

Abhimanu

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Abhimanu's IAS Study Group
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NATIONAL ECONOMIC AFFAIRS

Merger of NCVT and NSDA

- The Union Cabinet has approved the merger of the existing regulatory institutions in the skills space - National Council for Vocational Training (NCVT) and the National Skill Development Agency (NSDA) into the National Council for Vocational Education and Training (NCVET).

Primary functions of NCVET:

- Recognition and regulation of awarding bodies, assessment bodies and skill related information providers.
- Approval of qualifications developed by awarding bodies and Sector Skill Councils (SSCs).
- Indirect regulation of vocational training institutes through awarding bodies and assessment agencies.
- Research and information dissemination.
- Grievance redressal.

Composition:

- The Council would be headed by a Chairperson and will have Executive and Non-Executive Members. Since NCVET is proposed to be set up through merger of two existing bodies, the existing infrastructure and resources will be utilized for the most part.
- In addition, a few more posts will be created for its smooth functioning.
- The regulator will follow the best practices of regulatory processes, which will help ensure that it performs its functions professionally and as per the applicable laws.

Analysis:

- This institutional reform will lead to improvement in quality and market relevance of skill development programs lending credibility to vocational education and training encouraging greater private investment and employer participation in the skills space.
- This in turn will help achieve the twin objectives of enhancing aspirational value of vocational education and of increasing skilled manpower furthering the Prime Minister's agenda of making India the skill capital of the world.
- Being a regulator of India's skill ecosystem, NCVET will have a positive impact on each individual who is a part of vocational education and training in the country.
- The idea of skill-based education will be seen in a more inspirational manner which would further encourage students to apply for skill-based educational courses.
- This is also expected to facilitate the ease of doing business by providing a steady supply of skilled workforce to the industry and services.

Government e-Payments Adoption Ranking (GEAR)

- According to 2018 Government E-Payments Adoption Ranking (GEAR), India ranked 28th among 73 countries up from 36th in 2011, reinforcing the country's progress towards digital transformation.

About GEAR:

- The 2018 GEAR, an Economist Intelligence Unit (EIU) global Index and benchmarking study commissioned by Visa, ranks governments by quantifying their e-payment capabilities based on various indicators.

- The EIU evaluates the extent to which major countries around the world have adopted e-payment systems, based on the digital platform and according to seven criteria — Citizen-to-Government (C2G), Government-to-Citizen (G2C), Business-to-Government (B2G), Government-to-Business (G2B) transactions, infrastructure, socio-economic and policy environments.

Important highlights:

- Norway tops the GEAR list scoring 89.7 points in seven categories.
- India leads the B2G category, along with other countries like Australia, Singapore and South Korea. The category evaluates the ease with which businesses can calculate and make their tax payments, register for the first time, as well as renew their registrations online and digitally calculate their pension fund contributions, thereby making those payments on a periodic basis.
- At the same time, by simplifying refund and loan application processes, wherein businesses can track status digitally, coupled with dedicated digital portals to submit proposals for government procurement services, India leads the G2B category as well, along with four other countries.
- The C2G category evaluates the extent to which citizens can complete various transactions electronically by assessing six indicators, including online one-stop shops, income tax payments, and obtaining an ID card. India ranks third in this category, along with four other countries, while France and the UAE top the list.
- The G2C category captures the extent to which various government transfers like tax refunds, pension and welfare benefits and unemployment benefits can be accessed electronically. In India, while everything pertaining to tax filing and pension and welfare benefits has smoothly migrated to digital, the unemployment benefits system continues to be driven by paper processes, as a result of which the country still lags behind, in 25th place.
- The infrastructure and socio-economic categories examine the supportive infrastructure for e-payments and their acceptance in society at large. With respect to infrastructure, while India has witnessed an increase in Internet penetration over recent years, substantial pockets of communities continue to lack reliable access, leaving country ranked 58th.
- In the socio-economic category, India is ranked 60th out of 73 countries, highlighting an urgent need to focus efforts on enhancing educational levels, as well as improving citizens' and businesses' engagement with Internet-enabled services.
- Finally, the policy category assesses the policy environment and examines how it spurs e-payments adoption.
- Though India ranks at a low 40th owing to a few inhibiting policy decisions, the government's efforts to strengthen Intellectual Property Rights (IPR) with an objective to foster innovation and protect country's traditional knowledge could motivate innovation and act as a catalyst businesses to grow. Incentives to consumers and merchants to adopt digital payments are also restricted to selected e-payment methods, potentially limiting the effectiveness of these measures.

NATIONAL POLITY

'National Policy on Electronics 2018'

- Union Ministry of Electronics and Information Technology (MeitY) has issued draft 'National Policy on Electronics 2018' (NPE 2018) for Electronics System Design and Manufacturing (ESDM) Sector of India.

Highlights of the policy:

- The policy targets production of one billion mobile handsets by 2025, valued at USD 190 billion (about Rs 13 lakh crore).
- It is targeted to export 600 million mobile handsets valued at USD 110 billion (about Rs 7 lakh crore).

- 20 greenfield and three brownfield electronic manufacturing cluster projects have been sanctioned with the project outlay of Rs 3898 crore, including Rs 1577 crore from the Government of India.
- It promotes a forward looking and stable tax regime, including advance intimation to the industry to plan investments in the form of Phased Manufacturing Programme (PMP) in various segments of electronics, with a sunset clause should be promoted.
- It mentions that government would levy cess on identified electronic goods to be considered to generate resources for promotion of certain critical sub-sectors of electronics manufacturing such as semiconductor wafer fabrication and display fabrication units.

Objective of Draft National Electronics Policy 2018

- The draft policy also aims to promote ease of doing business for the entire Electronic System Design and Manufacturing (ESDM) sector.
- It aims to encourage industry-led research and development and innovation in all sub-sectors of electronics.
- The policy aims to also push the startup ecosystem in emerging technology areas such as 5G, Internet of Things, artificial intelligence and machine learning, and their applications in areas such as defence, agriculture, health, smart cities and automation.
- It involves development of core competencies in all the sub-sectors of electronics, including electronic components and semiconductors, telecommunication equipment, medical electronics, defence electronics, automotive electronics, industrial electronics, strategic electronics, etc.

Inland Waterways Authority of India (IWAI)

- Inland Waterways Authority of India (IWAI) will be starting a new Roll on-Roll off (Ro-Ro) facility in collaboration with the Government of Assam to provide the much-needed connectivity for Majuli Island.
- This Ro-Ro facility will cut down the circuitous road route of 423 KMs that trucks take from Neamati to Majuli Island via Tezpur Road Bridge, by limiting the distance to only 12.7 KM with the use of river route.

About Ro-Ro facility:

- Ro-ro is an acronym for Roll-on/roll-off. Roll-on/roll-off ships are vessels that are used to carry wheeled cargo.
- The ro-ro ship is different from lo-lo (lift on-lift off) ship that uses a crane to load the cargo.
- The vehicles in the ship are loaded and unloaded by means of built-in ramps. Normally these ramps are made towards the stern (backside) of the ship.
- In some ships, they are also found on the bow side (front) as well as the sides. The vessel can be of both military and civilian types.

About IWAI:

- The Inland Waterways Authority of India (IWAI) came into existence on 27th October 1986 for development and regulation of inland waterways for shipping and navigation.
- The Authority primarily undertakes projects for development and maintenance of IWT infrastructure on national waterways through grant received from Ministry of Shipping. The head office of the Authority is at Noida.
- The Authority also has its regional offices at Patna, Kolkata, Guwahati and Kochi and sub-offices at Allahabad, Varanasi, Bhaglapur, Farakka, Hemnagar, Dibrugarh (Assam), Kollam, Bhubaneswar (Odisha) and Vijaywada (A.P.)

Centre sets 'minimum river flows' for the Ganga

- National Mission for Clean Ganga has mandated the minimum quantity of water — or ecological flow — that various stretches of the Ganga must necessarily have all through the year.

Specifications mentioned under National Mission for Clean Ganga

- The upper stretches of the Ganga — from its origins in the glaciers and until Haridwar — would have to maintain: 20% of the monthly average flow of the preceding 10-days between November and March, which is the dry season; 25% of the average during the 'lean season' of October, April and May; and 30% of monthly average during the monsoon months of June-September.
- For the main stem of the Ganga — from Haridwar in Uttarakhand to Unnao, Uttar Pradesh — the notification specifies minimum flow at various barrages: Bhimgoda (Haridwar) must ensure a minimum of 36 cubic metres per second (cumecs) between October-May, and 57 cumecs in the monsoon; and the barrages at Bijnor, Narora and Kanpur must maintain a minimum of 24 cumecs in the non-monsoon months of October-May, and 48 cumecs during the monsoon months of June-September.
- Power projects that don't meet these norms as yet would be given three years to comply and "mini and micro projects" would be exempt from these requirements.
- The Central Water Commission would be the designated authority to collect relevant data and submit flow monitoring-cum-compliance reports on a quarterly.

About National Mission for Clean Ganga (NMCG)

- It was registered as a society in 2011 under the Societies Registration Act 1860.
- It acted as implementation arm of National Ganga River Basin Authority (NGRBA) which was constituted under the provisions of the Environment (Protection) Act (EPA), 1986.
- The Act envisages five tier structure at national, state and district level to take measures for prevention, control and abatement of environmental pollution in river Ganga and to ensure continuous adequate flow of water so as to rejuvenate the river Ganga as below.
- NMCG has a two tier management structure and comprises of Governing Council and Executive Committee. Both of them are headed by Director General, NMCG. Executive Committee has been authorized to accord approval for all projects up to Rs.1000 crore.

Gorkhas are not 'foreigners' or 'illegal migrants'

- The ministry of home affairs (MHA) issued a clarification to the Assam government on the citizenship status of members of the Gorkha community living in the state as per Foreigners Act, 1946.
- It stated that the "members of the Gorkha community who were Indian citizens at the time of commencement of the Constitution, or those who are Indian citizens by birth, or those who have acquired Indian citizenship by registration or naturalization in accordance with the provisions of The Citizenship Act, 1955 are not "foreigners" in terms of section 2 (a) of The Foreigners Act, 1946 as well as The Registration of Foreigners Act, 1939, therefore, such cases will not be referred to the Foreigners Tribunals."
- The home ministry has emphasised that any member of the Gorkha community members holding Nepalese nationality and who have arrived in India by land or air over the Nepal border, even without a passport or visa, and staying in India for any length of time, shall not be treated as an illegal migrant if he/she is in possession of any of the identity documents, namely the Nepalese passport, Nepalese citizenship certificate, voter identification card issued by the Election Commission of Nepal, limited validity photo-identity certificate issued by Nepalese Mission in India when deemed necessary and for children between age group of 10-18 years, photo ID issued by the principal of the school, if accompanied by parents having valid travel documents.
- No such document is required for children below the age group of 10 years, the communication added, citing provisions of India-Nepal Treaty signed in 1950.
- The cases of members of Gorkha community falling within the parameters mentioned earlier should not be referred to the Foreigner Tribunals for opinion as to whether the person is a "foreigner" within the meaning of The Foreigners Act, 1946.

How is citizenship determined in India?

- Indian citizenship can be acquired by birth, descent, registration and naturalisation. A person domiciled in India as on November 26, 1949 — the date when the Constituent Assembly adopted the Constitution — automatically became a citizen if he or either of his parents was born in India, or if he had been in India for at least five years until that date.

- For those born in India after the Constitution came into effect, the Citizenship Act, 1955, grants citizenship by birth based on birth dates. Anyone born between January 26, 1950 and July 1, 1987 is a citizen by birth; a person between July 1, 1987 and December 3, 2004 is a citizen by birth if either of his parents is a citizen of India at the time; those born on or after December 3, 2004 is a citizen by birth if both parents are citizens of India at the time, or if one parent is a citizen and the other is not an illegal migrant — defined as a foreigner who entered India without valid documents, or stayed beyond the allowed period
- Citizenship by registration can be acquired by persons of Indian origin who have lived in India for 7 years before applying, persons of Indian origin who live in any country outside undivided India, persons married to a citizen of India and who have lived in India for 7 years before the application. Any minor child can be registered as a citizen if the government is satisfied that there are special circumstances.

No time bar for crimes under POCSO Act

- The government has clarified that there is no time bar on reporting such crimes and Survivors of child sexual abuse can file a police complaint after they become adults.
- The Law Ministry concurred with the opinion of the Ministry of Women and Child Development that unlike the Code of Criminal Proceedings (CrPC), the Protection of Children from Sexual Offences Act (POCSO), 2012, does not lay down a time limit for reporting crimes covered under it.
- Section 19 of the POCSO Act, which deals with sexual crimes against children, lays down the procedure for reporting a crime but doesn't specify a time limit or statute of limitation for reporting it.
- Whereas the CrPC lays down different time-limits for crimes which carry a punishment of up to three years, there is no time bar for crimes that would attract a jail term of more than three years.

About POCSO Act:

- The Protection of Children from Sexual Offences Act (POCSO Act) 2012 was formulated in order to effectively address sexual abuse and sexual exploitation of children.
- The Act casts the police in the role of child protectors during the investigative process. Thus, the police personnel receiving a report of sexual abuse of a child are given the responsibility of making urgent arrangements for the care and protection of the child, such as obtaining emergency medical treatment for the child and placing the child in a shelter home, and bringing the matter in front of the CWC, should the need arise.
- The Act further makes provisions for avoiding the re-victimisation of the child at the hands of the judicial system. It provides for special courts that conduct the trial in-camera and without revealing the identity of the child, in a manner that is as child-friendly as possible. Hence, the child may have a parent or other trusted person present at the time of testifying and can call for assistance from an interpreter, special educator, or other professional while giving evidence. Above all, the Act stipulates that a case of child sexual abuse must be disposed of within one year from the date the offence is reported.
- The Act also provides for mandatory reporting of sexual offences. This casts a legal duty upon a person who has knowledge that a child has been sexually abused to report the offence; if he fails to do so, he may be punished with six months' imprisonment and/ or a fine.
- The Act defines a child as any person below eighteen years of age. It defines different forms of sexual abuse, including penetrative and non-penetrative assault, as well as sexual harassment and pornography. It deems a sexual assault to be "aggravated" under certain circumstances, such as when the abused child is mentally ill or when the abuse is committed by a person in a position of trust or authority like a family member, police officer, teacher, or doctor.

Swasth Bharat Yatra national campaign

- Union Government has launched national campaign 'Swasth Bharat Yatra' on occasion of World Food Day (16 October) to sensitise people about eating safe food and be healthy.
- The campaign has been launched in association with states and led by Food Safety and Standards Authority of India (FSSAI).

Analysis:

- Life insurance penetration is abysmally low at 3.5% and claims under general insurance are repudiated at the snap of a finger.
- The problem starts from the agency. Life insurance should be sold by a person who has the talent to sell. Imposing restrictions on appointment of agents has crippled the industry.
- IRDA was influenced by what happens in America and Australia. Only thing that an agent must know and convey is: if you die, your family gets so much money and if you are alive, you will get your investment plus returns.
- The fellow who satisfies all the conditions laid down by the insurance regulator does not know how to sell insurance and the fellow who has the ability to sell is prevented from selling.

INTERNATIONAL AFFAIRS

Global Hunger Index 2018

- The 2018 Global Hunger Index report has been released. The report is a peer-reviewed publication released annually by Welthungerhilfe and Concern Worldwide.

Important highlights:

- At least one in five Indian children under the age of five are wasted, which means they have extremely low weight for their height, reflecting acute under-nutrition.
- The only country with a higher prevalence of child wasting is the war-torn nation of South Sudan.
- Overall, India has been ranked at 103 out of 119 countries in the Index, with hunger levels in the country categorised as "serious".
- India's ranking has dropped three places from last year, although the Index says its results are not accurately comparable from year to year and instead provides a few reference years for comparable data. The 2018 scores reflect data from 2013-2017.
- India has shown improvement in three of the indicators over the comparable reference years. The percentage of undernourished people in the population has dropped from 18.2% in 2000 to 14.8% in 2018. The child mortality rate has halved from 9.2% to 4.3%, while child stunting has dropped from 54.2% to 38.4% over the same period.
- However, the prevalence of child wasting has actually worsened in comparison to previous reference years. It stood at 17.1% in 2000, and increased to 20% in 2005. In 2018, it stands at 21%. South Sudan's child wasting prevalence is at 28%.
- Child wasting is high across South Asia, constituting a "critical public health emergency", according to UN organisations. The report notes that wasting rates are highest for infants aged 0 to 5 months, suggesting that attention to birth outcomes and breastfeeding is important.

- Also, child wasting in the region is associated with a low maternal body mass index, suggesting the need for a focus on the nutritional status of the mother during pregnancy.
- Globally, the level of hunger still falls into the “serious” category, despite improvement over the last two decades. The Index projects that at the current rate of progress, 50 countries will fail to reach the “low” hunger category by 2030. This puts the UN’s Sustainable Development Goal 2, which aims to end hunger by 2030, in jeopardy.

About Global Hunger Index:

- The Global Hunger Index is a tool designed to comprehensively measure and track hunger at the global, regional, and national levels. The International Food Policy Research Institute (IFPRI) calculates GHI scores each year to assess progress and setbacks in combating hunger. To capture the multidimensional nature of hunger, GHI scores are based on four indicators as follows:
- Undernourishment: the share of the population that is undernourished (that is, whose caloric intake is insufficient);
- Child wasting: the share of children under the age of five who are wasted (that is, who have low weight for their height, reflecting acute under-nutrition);
- Child stunting: the share of children under the age of five who are stunted (that is, who have low height for their age, reflecting chronic under-nutrition); and
- Child mortality: the mortality rate of children under the age of five (in part, a reflection of the mix of inadequate nutrition and unhealthy environments).

World Bank’s Human Capital Index

- The World Bank has released a Human Capital Index (HCI) as part of the World Development Report 2019.
- Theme for the World Development Report (WDR) 2018: “The Changing Nature of Work”.
- This is India's third outbreak since 2017.
- The first was reported in Ahmedabad in the western Gujarat state around January 2017 with three confirmed cases.

Main highlights:

- Singapore’s high score of 0.88 out of a maximum possible score of 1 was driven by a strong focus on quality education and an innovative health insurance system delivered by spending a relatively modest 4 percent of gross domestic product on health care.
- At the other end of the rankings, Chad came in last place just behind South Sudan, Niger, and Mali. The United States was ranked 24th.
- The HCI for India has been estimated at 0.44. The quality adjusted learning has been measured in case of India by using the data as old as 2009.
- The HCI in India for females is marginally better than that for males. Further, there has been marked improvement in the HCI components in India over the last five years.
- Probability of Survival to Age 5: 96 out of 100 children born in India survive to age 5.
- Expected Years of School: In India, a child who starts school at age 4 can expect to complete 10.2 years of school by her 18th birthday.

About Human Capital Index (HCI):

- The HCI has been constructed for 157 countries. It claims to seek to measure the amount of human capital that a child born today can expect to attain by age 18. The HCI index values are contended to convey the productivity of the next generation of workers, compared to a benchmark of complete standard education and full health.

The HCI has three components:

- Survival, as measured by under-5 mortality rates.

- Expected years of Quality-Adjusted School which combines information on the quantity and quality of education.
- Health environment using two proxies of (a) adult survival rates and (b) the rate of stunting for children under age 5.

Amendment by Competition Commission of India

- The Competition Commission of India (CCI), in continuation of its efforts towards simplifying and providing greater clarity on the application of the combination provisions of the Act and the Combination Regulations, has further amended the Combination Regulations.
- This amendment inter alia provide certainty & transparency and expedites faster disposal of combination cases before CCI.

Important amendments:

- The provisions of the Competition Act, 2002 (“Act”) relating to the regulation of combinations as well as the Combination Regulations have been in force with effect from 1st June 2011.
- A key change brought about by the present amendments is that the parties to combinations can now submit remedies voluntarily in response to the notice issued under Section 29(1) of the Act.
- If such remedies are considered sufficient to address the perceived competition harm, the combination can be approved. This amendment is expected to expedite disposal of such combination cases.
- In another significant amendment, where the notice is found to exhibit significant information gaps, parties to combinations are allowed to withdraw the notice and refile the same.
- With this amendment, the parties could address the deficiencies without facing an invalidation by CCI.
- Further, fee already paid in respect of such notice shall be adjusted against the fee payable in respect of new notice, if the refiling is done within a period of 3 months.
- Apart from these, certain consequential and other clarificatory changes have also been made in the Combination Regulations.

About Competition Commission of India:

- Competition is the best means of ensuring that the ‘Common Man’ or ‘Aam Aadmi’ has access to the broadest range of goods and services at the most competitive prices.
- With increased competition, producers will have maximum incentive to innovate and specialize. This would result in reduced costs and wider choice to consumers.
- A fair competition in market is essential to achieve this objective.
- Our goal is to create and sustain fair competition in the economy that will provide a ‘level playing field’ to the producers and make the markets work for the welfare of the consumers.

The Competition Act

- The Competition Act, 2002, as amended by the Competition (Amendment) Act, 2007, follows the philosophy of modern competition laws.
- The Act prohibits anti-competitive agreements, abuse of dominant position by enterprises and regulates combinations (acquisition, acquiring of control and M&A), which causes or likely to cause an appreciable adverse effect on competition within India.

Zika virus

- India has recorded its biggest outbreak of Zika virus to date, with 32 cases confirmed in Jaipur, capital of the western state of Rajasthan.
- The first case was confirmed on September 23 in the city's Shastri Nagar area, located close to some of the city's main tourist attractions.

About ZIKA virus

- Zika virus is a member of the virus family Flaviviridae and the genus Flavivirus.
- It is spread by daytime-active Aedes mosquitoes, such as *A. aegypti* and *A. albopictus*.
- Zika virus is transmitted by the same type of mosquito that carries dengue fever, yellow fever, and chikungunya virus.
- Zika is related to the dengue, yellow fever, Japanese encephalitis, and West Nile viruses. Like other flaviviruses, Zika virus is enveloped and icosahedral and has a nonsegmented, single-stranded, positive-sense RNA genome.
- A mosquito bites an infected person and then passes those viruses to other people it bites.

Treatment

- While there is no specific treatment, paracetamol (acetaminophen) and rest may help with the

Symptoms.

- The infection, known as Zika fever or Zika virus disease, often causes no or only mild symptoms, similar to a very mild form of dengue fever.
- In rare cases, Zika has been associated with Guillain-Barre syndrome, a disorder that can cause partial or complete paralysis, usually starting in the legs, most often temporary.
- As of 2016, the illness cannot be prevented by medications or vaccines.

UNISDR report on climate related disasters

- UN has released a report titled 'Economic Losses, Poverty and Disasters 1998-2017'. It was compiled by the UN Office for Disaster Risk Reduction.
- India suffered a whopping \$79.5 billion economic loss due to climate-related disasters in the last 20 years.

Highlights of the report:

- The report highlights the impact of extreme weather events on the global economy. It states that the years between 1998 to 2017 have seen a dramatic rise of 151% in direct economic losses from climate-related disasters.
- In terms of the impact of disasters on the global economy between 1998 and 2017, affected countries reported direct losses of \$2.908 trillion, more than twice of what was lost in the previous two decades.
- Extreme weather events now account for 77 % of total economic losses of \$2.245 trillion. This represents a "dramatic rise" of 151% compared with losses reported between 1978 and 1997, which amounted to \$895 billion.
- The greatest economic losses have been experienced by the US at \$944.8 billion, followed by China at \$492.2 billion, Japan at \$376.3 billion, India at USD 79.5 billion and Puerto Rico at USD 71.7 billion.
- Storms, floods and earthquakes place three European countries in the top ten nations for economic losses: France, \$48.3 billion; Germany, \$57.9 billion and Italy \$56.6 billion. Thailand with \$52.4 billion and Mexico at \$46.5 billion complete the list.

- In terms of occurrences, climate-related disasters also dominate the picture, accounting for 91 per cent of all 7,255 major recorded events between 1998 and 2017. Floods (43.4 per cent) and storms (28.2 per cent) are the two most frequently occurring disasters.
- During this period, 1.3 million people lost their lives and 4.4 billion people were injured, rendered homeless, displaced or in need of emergency assistance. 563 earthquakes, including related tsunamis, accounted for 56 per cent of the total deaths or 747,234 lives lost.

About UN Office for Disaster Risk Reduction (UNISDR):

- It was established in 1999 as dedicated secretariat to facilitate implementation of International Strategy for Disaster Reduction (ISDR). It is an organisational unit of UN Secretariat and is led by the UN Special Representative of the Secretary-General for Disaster Risk Reduction (SRSR). It is headquartered in Geneva, Switzerland.
- It is mandated by United Nations General Assembly resolution to serve as focal point in United Nations system for coordination of disaster reduction and to ensure synergies among disaster reduction activities of United Nations system and regional organizations and activities in socio-economic and humanitarian fields.