemes. The remaining 10 tmc ft can be used to expand agricultural activities.

### **What are the takeaways from the SC order?**

- The court makes it clear that the contentious 1924 agreement had lapsed.
- By upholding the approach of the Cauvery Water Dispute Tribunal, while slightly modifying its award, the Supreme Court has boosted the prospects of a viable water-sharing arrangement among the riparian States.

- It has highlighted that no single State has primacy in accessing water resources and that rivers are national assets.
- This is a significant recognition of the principle of equitable distribution of inter-State rivers.
- It is Centre that should create a legal and technical framework to implement the Tribunal's award.

### **What are some of the grey areas in the order?**

- It treats the dispute as a water-sharing dispute rather than as a river-sharing dispute.
- Factor like changing rainfall pattern, rainwater harvesting, the potential of soil water capture, catchment degradation and local water systems are hardly given any attention.
- Prime among these unresolved issues is the framing of a deficit formula for sharing water, and construction of hydel project (Mekedatu Hydel Project) on the common boundary of the river.
- Increasing of 10 tmc ft allocations for Karnataka on the basis of Tamil Nadu having access to additional groundwater in the Cauvery basin should have been based on full assessment.

### **Way Forward**

- Both the parties should see this order as a fair and scientific adjudicative process. They should pose no further impediment to the smooth implementation of the order.
- Centre should comply with the court's direction and set up the Cauvery Management Board and Water Regulation Committee as part of the scheme.
- Finally, the test of the efficacy of the judgment in resolving the Cauvery dispute would be in the effectiveness of the implementation mechanism and achieving equitable water distribution in deficit years.

## **16. Fixing delivery**

### **Context:**

- For better targeting of subsidies and plugging leakages, the government plans to roll out direct benefit transfer for fertiliser subsidy across the country.
- The fertiliser subsidy will be given directly to the manufacturer after capturing the Aadhaar number through a point-of-sale (PoS) device of the farmer on purchase of a bag of fertiliser. An authenticated receipt comes out giving details of the purchase and subsidy to be paid by the government to the producer.
- The records of dealers are automatically updated and payment is made digitally or in cash. Farmers now can receive fertilisers at a printed price with complete transparency.
- A pilot project to introduce DBT in Fertilizer Sector has been undertaken successfully in 16 districts from different States.

### **DBT in Fertilizer: How it works? How is it different from other government's subsidy programmes?**

- Direct Benefit Transfer (DBT) being implemented in fertilizer subsidy payment is slightly different from the normal DBT being implemented in LPG subsidy.
  1. The fertilizer subsidy will be released to the fertilizer companies instead of the beneficiaries (Farmers), on the basis of actual sales made by the dealers to the farmers.
  2. The difference between the cost of production and the price at which it is sold to the farmer is really the subsidy which goes to the fertilizer industry
  3. At present direct transfer of subsidy to beneficiaries like in LPG cannot be introduced in fertilizer sector as the beneficiaries and their entitlement is not clearly defined.

4. Multiple subsidized products, urea and 21 grades of Phosphatic & Potassic fertilizers have different subsidy rates.
5. The subsidy rate in respect of urea varies from company to company due to different production processes, energy efficiencies of plants, vintage etc.
6. The amount of subsidy in some fertilizers is huge. So it will be an enormous financial burden on the farmers to pay the MRP and subsidy upfront and receive the subsidy amount subsequently.

### **What are the benefits?**

1. DBT in Fertilizer subsidy restricts diversion, prevents leakages, and brings about greater transparency, accountability and efficiency.
2. It will lead to better soil health management, balanced fertilization, and better productivity, besides increasing transparency.

### **Successful implementation of pilot project**

- A pilot project to introduce DBT in Fertilizer Sector has been undertaken successfully in 16 districts from different States. Since then DBT in fertilizers has been rolled out in 19 States and Union Territories.
- 12 States are expected to come on board this month. In another three months, DBT in fertilizers is expected to expand its footprint in the entire country.
- These initiatives have been supplemented with allied processes set in motion by the Department of Fertilizers including appointment of 24 State **DBT co-coordinators**, and organising about **4,500 training sessions** across India.
- Training videos are also placed on YouTube, and the comprehensive redress system in place is being expanded to a multilingual help desk.
- Pilot project revealed a fact that there is an increased Aadhaar authentication strike rate, many farmers received transaction receipts, and they were charged the same amount as mentioned in the receipt; and there is an improved grievance redress mechanism.

### **What are the challenges?**

- Issues, such as biometric mismatch, authentication failure, and internet connectivity are still present, although they have reduced over time.
- An important issue has been connectivity, like other IT-based initiatives, especially in rural areas. While this has been addressed through flexibility in choosing the connectivity option (Wifi, LAN, PSTN) or use of external antenna to improve signal strength, other options have also been considered.
- Developing the systems and **sensitising all stakeholders to migrate to the new system was an arduous task** but it was successfully implemented as part of pilot project.
- Some **dealer attrition**, which is probably on account of declining margins, is a major concern. This would need to be addressed on priority basis.
- Fertilizer retailers worry that transactions authenticated through PoS **may not be feasible during the Peak Kharif season** due to long transaction times. It is likely that retailers will resort to higher 'adjusted transactions' (retailer registers all sales for the day on a few Aadhaar numbers) to handle peak load.

### **What are the solutions for an efficient fertilizer distribution system?**

1. A strong communication campaign in vernacular languages is the need of the hour. This will enable farmers understand about the new subsidy scheme which is different from other DBT schemes.

2. Retailers should be allowed to use desktops, laptops, tablets, smartphones, etc. to run the application.
  3. A formal **Grievance Redress Mechanism** is important when the DBT in fertiliser is rolled out across India. The revamped toll-free number will soon allow conversations in regional languages.
  4. Reducing the waiting time for farmers purchasing fertilizers is important.
  5. An 'early check out' system to pre-authenticate farmers at designated Points of Authentication (PoA) before they purchase fertiliser can tackle the peak-time transaction load.
  6. While Aadhaar is the preferred form of identification of buyers, other forms of identification may also be used.
- As the pilot expands to more States, the efficiencies of the new system would be increasingly visible. The need to devise and test solutions for these challenges in the subsidy distribution system before it is scaled-up is essential.

### **Conclusion**

- The broad and overriding goal is to ensure that under no circumstances should any farmer be denied or refused the opportunity to purchase fertilizers.

## TV, AIR Synopsis

# I. RSTV

## 1. ASEAN-INDIA Summit

- **Leaders of ASEAN & India** discussed ways to boost **maritime security, connectivity and trade** as the leaders of all 10 ASEAN leaders **visited India on the eve its Republic Day** Parade ceremony.
- PM Modi focussed on India's vision of **Rule based societies** and **Freedom of Navigation** in the region. PM Modi also touched upon **religious ties** that bind all the nations and stressed that ASEAN is at the centre of **India's Act East Policy**.

### Analysis:

- There are **huge opportunities that await both India and ASEAN** to strengthen the relations which are going to be **beneficially bilaterally as well for the world in terms of security, stability and prosperity**.
- PM Modi rightly stressed upon **maritime security** which has become important for many ASEAN countries like Vietnam, Brunei, Indonesia and Malaysia. He stressed upon a **Rule of Law** looking upon the **expansionist policy of China in South China Sea** which is now a cause for concern. **United Nations Convention on the Law of the Sea (UNCLOS), 1982** was also stressed upon.
- **Investments and trade** was discussed. In last 25 years India has been able to increase the trade with ASEAN by 25 times. But, the potential for this is still higher.
- **Connectivity** was focussed in terms of **digital, maritime and air connectivity**. India's North Eastern states are being connected progressively with Thailand, Vietnam, Laos and Cambodia. More than thousand years of relations in Ramayana & Buddhism was also talked.
- It is today an interconnected world and many issues have a spill-over effect on other regions as well. **ASEAN which was formed in 1967**, is now trying to bring in a kind of balance by bringing in a big player like India, **as China is creating militarisation upon South China Sea**. India also has its own concern as about 45 % of its trade passes through this region. So, **India which is now a part of the Quadrilateral group** (with Japan, US and Australia) is stressing on **Freedom of Navigation**.
- The coming together of ASEAN and India can provide **Asian economic integration. Historically as well**, Indian subcontinent and South Asia was an economic hub which linked Central Asia, Eurasia & West Asia to S.E. Asia, East Asia and Oceania. This was done through Silk Route, Cotton Route, etc.
- India relations with most of the ASEAN countries are now good. Only Philippines was one vacant space which was filled somewhat as PM Modi attended the ASEAN summit in Manila in November 2017.
- **India's Act East Policy is a successor to Look East Policy**. The Look East Policy launched in 1992 worked well for 20 years, and India's trade with ASEAN increased 25 times. But, it was felt that it had become stagnant and needed a greater dynamism. So, the Act East Policy was launched which apart from economic initiatives, has gained political, cultural and strategic dimensions as well. It has focussed on India's domestic initiatives like **infrastructure, manufacturing, trade, skills, urban renewal, Make in India and other initiatives**.
- But the projects like connecting North Eastern states with neighbouring countries and some other business projects are moving slowly and need to be completed faster.
- Many **ASEAN countries are maintaining very high percentage of growth rate and good HRD profiles**. The labour costs are also lower in ASEAN countries than in India. Clubbing up with ASEAN

countries which are rated good by IMF and World Bank as well, can be beneficial economically for India.

- **On the maritime related issues** of ASEAN countries, it is estimated by International Maritime Organisation that **52% of global piracy issues are actually now happening in SE Asia**. Previously, it was off Somalia. Indian Navy has substantial advantages and can be considered for anti-piracy missions. **Bilateral naval exercises** with Malaysia, Vietnam and Singapore has come into the picture.
- A **combination of bilateral and multilateral meetings both are important**. Certain issues can be discussed bilaterally only while some others are regional. So, building good relations with ASEAN as a bloc is also needed. Progress and actions need to be taken up simultaneously at different levels.

#### Conclusion:

- India and ASEAN have **huge potential for cooperation and collaboration** like in **trade, strategic issues** (providing maritime security and cooperation), fighting **counter-terrorism, defence engagements, etc.** ASEAN is the central pillar for India's Act East Policy. **India** has done great efforts in the past to become a **full dialogue partner with ASEAN way back in 1992**. So, this relation needs to be valued upon. Efforts need to be done rightly so that present trade with ASEAN may be doubled by 2025.

## II. AIR SOPTLIGHT SUMMARY

### 2. Global Investor Summit

#### Introduction

- The Prime Minister Narendra Modi inaugurated two days **Advantage Assam – Global Investors Summit in Guwahati**. It is a biggest event in attracting outsiders to the north-east region especially **Guwahati being the hub centre or the gateway to north-east**. The objective is also to **position Assam as India's Expressway to ASEAN**.
- North-East is at the heart of the Union Government's **Act East Policy**. The Act East Policy envisions increased people to people contact, trade ties and other relations with ASEAN countries.

#### Significance

- The two-day Summit will be the **largest ever investment promotion and facilitation initiative by the Government of Assam**. The Summit aims at **highlighting the geo-strategic advantages offered to investors by Assam**. The event shall showcase the manufacturing prowess and the opportunities offered by the State in terms of export-oriented manufacturing and services to growing economies in South and South-East Asia.
- This is significant not only for the north-east region but for the whole country. Few days ago India celebrated 25 years of relationship with ASEAN countries. Assam is a strategic location where it has got two international boundaries with Bangladesh and Bhutan. It is not a question of getting investment within the country to Assam, but getting investors from outside to Assam. There are **3Cs in any economic policy making that is connectivity, commerce and culture**. Assam is very rich in culture, but connectivity and commerce are two areas where lot of work is to be done and the Summit will give boost to the aspirations for connectivity and commerce.

#### Highlights

- **Consulate office of Bhutan and Bangladesh was inaugurated in Guwahati**. This will help in building friendship and boost trade relations. There is a need for building road and air connectivity with Assam and ASEAN nations so that Assam can attract more investments in the region. It will help in getting international flights to Guwahati and promote tourism. There is a need to improve the railway network within Assam since it is a large state and has got rich natural resources.
- The Summit highlighted the **investment opportunities in the State**, focusing on: Power, Agriculture & Food Processing, IT & ITeS, River Transport & Port Townships, Plastics & Petrochemicals, Pharmaceuticals & Medical Equipment, Handloom, Textiles & Handicrafts, Tourism, Hospitality & Wellness, Civil Aviation and Petroleum and Natural Gas. The summit provided an opportunity for Indian industries.

#### Advantages

- The government is spending Rs 5300 crores every year to improve the railway network in the north-east. Because of the **cultural strength** this region has, it produces a large number of hospitality sector and manpower. If we build Assam as a magnet of tourism, as a result the entire north-east develops as a tourism hub and the people of the region also benefit. Assam's tertiary sector that is services sector is around 56% of the economy, so in the investment summit there is lot of focus on drugs, pharmaceuticals, pearls etc.
- North-east is situated in a different agro-climatic zone which has many **medicinal plants**; the **pharmaceutical can be a big opportunity area**. There is lot of **medical tourism** potential in the region. From Myanmar many patients come to Imphal.

- **Infrastructure** will be major attraction for the ASEAN countries since many ASEAN countries have developed super infrastructure in their countries, they would like to take part in infrastructure development projects.
- Bangladesh send lot of medical tourists to Kolkata, if the facilities are improved in the north-east and since Bangladesh has a border with Assam, the medical tourism will improve in Assam.
- **The strength of Assam is tourism, culture, services sector, hospitality sector and education sector.** These areas need to be exploited to the advantage of the region. Education sector can be promoted if there are investments to create world class education institutions because the climate is more conducive and tolerable. The education level of the north-east is higher than the national average.
- The growth rate of Assam in the last ten years is around 9% of annual growth rate. Assam saw the first oil drilling in Asia. If we want to choose between petrochemical industries polluting the area or preserve the natural environment by focusing on services sector, the choice of latter is better for the region.

### 3. 'Ayushman Bharat' - Healthcare Scheme

#### Introduction

- The Government announced two major initiatives in health sector, as part of **Ayushman Bharat programme**. They are **Health and Wellness Centre** and **National Health Protection Scheme**. In the Budget 2018-19 the Finance Minister said that this was aimed at making path breaking interventions to address health holistically, in **primary, secondary and tertiary care systems**, covering both **prevention and health promotion**.

#### Background

- Funding for healthcare has been a major concern in the country. After decades of independence we still lag behind in addressing healthcare delivery across the length and breadth of the country.
- Under the existing **Rashtriya Swasthya Bima Yojana (RSBY)**, poor families get an annual coverage of ₹30,000. RSBY will be subsumed under **National Health Protection Scheme**. Several State governments have implemented or supplemented health protection schemes that provide varying coverage. Ayushman Bharat programme builds on these schemes.

#### Health and Wellness Centre

- The **National Health Policy, 2017** has envisioned Health and Wellness Centres as the foundation of India's health system. Under this 1.5 lakh centres will bring health care system closer to the homes of people.
- These centres will provide comprehensive health care, including for non-communicable diseases and maternal and child health services. These centres will also provide free essential drugs and diagnostic services. The Budget has allocated Rs.1200 crore for this flagship programme. Contribution of private sector through CSR and philanthropic institutions in adopting these centres is also envisaged.

#### National Health Protection Scheme

- National Health Protection Scheme will **cover over 10 crore poor and vulnerable families** (approximately 50 crore beneficiaries) providing **coverage upto 5 lakh rupees per family per year** for secondary and tertiary care hospitalization. This will be the **world's largest government funded health care programme**. Adequate funds will be provided for smooth implementation of this programme.

### Significance

- This takes India towards the **goal of universal health coverage** and building **Swasth Bharat**. The bottom 40% of the population can now access healthcare at secondary and tertiary level institutions belonging to the public health system and private health system.
- The scheme involves **engagement with the state governments** because the scheme will be delivered by the states. The states are the custodians and the implementers of the scheme.
- These two health sector initiatives under Ayushman Bharat Programme will build a **New India by 2022** and ensure **enhanced productivity, well-being and avert wage loss and impoverishment**. These Schemes will also generate lakhs of jobs, particularly for women. **Challenge will be scheme implementation and governance**.
- The scheme would create tremendous **awareness of health insurance**, the same way Jan Dhan did for bank accounts. People in countries that provided higher health insurance cover had a higher life expectancy. The same will happen in India now with this announcement.

### Enhancing Accessibility of quality Medical Education and Healthcare

- The Finance Minister said that in order to further **enhance accessibility of quality medical education and health care, 24 new Government Medical Colleges and Hospitals will be set up**, by up-grading existing district hospitals in the country.
- Access to tertiary healthcare in India currently faces a huge challenge, both in terms of infrastructure and qualified medical professionals, especially in rural areas. The move to open one medical college for every three parliamentary constituencies will help in addressing the challenge related to availability of healthcare professionals in hospitals, improve access to healthcare and bridge the demand-supply gap.

### Way Forward

- The relevance of **technology and digitisation** is imperative as we look at newer ways of healthcare delivery services. So while the potential is immense, the government now needs to put in strong emphasis on the adoption of technology by the entire healthcare ecosystem to provide accessible and affordable patient care to the last mile of the country.
- The initiatives will play a critical role in helping the country meet its **social development goals**. However, the Central government needs to collaborate successfully with State governments and the industry, besides focussing aggressively on the operational and implementation aspect of these initiatives.

## 4. India-Palestine Bilateral Relations

### Introduction

- Prime Minister Narendra Modi visited three west Asian countries. The most significant part was his **visit to Ramallah**, which serves as the *de facto* administrative capital of the Palestine. Modi was accorded the highest honour given to a foreign dignitary, the '**Grand Collar of the State of Palestine**'. This shows that the Indian effort towards Palestinian cause has been acknowledged.

### Significance of the Visit

- This *visit* is being touted as '**historic**' because **Modi is the first Indian PM to visit the state of Palestine**. The visit signals **India's strategy to grow ties with Israel and Palestine separately**. The Ramallah visit has come just weeks after Israeli counterpart, Benjamin Netanyahu visited India.
- India and Palestine have signed 6 agreements worth around \$50 million on the infrastructural development in the Palestine.

## Indian and Palestine Relations

- Indian and Palestine relations are **old and time tested**. **India's development assistance** for Palestine has been consistent and has grown over the years.
- India has always **supported the cause of Palestine** and since 1988 India has **recognised Palestine**. India is engaged in the **nation building efforts** of Palestine in several sectors like IT, Education, Rural development and capacity building. India is providing **aid and financial assistance** to Palestine. Recently at the UNGA resolution, India voted against US President Donald Trump decision to recognise Jerusalem as Israel's capital.

## India's focus to Link West

- After the Act East policy, **the government is shifting the focus to Link West**. West Asia has always been India's extended neighbourhood. But India has not paid much attention to West Asia considering the importance of this area in terms of political and economic affairs. Most of India's energy requirements come from West Asia. 6 million Indian origin works in the gulf and the West Asia who send huge remittances to India. The new dimension to the relationship is in terms of security and counter terrorism where the countries are facing the problem of terrorism. There are many areas of convergence between India and West Asia.

## Israel-Palestine Issue

- Israel-Palestine relations are not just a serious issue but a very complicated issue. India has always talked about **peaceful solution**. India believes in a **two-state solution** in which both Israel and a future Palestinian state coexist peacefully.
- In West Asia the political and strategic scenario is changing very quickly. **India wants to de-hyphenate its relationship with Israel and Palestine** and see them as mutually independent and exclusive. These are two standalone relationships and they should not be hyphenated together. It shows the maturity on part of the Israel also as it has recognised this aspect of Indian diplomacy and is confident of their relationship with India.
- This allows India to maintain the image of its historical moral support for Palestinian self-determination, and at the same time to engage in military, economic, and other strategic relations with Israel.

## 5. Government Proposal on PPF Accounts

### Introduction

- The finance ministry has announced major changes in the **Public Provident Fund Account laws**. In order to **remove existing ambiguities due to multiple Acts and rules** for Small Saving Schemes and further strengthen the objective of "**Minimum Government, Maximum Governance**", Government has proposed **merger of Government Savings Certificates Act, 1959 and Public Provident Fund Act, 1968 with the Government Savings Banks Act, 1873** without compromising on any of the functional provision of the existing Act.
- Small savings schemes include post office savings account, national savings monthly income (Account), national savings recurring deposit, PPF and Sukanya Samridhhi Account.

### Provisions

- The government proposes to **allow premature withdrawal of public provident fund (PPF) accounts**. The ability to prematurely close PPF accounts is subject to conditions of medical emergency, higher educational need, marriage, house construction etc. Earlier it was mandated to continue with the scheme for 5 years.
- Provisions for **physically infirm and differently abled persons** have now been made.

- No change in interest rate or tax policy on small savings scheme is being made through this amendment. Apart from offering **higher interest rates compared to bank deposits**, some of the small savings schemes also enjoy **income tax benefits**.

### Implications

- It indicates **greater flexibility in the operations of Small Saving Schemes** and it will be **easier for the depositors** as they need not go through different rules and acts to understand the provisions of Small Savings Schemes and also to introduce certain flexibilities for the investors.
- The government wants to **remove redundant laws, polices and agencies**. Now there will be convenience, flexibility and suitable for the present time. The government is trying to **strike a balance of convenience for administration, reduce litigation and change according to the present need**. In the interest of simplification and modernisation such changes are necessary and welcome.
- **After Japan, India has the highest savings rate in the world**. The savings habit of the Indians should be encouraged. Now **children can open account, can nominate someone and parents can put money in children's account**. This shows that the government is keen to encourage the habit of saving.

### Advantages

- The **PPF will be administered fully by the government** which gives an edge to the PPF where as the Public Sector Banks are not fully owned by the government. It is easier for a person to access post office than a bank in rural areas.
- These kind of government savings schemes provide people **safe and secure avenue to invest money with assured return**. It encourages saving habit, provide safety net and benefit for retirement.

### Concerns / Challenges

- To close a PPF account prematurely, a written application needs to be submitted to the accounts office where the account is held. The application should contain a copy of the PPF passbook. It should also be supported by documents from a competent medical authority if the purpose cited is medical treatment. If the purpose is supporting higher education, documents such as fee receipts, bills and confirmation of admission should be provided.
- Asking for permission from the chief of post office to withdraw money and trying to prove the illness and need for money is burdensome for the applicant and for the administrator also, which should be done away and make it simpler.

### Way Forward

- The investment provision is minimum of Rs 500 per month and maximum is Rs 1,50,000 a year. The **government must increase the upper limit** considering that incomes have gone up and higher income individuals may also invest in it.

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