



## INDIAN POLITY

- **TELANGANA PLEA AGAINST KRISHNA TRIBUNAL AWARD DISMISSED**
  - Why in News?
  - What Telangana says?
- **SC ORDERS AUDIT OF 30LAKH NGOS**
- **LACK OF POLITICAL WILL HOLDS INDIA'S BIG PROJECTS**
- **TAX BREAKS FOR PARTIES LEGAL, SAYS SC**
  - What is the news?
  - Challenges I-T Act
- **SET UP MECHANISM TO HEAR COMPLAINT ABOUT TV CONTENT: SC**
  - Limitation period

## ECONOMICS

- **START-UPS MAY SOON BE ABLE TO ACCESS INSURANCE, PENSION FUNDS**
  - E-Pharmacy regulation
  - Not for profit Startups and FCRA
- **WON'T EXTEND EXPIRY DATE OF INVESTMENT PACTS**
- **WORLD BANK CUTS GROWTH FORECAST TO 7%**
- **CUT BORROWING: RBI'S PATEL EXHORTS CENTRE**
  - Credit Guarantees
- **WE EXPECT BUDGET TO BOOST EMPLOYMENT**
  - Jobless growth
  - Focus on MSMEs
  - Innovation fund

## INTERNATIONAL RELATIONS

- **Reaching out to AFRICA**
  - Kenya-India
- **INDIA-JAPAN Relations**
  - History of relations
  - 90's preferences
- **FDI patterns**
  - Challenges to partnership
  - Tokyo Declaration metrics

## SCIENCE & TECHNOLOGY

- **GREEN TRIBUNAL ORDERS TEST OF COSMETICS CONTAINING MICROBEADS**
  - Exfoliating properties
  - 'Dangerous' product
- **WHY FM STATIONS CAN'T BROADCAST NEWS**
  - Government control
  - Gag orders
- **BAN ON E-CIGARETTES**
  - Danger without warning
  - The way forward

## **SOCIAL ISSUES**

- **SEX RATIO IN HARYANA TOUCHES 900 MARK FOR THE FIRST TIME IN 20 YEARS**
  - Multi-pronged strategy
  - Enforcing the law
- **A RIGHTS BILL GONE WRONG**
  - Radical changes in draft
  - Not a rights-based approach
- **MIND THE GENDER GAP**
  - GBB
  - Decentralization of funding
- **JALLIKATTU BAN TO STAY AS SC REFUSES TO BE HURRIED INTO JUDGMENT**
- **EFFECTS OF ENDOSULFAN DEVESTATING**
- **STRATEGIC PARTNERSHIP REALLY?**
  - Case of Rawanda

## INDIAN POLITY

### 1. TELANGANA PLEA AGAINST KRISHNA TRIBUNAL AWARD DISMISSED

#### Why in News?

- The SC dismissed Telangana government petition against a decision of the **Krishna Water Dispute Tribunal-II** to limit the re-allocation of the river water only to the two successor States of Andhra and Telangana, and not dabble with the share of water enjoyed by the other two riparian States — Maharashtra and Karnataka.
- A Bench categorically refused — without prejudice to any other writ or special leave petitions filed by Telangana in the Supreme Court — to intervene in the decision of the Water Dispute Tribunal-II to confine the question of re-allocation of river water, post bifurcation of erstwhile Andhra Pradesh, to the two successor States of Telangana and Andhra and not all the four riparian States.
- The tribunal had decided that the details of the re-distribution would be decided as per the Andhra Pradesh Reorganization Act of 2014 **by an apex council** headed by top officials

#### What Telangana says:

- Telangana contended that, on its formation, it was confronted with the situation of “inadequate utilization of Krishna water out of the en bloc allocation of 811 TMC of 75 per cent dependable water, made by the Krishna Water Disputes Tribunal-I.
- The projects identified and allocations made by the Krishna Water Disputes Tribunal-II in Telangana region of erstwhile A.P. is also woefully inadequate being just 9 tmcft of 448 tmcft of surplus water among the riparian States

### 2. SC ORDERS AUDIT OF 30LAKH NGOS

- The SC directed the government to audit nearly 30 lakh NGOs which received public funds but consistently failed to explain how they spent the money.
- It ordered that any NGO found to have cooked its books or indulged in misappropriation should be subject to immediate criminal prosecution. Besides, the government should initiate civil recovery proceedings against such rogue organisations.
- The government should also frame guidelines for their accreditation, the manner in which these organisations should **maintain their accounts** and **the procedure for recovery in case they fail to submit their balance sheets**.
- **Fact of the case:** Though public funds to the tune of thousands of crores are spent on NGOs and voluntary organisations annually, the CBI submitted that only about three lakh of about 32 lakh NGOs file their balance sheets with the government.
- The government seemed to be **unaware that General Financial Rules, 2005** mandate a regulatory mechanism for them.
- Bench ordered the **Rural Development Secretary and Director of Council for Advancement of People's Action and Rural Technology (CAPART)**, which comes under the Rural Development Ministry, to be present before it at 2 p.m.
- There can be no doubt that the amounts disbursed by CAPART is public money and needs to be accounted for... the only exercise so far against those who have failed to file their balance sheets is blacklisting. It is necessary to start criminal and civil action by the Central government and CAPART

### **3. LACK OF POLITICAL WILL HOLDS INDIA'S BIG PROJECTS**

- India is not moving fast enough on major scientific projects because of “political and legal delays,” David Gross, physicist and 2004 Nobel laureate, told an audience at a prelude to the Vibrant Gujarat summit here.
- He was referring to the **stalled India-based Neutrino Observatory**, a massive underground detector of subatomic particles, proposed to come up in Tamil Nadu.
- It is to come up in an ecologically fragile zone, and has run into criticism from activist groups.
- Scientists have asserted that the detector is not an environment threat, but it is yet to get clearances from the State.
- He also referred to the approval given by the government last year for an India-based arm of an observatory to detect **gravitational waves, called LIGO (Laser Interferometer Gravitational-Wave Observatory)**.
  - The decision came after signs of gravitational waves, resulting from the collision of two massive black holes 1.3 billion light years from the earth, were announced last year by a large team of scientists across the world, including several from India.

### **4. TAX BREAKS FOR PARTIES LEGAL, SAYS SC**

#### **What is the news?**

- SC dismissed a petition seeking to lift “100 per cent tax exemption” granted to political parties.
- The SC said political parties require donations from followers to project their political ideas and represent the people.
- Every political party needs funds to project their political regime and politically represent the people who follow them
- The court observed that it was up to the government of the day to decide what tax regime they need to impose.

#### **Challenges I-T Act**

- The Bench did not find any merit with a writ petition challenging certain provisions in the **Income Tax Act and the Representation of the People Act**.
- PIL challenged the constitutionality of **Section 13A of the I-T Act of 1961 and Section 29 of the Representation of the People Act, 1951**.
- Political parties registered with the Election Commission of India are 100 per cent exempted from paying Income Tax as long as they file their Income Tax returns every assessment year,” the petition said.

### **5. SET UP MECHANISM TO HEAR COMPLAINT ABOUT TV CONTENT: SC**

- The SC asked the government to set up, streamline and publicize a complaint redressal **mechanism under the Cable Television Networks (Regulation) Act** to deal with citizens’ complaints about content telecast or aired by private TV channels and radio.
- SC refrained from making any comments about the functioning of the self-regulatory mechanism put in place by the media.
- It refused to pass any judicial orders directing the government to monitor content aired or telecast.

- It said the issue pertained to the right of media enshrined under **Article 19(1)(a)** on freedom of speech and expression.

### **Limitation period**

- The Bench asked the government to frame formal guidelines on the limitation period for filing such public complaints, procedure to be followed, etc, under the Cable Network Act.
- The court sought a response from the Centre on a plea made by NGO, Common Cause, to allow private FM radio stations, including community radios, to broadcast news like television channels. The apex court asked the government to reply by four weeks.
- Common Cause, represented by advocates Prashant Bhushan and Kamini Jaiswal, contended that private radio stations and community radios should be allowed to broadcast news as they were more accessible for the masses.
- The plea said unlike television channels, none of the 245 private FM channels and 145 community radio stations were allowed to broadcast their own news and current affairs programmes, which was the monopoly of government broadcaster Prasar Bharati.
- India is perhaps the lone democracy where dissemination of news and current affairs programmes on radio remains a monopoly of the government-owned broadcaster, which owns and operates All India Radio / Akashvani

## **ECONOMICS**

### **1. START-UPS MAY SOON BE ABLE TO ACCESS INSURANCE, PENSION FUNDS**

- The Centre will soon hold discussions with insurance and pension regulators on a proposal to enable pension funds, and insurance companies such as LIC to invest in start-ups.
- The Department of Industrial Policy and Promotion (DIPP), the nodal government agency on the start-up policy has supported the move

### **E-Pharmacy regulation**

- On other issues, Mr. Abhishek said DIPP was also in talks with the Health Ministry on issuing a clarification under **the Drugs and Cosmetics Act** to boost the e-pharmacy business.
- Ms. Sitharaman said the e-pharmacy players had met her recently in this regard.

### **Not for profit Startups and FCRA**

- Another issue that came up for discussion was the **hardships that some 'not-for-profit'/'non-profit' start-ups/incubators in the 'social impact' segment are facing in obtaining and utilizing funds from foreign sources.**
- They have sought clarity on norms under the Foreign Contribution (Regulation) Act (FCRA) and the Income Tax Act.
- Currently, as per the FCRA, they have to explain that the funds received from foreign sources and the incomes earned from businesses are not linked to 'speculative activities' (including those related to investments in stock markets).
- Other issues discussed included the need for review of 'archaic' laws such as the **Indian Societies Registration Act of 1860** to ensure they are either updated or done away with so that they do not hinder the start-up ecosystem.

- To ensure greater engagement between the financiers, mentors, start-ups and regulators, there will also be a meeting soon between SIDBI, the DIPP, leading venture capital funds, incubators and accelerators, Ms. Sitharaman said.
- On a query about establishing a ₹2,000-crore **credit guarantee fund** for entrepreneurs

## **2. WON'T EXTEND EXPIRY DATE OF INVESTMENT PACTS**

- India will not extend the expiry date of Bilateral Investment Treaties (BIT) — providing legal protection to investments — that it has signed with as many as 83 countries when these pacts will come to an end by April 1, 2017
- This could lead to a situation where investments — from those nations that have not inked by April 1, 2017, a new investment protection pact with India on the basis of the Union Cabinet-approved revised text for BIT — may not be accorded complete legal protection, she said.
- Taking such a scenario into account, India had written to all these countries about a year ago to start or expedite talks on a new BIT on the basis of the revised BIT text.
- The development comes in the context of the European Commission (EC) recently taking up this issue with Indian government officials.
- The EC had pointed out that India's separate BITs with 23 European Union (EU) member nations will soon expire one after the other and that the lack of a BIT will hit Foreign Direct Investment flows from EU to India.
- This is because the absence of a BIT adds to the risk premium and hikes the cost of funds for investors, in turn resulting in European firms deciding to make lesser investments in India than earlier planned, the EC had said. Therefore, the EC had demanded extension of the expiry date of these BITs till an India-EU BIT is signed and becomes effective.

## **3. WORLD BANK CUTS GROWTH FORECAST TO 7%**

- The World Bank has lowered its growth forecast for India to 7 per cent from 7.6 per cent in 2016-17, citing a slowdown in consumption and manufacturing due to demonetisation and an ongoing decline in private investment and credit constraints due to impaired bank balance sheets.
- The World Bank's Global Economic Prospects January 2017 report added that the Indian economy is subsequently set to recover its growth momentum, with growth rising to 7.6 per cent in FY18 and further strengthening to 7.8 per cent in FY20.
- Unexpected 'demonetization'—weighed on growth in the third quarter of FY2017.
- Weak industrial production and manufacturing and services purchasing managers' indexes (PMI), further suggest a set back to activity in the fourth quarter of FY2017.
- A retrenchment of private investment, reflecting excess capacity, corporate deleveraging, and credit constraints due to impaired commercial banks' balance sheets, also had an adverse effect on activity
- The report, however, noted that four key reforms in India in 2016 could help growth rebound.
  - The passage of the bankruptcy and insolvency code,
  - The liberalization of FDI norms across sectors,
  - The passage of the Goods and Services Tax (GST) Amendment Bill, and
  - The agreement between the government and the Reserve Bank of India on a monetary policy framework that includes setting up a monetary policy committee and agreeing on a flexible inflation target.

- Infrastructure spending should improve the business climate and attract investment in the near-term. The 'Make in India' campaign may support India's manufacturing sector, backed by domestic demand and further regulatory reforms.
- "Moderate inflation and a civil service pay hike should support real incomes and consumption, assisted by bumper harvests after favorable monsoon rains.
- A benefit of 'demonetization' in the medium term may be **liquidity expansion** in the banking system, helping to lower lending rates and lift economic activity.
- Demonetization could still cause major problems in the short term, slowing reforms and affecting smaller economies dependant on the Indian economy, according to the World Bank.
- In the short-term, 'demonetization' could continue to disrupt business and household economic activities, weighing on growth
- The report added that the demonetization effect on trade and remittance channels could also affect growth rates in smaller economies such as Nepal and Bhutan.

#### **4. CUT BORROWING: RBI'S PATEL EXHORTS CENTRE**

- Urjit Patel's emphasis on the vital importance of protecting domestic macroeconomic stability could not have come at a more crucial juncture.
- Dr. Patel has stressed the need to ensure that it **does not stray from the path of fiscal consolidation**, at a time when the external environment is already adverse and likely to remain uncertain for the foreseeable future.
- That the clamour for a sizeable fiscal stimulus is likely to grow louder as budget day nears is a certainty, given the signs that an incipient demand slowdown may have been exacerbated by the cash crunch caused by the withdrawal of high-value banknotes.
- Borrowing even more and pre-empting resources from future generations cannot be a short cut to achieving durable long-term "higher growth" is significant.
- The general government deficit is among the highest in the G-20 economies
- High levels of government borrowing tend to **crowd out** private investment and paper over the urgent need for more abiding reforms.
- Specifically, the RBI chief has suggested that government expenditure be ideally reoriented towards creating more public infrastructure such as **expanded railway networks** and urban mass transit systems that would help boost productivity even as it leads to reductions in the oil import bill and provides the collateral benefit of improved air quality.
- And in what could be seen as an expression of assertion of the RBI's independence of thought, Dr. Patel spoke of the risks that **policy interventions in the form of government guarantees and interest rate subventions pose.**

#### **Credit Guarantees**

- **Large credit guarantees** also impede optimal allocation of financial resources and increase moral hazard: **MUDRA**
- Such guarantees only add to the government's liabilities and raise the risk premium on its borrowing solution
- Guarantees increase government's contingent liabilities, and add to risk premia for its own borrowing. Guarantees *per se*, at the end of the day, **have limited utility** in solving important sector issues
- Cut down on borrowing and spend on public infrastructure to improve productivity.
- In conjunction, the level of our general government **debt as a ratio to GDP** is cited by some as coming in the way of a credit rating upgrade

- Instead, **structural reforms and reorienting government expenditure** towards public infrastructure are **key for durable gains** on the Indian growth front.
- Investment in public transport, specifically railways and urban MRTS can lead to reduced costs and productivity gains also help us to lower our oil import bill, and also improve air quality in our cities
- The government had maintained the **fiscal roadmap in the last budget** by proposing to keep fiscal deficit target at 3.5 per cent for 2016-17. The deficit target was to be lowered to 3 per cent by 2017-18.
- Interest rate subventions impeded optimal allocation of financial resources and increased moral hazards.
- Low and stable inflation was an essential prerequisite to a meaningful interest rate regime in which decisions by savers and investors help achieve maximal allocative efficiency in an economy whose investment rate has to increase for better growth outcomes.
- Smooth transmission of monetary policy also enhances the formulaic linkage between changes in policy rates and other rates, including administered ones
  - Banks had been reluctant to cut interest rates despite policy rate reduction by RBI but from January 1 this year, they have implemented steep interest rate cuts, after the demonetization exercise reduced their cost of the funds significantly.

## **5. WE EXPECT BUDGET TO BOOST EMPLOYMENT**

- The Union Budget 2017-18 is being announced at a time when the economy is seeing a growth rate exceeding 7% during this fiscal. At the same time, inflation is down and the current account deficit is under control. Our monsoons have been good.
- As a result, food-grain production is estimated to rise to an all-time high of 135 million tonnes in the kharif season. Sowing is also robust in the rabi season which in turn is expected to stimulate the rural economy and improve purchasing power.
- The political consensus to **usher in the GST augers** well for future growth and inclusion. While demonetisation is expected to inhibit the GDP growth rate, this is **likely to be a blip in the growth trajectory** for a quarter or two as the underlying fundamentals are largely positive.

### **Jobless growth**

- Despite the above, our economy has been facing challenges on the employment front with job opportunities not commensurate with the rate of growth.
  - Every year, 10 -12 million young people join the labour force and 5 million people leave agriculture to join the non-agriculture sectors. Thus, there exists a total demand of 15- 17 million new jobs per annum.
- Therefore there is an urgent need to improve employment intensity in the economy.
- Employment growth could be given a boost through investments in manufacturing and infrastructure.
  - In the infrastructure space, capital expenditure in key projects like roads, railways, power as well as agri-infrastructure like irrigation, cold storage, warehousing and public housing projects in clusters would kick-start a virtuous cycle of employment-intensive growth.
- There needs to be an increase in public expenditure to boost employment



- Renewed attention to manufacturing and the 'Make-in-India' initiatives could be a major driver of growth and job-creation. The government has been in favour of setting up **manufacturing zones as well as sector- and product-specific clusters**.
- We look forward to the Budget to announce a few clusters especially in areas which generate employment.

### **Focus on MSMEs**

- Within manufacturing, the major employers are the MSMEs
  - Start-Up India and Stand Up India are some ways to enhance the competitiveness of new firms in the MSME domain, which in turn would create entrepreneurship and jobs.
  - Encouraging creation of start-ups by removing the burden of State regulation and thereby reducing compliance costs and the tax burden of successful start-ups.
  - A start-up could be defined as any firm less than 5 years old with no further qualification.
- For providing **quality jobs in existing firms**, the Government should extend the policy framework provided for textile and apparels to all sectors.
- This provides for fixed-term employment contracts to workers and state support for employers' provident fund contributions in the first year.
- Specific reform policies for the top ten job-creating sectors such as tourism, IT, healthcare, textiles, and food processing, among others.

### **Innovation fund**

- For promoting MSME innovation, a National Innovation Fund could be created with a sizeable corpus of at least ₹10,000 crore to provide seed-funding to industry for innovation and R&D projects.
- There is also a need for a National Technology strategy for the next 10 years with clear outcomes in critical sectors such as Defence, Aerospace, Electronics, and Capital Goods. Such a strategic approach exists in Taiwan and South Korea.
- Tax deduction is available for employment generation under section 80JJAA of the Income Tax Act in respect of costs incurred on any employee whose total emolument is less than or equal to ₹25,000 per month. This cap on salary is very low especially in the case of the software industry and should be suitably enhanced, at least to ₹50,000.
- Tax deductions for investments in skill development, including provision of opportunities for training in specific skills, would encourage firms to hire workers rather than go for capital-intensive technologies. Skill training can be provided under a PPP framework and the government could consider a weighted deduction of 150% on skill development initiatives of the private sector.
- To provide a boost to skill development under the 'Skill India' initiative, a portion of MGNREGA expenditure could be linked to skill development initiatives for those workers who are interested in undergoing a training course.

## INTERNATIONAL RELATIONS

### 1. Reaching out to AFRICA

- Something that form the core of India Africa relationship is **India-Africa forum Summit**
- The idea of the India-Africa summit started — the 2008 New Delhi and 2011 Addis Ababa summit – 2015
- India has offered a new line of credit worth \$10 billion to strengthen economic cooperation
- Unified stance for the reform of the UN Security Council.
- Africa is an important trade partner for India.
- India-Africa trade was worth almost \$70 billion in 2014-15, and Indian companies invested some \$30-35 billion in the continent over the past decade. While trade has improved in these ten years, it is still much less than Africa's trade with China, which was \$200 billion in 2014-15.
- Indian energy companies have assets in African countries, and New Delhi exports consumer and capital goods and medicines to the continent.
- **China** has invested more than **\$180 billion in Sub-Saharan Africa** alone in areas ranging from energy to infrastructure during the period 2005-2015.
- India may not have the resources to beat the level of Chinese investments, but it can certainly do a lot more with proper policy approaches, faster project execution and improved bilateral relations.
- The **goodwill India** enjoys in the continent is a result of the principled anti-colonial positions the country took in the post-Independence era.
- India should cash in on that goodwill to build a stronger economic and political partnership with Africa in the new century.

#### Kenya-India

- Kenya staked claim for Africa to a seat at the proposed expanded UN Security Council, even as it supported India's campaign for U.N. reform.
- Investment in the **agriculture, security and health sectors** of Kenya.
- Invited India to engage more intensely at **COMESA (Common Market for Eastern and Southern Africa)**. Reciprocating, India invited Kenya to participate in the International Solar Alliance.
- Both sides sealed an agreement on a **Line of Credit of \$100 million** for agricultural mechanization. Agricultural mechanization project would open a new dimension of opportunities for bilateral ties.
- Both sides agreed to enhance cooperation in areas of maritime surveillance, maritime security, sharing of white shipping information and joint hydrographic surveys.
- India has also invited Kenya to participate in exhibitions like **Aero-India and DEFEXPO**. A joint statement issued during the visit announced a number of security-related measures including the likely meeting of Joint Working Group on Defense and Maritime Cooperation.

### 2. INDIA-JAPAN Relations

#### **History of relations**

- In the late 1980s, with the cold war fading, Japan-India relations again looked promising. It is worth noting that even during the cold war period; Japan's Overseas Development Assistance (ODA) was still active in India.

- The landmark event which signaled the high point of the relationship in that period was the joint venture between Maruti Udyog and Suzuki Motors in 1984 to produce small cars in India.

### 90's preferences

- India's nuclear tests in 1998 again led to severe condemnation and harsh sanctions by Japan and the relations moved to a low keel.
- The current NDA government's focused efforts in this regard seem to stem from awareness of the fact that the economic value created by way of trade and investment between the two countries is significantly lower than the potential.
- As per data from the Japan External Trade Organization (JETRO), Japan's aggregate outward investment in China during the period 1996-2015 was \$116 billion and in India was \$24 billion.
- China has received close to 5 times more investment than India.
  - The stock of Japanese foreign direct investment globally is \$1.3 trillion. The annual outward flow of Japanese FDI is about \$130 billion and the U.S. gets about \$40 billion annually. India should target at least \$25 billion annually for the next 10 years.

## 3. FDI patterns

### Challenges to partnership

- There are three main challenges which have constrained the Japan-India partnership from achieving its full potential.
  - First, India's complex regulations, red tape, ad hoc nature of state-level interventions.
  - Second, Japanese companies face considerable logistics challenges and non-availability of uninterrupted power supply constrains their manufacturing plans in India.
  - Third, while India can emerge as a large market for Japanese infrastructure system exports, there have been incredible delays in the commencement of the projects.
- In order to facilitate investment from Japan, the union government has set up a Japan Plus committee which comprised four senior bureaucrats from the government and three Japanese officials chosen, one each from Japan's Ministry of Economy, Trade and Industry (METI), Japan External Trade Organization (JETRO) and the Aichi prefecture to deal with all aspects of investment mainly challenges faced by Japanese companies post investment.
- Japan International Cooperation Agency (JICA) has funded the Tamil Nadu Investment Promotion Program for strengthening policy framework and urban and industry infrastructure to facilitate foreign investment.
- Japan is working on developing **12 Industrial townships** called **Japan Industrial Townships (JITs) which will operate like Little Japan** with all the infrastructure to support the operations of Japanese companies.
- JITs face challenges from access to ports, lack of uninterrupted power supply and poor level of benchmarking to global best standards as applicable for industrial parks.
- India can be one of the largest markets for **Japanese infrastructure systems exports** (one of the core components of Abenomics) in transport, water, energy and logistics. While there is the shining example of the Delhi Metro Rail, the delays with Delhi
- Mumbai Industrial Corridor (DMIC), which was set up in 2007, and the pace of the ongoing feasibility studies of Chennai Mumbai Industrial Corridor (CBIC) are disappointing.

### Tokyo Declaration metrics

- The Tokyo Declaration of November 2014 sets a target for doubling Japan's foreign direct investment, the number of Japanese companies operating in India and an ambitious investment target of JPY 3.5 trillion (\$33.5 billion) within a five-year period. The doubling of foreign direct investment seems unlikely unless some dramatic revival happens.
- The number of Japanese companies in India in October 2014 was 1,156 and by October 2015 it was 1,229, an increase of 6%, much lower than the needed growth to achieve the target.
- The cumulative **Overseas Development Assistance** disbursement by Japan (India is the largest recipient of Japanese ODA) in 2014 was JPY4.6 trillion and in FY 15-16 only JPY 185.6 billion was disbursed.
- Given the under-performance on all the benchmarks set up under the Tokyo Declaration, timely intervention from the highest levels of both governments can still ensure that the ambitious metrics can be achieved.
- The **Japan-India relationship is at a unique juncture as Asia** is emerging as the powerhouse of the world. The Japanese government must play a more active role in building India's infrastructure, which will serve as a foundation for sustained economic growth.
- Both Japan and India must aspire for two-way trade of \$100 billion, annual investment by Japan in India of \$25 billion and at least 100 joint manufacturing/research and development centres on a global scale within the next ten years.

## SCIENCE & TECHNOLOGY

### 1. GREEN TRIBUNAL ORDERS TEST OF COSMETICS CONTAINING MICROBEADS

- The National Green Tribunal has directed the Centre to test cosmetic products containing micro beads after a plea sought a ban on their use on the ground they are extremely dangerous for aquatic life and environment.

#### **Exfoliating properties**

- Microbeads are tiny plastic substances measuring less than five millimetres that act as exfoliators (agents which remove dead cells) on skin and teeth when used in soap, toothpaste and other products. Many brands manufacturing beauty products use microbeads, the plea said.
- The order came on a petition filed by Delhi-based lawyer Ashwini Kumar seeking a complete ban on the use of microbeads in the manufacture, import and sale of various cosmetics or personal care products. The matter has been listed for next hearing on February 15.

#### **'Dangerous' product**

- A Bench headed by Justice Jawad Rahim said it is the duty of the government to ensure that no "dangerous" product is allowed to be manufactured or sold to public and directed the Central Drugs Standard Control Organisation to analyse the products in laboratory and submit a report in four weeks.

- The plea said: “The unregulated production and usage of plastic in microbeads in various cosmetic products and their excessive usage by the end user is leading to water pollution across the globe....”

## **2. WHY FM STATIONS CAN'T BROADCAST NEWS**

- The Supreme Court said private FM radio stations will have an essential role to play in the world’s largest democracy — dissemination of news. They will have to exercise the right to inform with fairness and without prejudice and the right to counter and question the government’s version of news.
- At present news and current affairs broadcast is the monopoly of the Prasar Bharati Corporation, which owns and operates All India Radio
- The question is why there should be a continuing prohibition on FM radio stations and community radios from airing their own news and current affairs on a par with private TV channels and the print media.

### **Government control**

- The court asked why the government wanted to control news on radio, which covers almost the entire population, even the rural masses, as per official estimates.
- The government’s prohibition, Common Cause argued, was in clear violation of the **Supreme Court’s landmark verdict in 1995 in the *Ministry of Information & Broadcasting vs Cricket Association of Bengal***.
- The apex court then held that “airwaves are public property to be used to promote public good and expressing a plurality of views, opinions and ideas”.
- “Policy Guidelines and of the Grant of Permission Agreements framed by the government which prohibit private FM radio stations and community radio stations from broadcasting their own news and current affairs programmes are clearly violative of the fundamental right of freedom of speech and expression as guaranteed under **Article 19 (1) (a) of the Constitution**.”
- It is submitted that the right to freedom of speech and expression also includes the right to information, which encompasses diverse interpretations of news and current affairs

### **Gag orders**

- On November 28, 2008, the Telecom Regulatory Authority of India recommended that for private FM radio broadcasting Phase III, FM broadcasters “may only be permitted to broadcast news, taking content from AIR, Doordarshan, authorized TV news channels, United News of India, Press Trust of India and any other authorized news agency without any substantive change in the content”.
- On July 25, 2011, a minor change was made under Phase III policy guidelines for FM to allow broadcast of FM radio news bulletins of AIR without any addition or modification.
- During the third National Community Radio Sammelan on February 10, 2013, the Union Information and Broadcasting Ministry said that community radio stations would not be allowed to broadcast news for some time to come. As a stopgap measure, they could be permitted to re-transmit unedited AIR news.
- The policy document on radio was probably the only one in which the government did not stop at regulatory compliance, but attempted to prescribe what kinds of programming should be broadcast, Common Cause submitted.
- The NGO argued that no other democratic country had similar curbs.

- “None of the USA’s 14,000-plus radio stations, the 2,000-odd stations in Spain or the 1,000-plus stations each in Italy, France, Greece and Australia are barred from airing news and cultural affairs. In fact, many stations are solely news channels, including specialised ones for community radio,” the petition argued.

### **3. BAN ON E-CIGARETTES**

- **In the absence of clear evidence on the effect of e-cigarettes on tobacco de-addiction, the sale of these products must be accompanied by accurate health warnings**
- Technology has permeated every nook and corner of our lives. It is even changing the way people smoke, whether for the better or worse is yet to be determined. Electronic nicotine delivery systems (ENDS), the most common prototype of which are e-cigarettes, are the new-age formula for people trying to quit smoking.
- However, they present a simultaneous promise and threat in the world of tobacco control. Although they are projected as ‘tobacco cessation’ products by various sellers, including tobacco giants themselves, the lack of concrete evidence in support of this claim coupled with the absence of any regulatory approval for their use make them a serious public health threat. This is especially the case when one considers the increasing import of e-cigarettes into the country.
- Market research also projects the compound annual growth rate of the Indian e-cigarette industry at 63.38 per cent in the period 2013-2018 (Research and Markets Report on E-cigarette Market in India 2014-2018).

#### **Danger without warning**

- As e-cigarettes contain nicotine and not tobacco, they do not fall within the ambit of the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (COTPA), which mandates stringent health warnings on the packaging and advertisements of tobacco products.
- Most e-commerce websites sell e-cigarettes as therapeutic products which enable people to quit smoking. We went through 26 prominent and easily accessible e-commerce websites that sell e-cigarettes to study whether these products were sold with appropriate health warnings. The results of the survey are not heartening.
- Of the websites, 50 per cent have no health warnings on the consumption of e-cigarettes despite the fact that these products contain nicotine. Eight additional websites, which comprise 30 per cent of the dataset, display warnings in an inaccessible manner.
- These websites carry health warnings stating the addictive properties of nicotine and other ill effects of e-cigarettes (including the warning that e-cigarettes are not meant for non-smokers) but do not display them as a part of the description of the product.
- Instead, these warnings are displayed at the bottom of the web page or clubbed with the section on terms and conditions, unlikely to be noticed by a regular buyer. In one case, the health warning was incorrect, stating that “nicotine does not pose major health issues even at a higher volume of consumption.”
- Other dangers posed by e-cigarettes, which do not feature in the health warnings, are the possibilities of the product exploding (incidents have been reported globally) and accidental consumption of the liquid inside the e-cigarette, which leads to death.
- The current unregulated sale of e-cigarettes is dangerous for a country like India where the number of smokers is on the decline (WHO Global Report, 2015) as it increases the

possibility of e-cigarettes becoming a gateway for smoking by inducing nicotine addiction and perpetuating smoking by making it more attractive, thereby encouraging persons to become users of tobacco as well as e-cigarettes.

- In the absence of clearer evidence on the effect of e-cigarettes on tobacco cessation, it is imperative that their sale be accompanied by accurate health warnings.
- This is especially relevant in India, where data in the Global Adult Tobacco Survey 2009-2010 suggests that tobacco control laws, particularly the pictorial health warnings and advertisements, mandated under COTPA, have been highly effective in increasing awareness of the health risks of tobacco (smoking as well as non-smoking).
- More than 70 per cent of persons surveyed noticed health warnings on cigarettes, while approximately a quarter thought of quitting on seeing this warning. The effectiveness of such warnings in ultimately reducing tobacco consumption has also been confirmed by the WHO.

### **The way forward**

- Since the first declaration of its intention to ban e-cigarettes containing nicotine in 2014, only Maharashtra, Kerala, Karnataka and Punjab have implemented the ban.
- The State governments are adopting different routes: Punjab has classified nicotine as a poison, while Maharashtra treats it as an unapproved drug.
- **Lack of a uniform approach** in dealing with this public health problem will not only jeopardize the health of the people, but will also enable the sellers of such products slip through the holes. The unaccountable delay in taking an action in this regard is a reflection of the apathy of the governments towards a serious and potential public health problem.
- In this light, it is recommended that first, the Indian government impose appropriate restrictions on the sale and advertisement, online and otherwise, of e-cigarettes, including proper health warnings, in order to plug the existing regulatory vacuum.

## **SOCIAL ISSUES**

### **1. SEX RATIO IN HARYANA TOUCHES 900 MARK FOR THE FIRST TIME IN 20 YEARS**

- Prime Minister Narendra Modi launched the ambitious "Beti Bachao, Beti Padhao" (B3P) campaign against female foeticide in Panipat in January 2015. Two years later, Haryana, notorious for its skewed sex ratio and patriarchal mindset, saw a historic turnaround.
- Haryana was chosen to launch the 'Beti Bachao, Beti Padhao' campaign.
- The SRB in December 2016 was 914. We have to achieve 950, for which we will need support from our neighbouring States.
- This improvement was made possible due to effective implementation of the law against illegal sex determination and female foeticide.

### **Multi-pronged strategy**

- Convergence of all departments at the district-level, coupled with strong political will and co-ordinated efforts by all districts in the State, helped achieve this goal
- A special B3P cell was created by the Chief Minister's Office to monitor the programme. Since convergence of many departments was required, besides the need to deal with the

Attorney-General, due to which many cases went to the High Court, it was constantly monitored by the CMO.

- The Chief Minister held a video-conference with the Deputy Commissioners every month to monitor the progress. A social media group, moderated by the Additional Principal Secretary to the Chief Minister, was created to share and exchange information. This forum enabled healthy competition between different districts and helped them learn from each other's experiences

### **Enforcing the law**

- As part of its strategy, the State initiated an aggressive drive against female foeticide by ensuring stringent implementation of the Pre-Conception and Pre-Natal Diagnostic Techniques (PCPNDT) Act, 1994, and the Medical Termination of Pregnancy (MTP) Act.
- Doctors, paramedics and quacks were found involved in the illegal practice were punished severely
- Sex selective abortions are mostly conducted in the fourth month of pregnancy.
- Creating awareness through regular meetings, street plays and rallies in urban and rural areas was another key aspect of the programme.
- Those associated with the programme admitted that Haryana girls, including Sakshi Malik, Geeta Phogat, Babita and Deepa Malik, winning laurels for the country in sports helped the cause "tremendously".
- The programme now faces new challenges: the mushrooming of illegal ultrasound centres near Haryana in Delhi, Rajasthan, Punjab and Uttar Pradesh.
- Haryana government officials have conducted 74 inter-State raids over the past year in this connection, with 37 (the maximum) in Uttar Pradesh alone.

## **2. A RIGHTS BILL GONE WRONG**

### **Radical changes in draft**

- In April 2014, the Supreme Court delivered the landmark judgment of **NALSA v. Union of India**, which affirmed the fundamental rights of transgender persons.
- The court gave a series of directives to the government to institute welfare measures for transgender persons, including affirmative action.
- In December 2014, **Tiruchi Siva, a Dravida Munnetra Kazhagam Rajya Sabha MP, introduced the Rights of Transgender Persons Bill, 2014** as a **Private Member's Bill**. On April 24, 2015, in a rare instance, the Rajya Sabha unanimously passed the Bill. However, it never made it to the Lok Sabha.
- Instead, the government decided to get its own Bill — **The Rights of Transgender Persons Bill, 2015** — drafted, which was put up for public comments in December. The 2015 Bill was largely based on the 2014 Bill, **but it did away with provisions on Transgender Rights Courts and the National and State Commissions**.
  - To start with, the 2016 Bill in many ways falls short in its substantive content.
  - Clause 2(i) of the Bill, which defines the term 'transgender person', has been inexplicably borrowed from a provision of the Australian Sex Discrimination Amendment (Sexual Orientation, Gender Identity and Intersex Status) Act 2013, which defines the term 'intersex'.
  - This, even though the Expert Committee Report clearly explained the difference between transgender and intersex identities. The 2014 and 2015 Bills had more accurate definitions of the term transgender.



- In fact, the 2015 Bill was the most progressive in this regard as it granted a transgender person the right to identify as either 'man', 'woman', or 'transgender'.
- Another problem is the absence of a provision on reservation, running contrary to the NALSA judgment and the 2014 and 2015 Bills which directed reservations for transgender persons.

### **Not a rights-based approach**

- While the NALSA judgment is couched in rights language, locating the fundamental rights of transgender persons in the golden trinity of **Articles 14, 19 and 21 of the Constitution, the 2016 Bill, though it uses the word "rights" in its title, deviates from a rights-based approach** and leaves transgender persons at the mercy of the "benevolent" state.
- This is puzzling considering that the 2014 and 2015 Bills, and even other recent laws like the Rights of Persons with Disabilities Act, 2016 and the Mental Healthcare Bill, 2016, are framed in rights language.
- Most laws, including of marriage, adoption and succession, continue to be based on the binary of male and female. Criminal laws, especially those dealing with sexual offences, also continue to be gendered.
- The cis normative (the assumption that everyone has a gender identity that matches the sex the person was assigned at birth) foundation of the law remains a significant barrier to access to legal justice for transgender persons.
- The **NALSA judgment** too recognises the need for making civil rights accessible to transgender persons. However, the Bill fails to take this into account.
- None of the Bills have addressed the issue of Section 377, which is frequently used to harass transgender persons, specifically transgender women.
- The conventional understanding of Section 377 is that it criminalises all sex that is not between people of opposite genders.
- Embracing rights of persons with non-conforming genders while criminalising persons with non-conforming sexual orientations is thus absurd.

### **3. MIND THE GENDER GAP**

- Gender equality is one of the 17 goals to "transform our world". This year, India ratified the Paris Agreement. The direct link between empowering women and alleviating poverty, increasing productivity, and combating climate change is well-recognized.
- The **lack of targeted resources** is often stated to be the biggest reason behind the sluggish progress in furthering the gender agenda.
- The World Economic Forum's annual Global Gender Gap Report ranked India 87 in terms of gender equality in economy, education, health, and political representation.
- Women's declining labour participation, under-representation in Parliament, skewed child sex ratio, and prevalent gender-based violence are recognised challenges.

### **GBB**

- To bridge these gaps, India formally adopted Gender Responsive Budgeting (GRB) in 2005. The rationale behind GRB is that policy outcomes are not as gender-neutral as commonly believed, and can reinforce or exacerbate existing hierarchies.
- Hence, gender budgeting initiatives aim to integrate critical gender concerns into fiscal policies and administration to address disparities.
- **Every annual budget since 2005 has included a statement that lists out two parts. There is Part A, which reflects 'Women Specific Schemes', namely, those which have 100 per cent**

**allocation for women, and Part B, which reflects 'Pro Women Schemes', namely, where at least 30 per cent of the allocation is for women.**

- Over the years, India has stood out for its implementation of gender budgeting, and with the Ministry of Finance (MoF) playing the central role, it has managed to successfully institutionalise the concept at both the national and State levels (16 States have embraced the exercise).
- Studies substantiate the positive link between GRB and improved indicators for women.
- IMF study found that States that employ GRB also show better female to male school enrolment ratios.
- GRB also has a positive impact on infrastructure spending.

### **Decentralization of funding**

- Despite the successes, better implementation and planning are needed to ensure that these policies percolate right down to the last woman.
- Budget 2016-17 was widely considered to be a mixed bag for women.
  - Ministry of Women and Child Development and National Commission for Women saw nominal increases, the scheme meant for implementing the Domestic Violence Act did not receive any allocation.
  - There was a decline in the number of ministries and departments that fall under GRB. The budget also initiated the decentralisation of funding in GRB, thus shifting the onus for budgeting and implementation from the Central Ministry to State counterparts.
  - While this did empower the States to come up with women-specific policies as per their respective challenges, the obvious downside was the risk that States could choose to not prioritize gender in their budgeting.
- So far, GRB has focused only on identifying schemes that are exclusively dedicated to women.
- While this focus is imperative, it has restricted benefits without the incorporation of a gender lens across all welfare schemes. Sectors such as energy, urban development, food security, water supply and sanitation continue to operate in silos, despite having causal interrelationships with women's empowerment. Policies carried out by these sectors do have a different impact on men and women.
- Therefore every budget presents the opportunity to mainstream gender in the policy environment to include and enable women's inclusion in India's growth story.

### **4. JALLIKATTU BAN TO STAY AS SC REFUSES TO BE HURRIED INTO JUDGMENT**

- The notification by the centre has re-introduced bulls into the fold of 'performing animals' under the Prevention of Cruelty to Animals Act of 1960, thus giving an indirect nod to jallikattu, which the court had described as an act of "inherent cruelty".
- The Tamil Nadu government had vehemently argued in favour of the notification, saying that it had introduced stringent controls over the conduct of jallikattu. "For 30 seconds or 15 feet, whichever is longer, the bull runs and is embraced by a tamer. What is the cruelty in that?" Tamil Nadu government had asked in the main hearings on the January 7 notification.
- TN had argued against "absolute prohibitionism" in the case of jallikattu.
- It has to acknowledge that the government should be allowed a degree of flexibility in particular cases.

- The Centre had contended that jallikattu was inextricably linked to the rural life of Tamil Nadu, where villagers cannot shed their centuries-old culture and “go watch Formula One racing”.
- On November 16, 2016, the Bench dismissed the State government's review petition against the 2014 judgment, saying the very act of “taming a bull” was counter to the concept of welfare of the animal under the 1960 Act.

### **5. EFFECTS OF ENDOSULFAN DEVESTATING**

- The Supreme Court on Tuesday directed the Kerala government to release the entire compensation to over 5,000 victims, mostly newborns, and their families in three months.
- Some victims are terminally ill from the effects of the pesticide which was aerielly sprayed on cashew plantations
- In 2011, the Supreme Court ordered the immediate ban of Endosulfan while disregarding pleas of over 150 private export companies.
- **Note: BIOACCUMULATION and POP concepts explained in the class**

### **6. STRATEGIC PARTNERSHIP REALLY?**

- India's decisions over the past two decades to upgrade more than 30 of its bilateral relationships to “strategic partnerships” is excessive.
- It's is a bilateral relationship more important than others, but stops short of an actual alliance.
- The term “strategic” further implies a future convergence of interests in areas that are vital: security, defence and investment.

#### **Case of Rawanda**

- India's latest strategic partnership signed with the east African country of Rwanda,
- Rwanda is a land-locked country with 90 per cent of its population engaged in subsistence agriculture. It is also still recovering from the mass murder of large sections of its Hutu population in 1994, though the country has registered remarkable progress and growth in the last few years.
- While it is an important destination for India's development assistance, it is difficult to see how it qualifies as a “strategic partner”, particularly given that India is yet to set up a full diplomatic mission in the country; the last time New Delhi even sent a delegation to Kigali was in 2012.
- The government's move was more about window-dressing the relationship than imbuing it with any meaningful substance.
- If all the countries on the list are strategically important, what does this mean for countries on the UN Security Council such as the U.S., the U.K., France, Russia and China, or others such as Japan, Australia, and some of the neighbours who genuinely contribute to India's security and economic interests and who have also signed strategic-partnership agreements with New Delhi?
- Clearly, a more cogent policy with clear-cut criteria for strategic partnerships must be considered by the Ministry of External Affairs, with the focus on countries with which there is a long-term vision on securing India's needs, coupled with a convergence of strategic interests.