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GS 2 : Polity, Governance, International Relations

1. Funds Lapsed in MPLADS

Why in News

Recently, the **Standing Committee on Finance** has criticised the decision of the **Ministry of Finance** (Department of Expenditure) for giving barely a week's time to the **Ministry of Statistics and Programme Implementation (MoSPI)** for funding ongoing **Member of Parliament Local Area Development Scheme (MPLADS)** projects, owing to which 50% funds lapsed.

Key Points

- **Findings of the Committee:**
 - **Impact on the Projects:** The resultant funding crunch would have hit several local area development projects under implementation across the country.
 - Especially in the States that went to polls this year as no funds were released for these States and constituencies citing the **Model Code of Conduct**.
 - **Ad-hocism in Policy:** Under MPLADs, funds released to district authorities are not lapsable, while funds not released by the government in a particular year are carried forward.
 - However, the decision of the Ministry of Finance that made funds lapsable, **constitutes ad-hocism and a serious lapse in fiscal management** with negative consequences for communities across India.
- **About the MPLAD Scheme:**
 - MPLAD is a **Central Sector Scheme** which was announced in **December 1993**.
 - The objective of the scheme is to enable the Members of Parliament (MP) to suggest and **execute developmental works of capital nature based on locally felt needs** with emphasis on creation of durable assets.
 - Initially, it came under the control of the **Ministry of Rural Development**. Later, in October 1994, it was transferred to the **Ministry of Statistics and Programme Implementation**.
- **Functioning:**

- Each MP is granted **Rs. 5 crore under the scheme**, adding up to Rs. 3,950 crore a year for 790 MPs, to undertake development projects in their respective constituencies.
- **Lok Sabha MPs** have to recommend the district authorities projects in their **Lok Sabha constituencies**.
- **Rajya Sabha MPs** have to **spend it in the state** that has elected them to the House.
- **Nominated Members** of both the Rajya Sabha and Lok Sabha can **recommend works anywhere in the country**.
- **Priority Projects:**
 - The projects include asset building such as drinking water facilities, primary education, public health sanitation and roads.
 - Since June 2016, the MPLAD funds can also be used for implementation of the schemes such as **Swachh Bharat Abhiyan, Accessible India Campaign (Sugamya Bharat Abhiyan)**, conservation of water through rain water harvesting and **Sansad Aadarsh Gram Yojana**, etc.
- **Other Issues Related to MPLADS:**
 - **Implementation Lapses:** The **Comptroller and Auditor-General of India (CAG)** has flagged instances of **financial mismanagement and artificial inflation** of amounts spent.
 - **No Statutory Backing:** The scheme is **not governed by any statutory law** and is subject to the whims and fancies of the government of the day.
 - **Monitoring and Regulation:** The scheme was launched for promoting participatory development but there is **no indicator available to measure level of participation**.
 - **Breach of Federalism:** Union Government can incur expenditure only with respect to matters over which it has subject domain as per seventh schedule.
 - **MPLADS encroaches upon the domain of local self governing institutions** and thereby violates **Part IX and IX-A** of the Constitution.
 - **Conflict with Doctrine of Separation of Powers:** The Scheme disturbs the scheme of separation of powers under the Constitution, as **MPs are getting involved in executive functions**.

2. External Affairs Minister's Visit to Iran

Why in News

India's External Affairs Minister (EAM) visited Iran to attend the **swearing-in ceremony of new Iranian President Ebrahim Raisi**. This marks a landmark event attempting to **reset the ties with Iran** that have been under strain in recent times.

- This is EAM's **second visit in a month** and it comes amid a sharp escalation of the **fighting in Afghanistan** between the Taliban and the Afghan security forces.

Key Points

- **Importance of Iran for India:**
 - **Geo-strategic Outreach:** India views Iran as key to **access land-locked Afghanistan and Central Asia through Chabahar Port**.
 - Iran's geographical position is paramount to India's geopolitical outreach, especially to **Central Asia**, a rich reservoir of natural resources.
 - Similarly, Iran is vital for **India's access to Afghanistan** in which India has immense strategic and security interests.
 - Further, India has been developing the **Chabahar port in a bid to bypass the impediments placed by Pakistan** in the way of its attempts to trade with Afghanistan.
 - **Energy Security:** Iran, **one of the richest countries in hydrocarbons** and India, a rapidly growing economy with a deep thirst for energy - make them natural partners.
- **Significance of the Visit:**
 - **Reasons for Tussle in India-Iran Relationship:**
 - **India cancelling oil imports from Iran** due to US sanctions.
 - **Slow progress** in Chabahar port.
 - Tussle over **Farzad-B Gas Field**.
 - **Iranian comments on Kashmir** over the past few years.
 - **Security Concerns Emanating From Afghanistan:** Visit comes amidst **rapid developments in Afghanistan**, with the **US completing the pull-out of troops** and the Taliban increasing its attacks on Afghan cities.
 - The rapid advance of Taliban concerns both India and Iran.

- Given this context, and common interests, it is necessary for India and Iran to cooperate more closely, particularly on Afghanistan.
- **Associated Challenges:**
 - **India's Exclusion in Afgan Peace Process:** Another "Troika plus" meeting, the U.S.-Russia-China-Pakistan grouping on Afghanistan peace process, is going to be held in Doha.
 - However, India and Iran, which are two regional powers, are being left out.
 - **Persisting Sanctions on Iran:** Despite campaign promises to reverse the Donald Trump policy on Iran, US President Joe Biden's administration is yet to withdraw most of the additional sanctions placed in 2017-2018.

Way Forward

- India has proposed to include the **Chabahar port** in the framework of the **International North South Transport Corridor**.
 - In this context, the formation of **India-Uzbekistan-Iran-Afghanistan Quadrilateral Working Group** on the joint use of Chabahar port is a welcome development.
- India needs to **balance its ties with Iran on one side and the US along with its allies like Saudi Arabia and Israel, on the other.**

3.Second Anniversary of Special Status Revocation: J&K

Why in News

The Forum for Human Rights in J&K (FHRJK) released its report a day ahead of Jammu and Kashmir (J&K) completing two years as Union Territory.

- The report **raised concerns about the militancy** that continues to remain a major challenge in J&K.
- **FHRJK is an independent body** co-chaired by former Supreme Court judge Justice Madan B. Lokur and former Kashmir interlocutor Radha Kumar.

Key Points

- **Background:**

- On 5 August 2019, the government of India revoked the special constitutional status of the erstwhile state of Jammu and Kashmir under Article 370 of the Constitution, and abrogated **Article 35A**.
 - **Article 35A** had allowed J&K to define who its ‘**permanent residents**’ are and what rights and privileges are attached to such residency.
- The former state was bifurcated into the **Union Territories of Ladakh (without a legislature) and Jammu-Kashmir (with a legislature)**.
- Concurrently, the Indian government imposed a near-total telecommunications lockdown in the region, detained political leaders and dissidents, and enforced **Section 144 of the Indian Penal Code** to prevent violent unrest.
- **Findings from the Report:**
 - The reports raised concerns regarding **human rights abuses, arbitrary detentions, prohibition on assembly and censorship on local media houses** in J&K.
 - The government has taken **several positive steps**, but they fell short of expectations.
 - It also held that the **counter-insurgency concerns continue** to be given priority over public, civilian and human security.
- **Reasons for Militancy in J&K:**
 - Since the **special constitutional position of Jammu and Kashmir (J&K’s) under Article 370** was ended and it was divided into two UTs of J&K and Ladakh, a section of people in J&K has been protesting against the decision.
 - Further, **allowing Indian citizens to buy land in Jammu and Kashmir (J&K)** without being a domicile, has angered the local people.
 - Following this the **militancy in the J&K, aided by cross-border support**, continues to affect the region.
 - This is coupled with misuse of draconian legislation, such as the **Public Safety Act (PSA)** and the **Unlawful Activities Prevention Act (UAPA)**.
 - Furthermore, there are growing fears that the **Taliban takeover of Afghanistan** is likely to further deteriorate the security conditions.
- **Steps Taken by Government & Judiciary:**
 - **Promoting Industrial Development:** Recently, the Department for Promotion of Industry and Internal Trade has notified **New Central Sector Scheme** for industrial development of Jammu and Kashmir.
 - The scheme offers four incentives namely:
 - Capital Investment Incentive,
 - Capital Interest subvention,
 - Goods & Service Tax Linked Incentive

- Working Capital Interest Subvention.
- The Scheme will help in creation of more employment opportunities and promotion of tourism in the region.
- **AB-PMJAY SEHAT Scheme:** The Scheme provides free of cost insurance cover. It provides financial cover upto Rs. 5 lakh per family on a floater basis to all residents of the UT of J&K.
- **Ceasefire Agreement:** Indian and Pakistani **Directors-General of Military Operations (DGMOs)** agreed for restricted infiltration by armed groups and raised hopes that a wider peace process might follow.
- **Elections in J&K:** The Union government sought to conduct elections in J&K.
 - However, the government held that the elections would be held for a UT assembly. On the contrary, regional parties are of the view that they will participate in the election, after statehood to J&K has been reinstated.
- **Supreme Court Verdict on Internet Shutdown:** The Supreme Court gave a judgement in response to petitions filed, arguing the Internet shutdown and curbing of other civil liberties in the J&K.
 - The court held that suspension could be done for temporary duration only and the same is subject to judicial review.
- **Special Package for J&K and Ladakh** under Deendayal Antyodaya Yojana-National Rural Livelihood Mission.

Way Forward

- The Human rights forum recommended **release of all remaining political detainees** and **repeal of the PSA** and other **preventive detention legislation**.
- It also called for **involvement of local communities** in facilitating the return of Kashmiri Pandits.
- Peace framework in J&K can be established by implementing the vision of former Prime Minister of India (**Atal Bihari Vajpayee**) - **Kashmiriyat, Insaniyat, Jamhooriyat** (inclusive culture of Kashmir, humanitarianism and democracy) for Kashmir solution.

4. What is Horizontal Quota?

The Bihar government recently announced 33% horizontal reservation for women in State engineering and medical colleges.

What are vertical and horizontal reservations?

- Reservation for Scheduled Castes, Scheduled Tribes, and Other Backward Classes is referred to as vertical reservation.
- It applies separately for each of the groups specified under the law.
- Horizontal reservation refers to the equal opportunity provided to other categories of beneficiaries such as women, veterans, the transgender community, and individuals with disabilities, cutting through the vertical categories.

How are the two categories of quotas applied together?

- The horizontal quota is applied separately to each vertical category, and not across the board.
- For example, if women have 50% horizontal quota, then half of the selected candidates will have to necessarily be women in each vertical quota category.
- This means half of all selected SC candidates will have to be women, half of the unreserved or general category will have to be women, and so on.
- The interlocking of the two types of reservation throws up a host of questions on how certain groups are to be identified.
- For example, would an SC woman be put in the category of women or SC? Since quotas are fixed in percentages, what percentage of quota would be attributed to each?

GS 3 : Economy, Science and Technology, Environment

5. Centre moves to redact Retrospective Tax Law

The government took the first step towards doing away with the contentious retrospective tax law of 2012, which was used to raise large tax demands on foreign investors like Vodafone and Cairn Energy.

Retrospective Tax Law: A backgrounder

- The roots of this law date back to 2007, when Vodafone bought over a majority stake in the telecom operations of Hutch in India for \$11.1 billion.
- While the deal involved the changing of hands of Indian operations of Hutch, the companies party to it were registered outside India and all the paperwork and financial transactions, too, were done outside the country.
- But the Indian government ruled that Vodafone was liable to pay capital gains tax to it as the deal involved the transfer of assets located in India.
- Importantly, there was no rule in the Indian statutes then that allowed such taxation.
- Vodafone challenged this claim and the case went to Supreme Court, which ruled in 2012 that there was no tax liability on Vodafone's part to Indian authorities.

What was the law made then?

- In 2012, Parliament amended the Finance Act to enable the taxman to impose tax claims retrospectively for deals executed after 1962 which involved the transfer of shares in a foreign entity whose assets were located in India.
- The target, of course, was the Vodafone deal. Very soon, tax claims were also raised on Cairn Energy.

How did the Companies react?

- The changes to the Finance Act allowed India to reimpose its tax demand on Vodafone.
- Tax authorities had slapped a tax bill of Rs 7,990 crore on Vodafone, saying the company should have deducted the tax at source before making a payment to Hutchison.
- By 2016, reports say, the bill had risen to Rs 22,100 crore after adding interest and penalty.

- The demand on Cairn was for Rs 10,247 crore in back taxes over its move, beginning in 2006, to bring its Indian assets under a single holding company called Cairn India Ltd.
- A few years later, when Cairn India Ltd floated an IPO to divest about 30 per cent of its ownership of the company, mining conglomerate Vedanta picked up most of the shares.
- However, Cairn UK was not allowed to transfer its stakes as Indian officials held that the company had to first clear the tax liability.

A case in the Hague

- That prompted Cairn UK to move the Permanent Court of Arbitration to The Hague, Netherlands.
- It said that India had violated the terms of the India-UK Bilateral Investment Treaty by imposing a retrospective tax due on it.
- The treaty provides protection against arbitrary decisions by laying down that India would treat investment from the UK in a “fair and equitable” manner.
- Vodafone, too, had sought arbitration before the Permanent Court of Arbitration, citing the “fair and equitable” treatment clause in the India-Netherlands BIT.

India’s response

- In September last year, the Hague court ruled in favour of Vodafone, quashing India’s tax claim after holding that it violated the “equitable and fair treatment standard” under the bilateral investment treaty.
- India refused to pay the compensation, Cairn launched recovery proceedings across countries as part of which a French court ordered the freezing of some Indian assets in Paris.
- This move discourages foreign investors from coming to India and that the Centre should look to resolve the case at the earliest.
- The amendments now mooted are designed to do just that.

Taxation Laws (Amendment) Bill, 2021

- The Bill offers to drop tax claims against companies on deals before May 2012 that involve the indirect transfer of Indian assets would be “on fulfilment of specified conditions”.

Various conditions:

- The condition includes the withdrawal of pending litigation and the assurance that no claim for damages would be filed.

- As per the proposed changes, any tax demand made on transactions that took place before May 2012 shall be dropped, and any taxes already collected shall be repaid, albeit without interest.
- To be eligible, the concerned taxpayers would have to drop all pending cases against the government and promise not to make any demands for damages or costs.

Why is the amendment necessary?

- The retrospective taxation was termed “tax terrorism”.
- It is argued that such retrospective amendments militate against the principle of tax certainty and damage India’s reputation as an attractive destination.
- This could help restore India’s reputation as a fair and predictable regime apart from helping put an end to taxation.

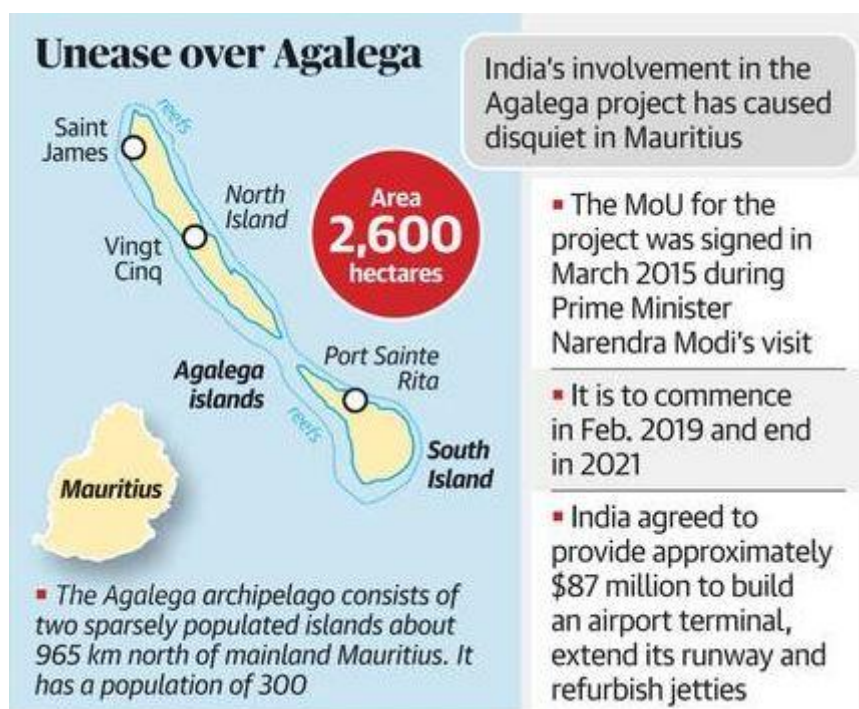
6. Places in news: Agalega Island

Mauritius has denied a report that it has allowed India to build a military base on the remote island of Agalega.

Agalega Island

- Agaléga are two outer islands of Mauritius located in the Indian Ocean, about 1,000 kilometers north of Mauritius island.
- The islands have a total area of 2,600 ha (6,400 acres).
- There is an MoU between the governments of Mauritius and India to develop the Agaléga islands and resolve infrastructural problems faced by Agaleans.

Why in news?



- India asserts that these new facilities are part of its Security and Growth for All in the Region (SAGAR) policy, which aims to increase maritime cooperation between countries in the region.
- Mauritius, for its part, has indicated that its coastguard personnel will use the new facilities.
- But it is clear that the Indian investment of \$250m in developing an airfield, port, and communications hub on this remote island is not aimed at helping Mauritius develop its capacity to police its territorial waters.

Significance of this area

- The Agalega area is currently a blind spot for the Indian Navy and by building a military facility in it, New Delhi hopes to expand its maritime domain awareness.
- In times of conflict, knowing the location of enemy ships and submarines, without being detected in the process, creates a significant advantage.
- China's naval forays into this region are the true motivator for its expanding naval presence.
- In peacetime, effective maritime domain awareness helps establish international partnerships with like-minded militaries and also acts as a deterrent to both state and non-state adversaries, by signaling reach.

Conclusion

- The Indian Ocean is now increasingly contested.
- Whether or not China is deterred by India's surveillance efforts, Agaléga is now a pawn in this new era of major power competition across the Indian Ocean and indeed the wider Indo-Pacific region.

THE INDIAN EXPRESS

GS 2 : Polity, Governance, International Relations

1. Constitutional (127th) Amendment Bill, 2021

Why in News

The Government is planning to bring a Bill to **Parliament** to clarify “**some provisions in the 102nd Constitutional amendment Bill**” to restore the **power of the states to identify backward classes**.

- In India, **separate OBC lists** are drawn up by the **Centre and each state concerned**. **Articles 15(4), 15(5) and 16(4)** expressly conferred power on a state to identify and declare the list of socially and educationally backward classes.

Key Points

- **Background:**
 - The amendment was necessitated after the **Supreme Court** in its ruling earlier this year upheld the **102nd constitutional amendment** but said the **President**, based on the recommendations of the **National Commission for Backward Classes (NCBC)**, would determine which **communities would be included on the state OBC list**.
 - The **102nd Constitution Amendment Act of 2018** inserted **Articles 338B and Article 342A (with two clauses) after Article 342**.
 - **Articles 338B** deals with the structure, duties and powers of the **National Commission for Backward Classes**.

- **Article 342A** says that the **President, in consultation with the governor**, would specify the **socially and educationally backward classes**.
- The **ruling struck down the Maratha quota introduced by the Maharashtra government** - a politically potent issue in the state.
- **About the Bill:**
 - It will **amend clauses 1 and 2 of Article 342A** and also introduce a **new clause 3**.
 - The bill will also **amend the Articles 366 (26c) and 338B (9)**.
 - It is designed to **clarify that the states can maintain the "state list" of OBCs as was the system before the Supreme Court judgement**.
 - Articles 366 (26c) defines socially and educationally backward classes.
 - The **"state list"** will be completely taken out of the **ambit of the President** and will be **notified by the state assembly**.
- **Other Developments on OBCs:**
 - Some MPs have raised the **issue of defining Creamy Layer** in the ongoing **Monsoon Session** of Parliament.
 - Further, the **Justice Rohini committee** is considering the sub-categorization of OBC quota and if any particular community or group of communities are benefiting most from the OBC quota and how to iron out anomalies.
 - The Union Health Ministry has announced **27% reservation** for the **Other Backward Classes (OBCs)** and **10% quota for the Economically Weaker Sections (EWS)** in the **All India Quota (AIQ)** scheme for undergraduate (UG) and postgraduate (PG) medical/ dental courses from 2021-22 onwards.

Constitution Amendment Bills

- As per the procedure laid down in the Constitution, **Constitution Amendment Bills can be of three types** viz.
 - requiring a **simple majority** for their passage in each House.
 - requiring **special majority** for their passage in each House i.e., a majority of the total membership of a House and by a majority of not less than two-thirds of the members of that House present and voting (article 368).
 - requiring **special majority** for their passage and ratification by Legislatures of **not less than one-half of the States** by resolutions to that effect passed by those Legislatures (proviso to clause (2) of article 368).

- A Constitution Amendment Bill under article 368 can be introduced in either House of Parliament and has to be passed by each House by special majority.
- There is **no provision of joint sittings** on a Money Bill or a Constitution Amending Bill.

Way Forward

- The **Amendment is found necessary** to restore the **powers of the state governments to maintain state list of OBCs** which was taken away by a **Supreme Court interpretation**.
 - If the state list was abolished, nearly 671 OBC communities would have lost access to reservation in educational institutions and in appointments.
 - That would have adversely **impacted nearly one-fifth of the total OBC communities**.
- We cannot have such **Central oversight**. It allows states to respond to **socio-economic requirements which are specific to a state or region, faster**.
- Besides India has a **federal structure and to maintain that structure**, this amendment was essential.

2.E-Prisons Project

Why in News

The **Ministry of Home Affairs (MHA)** has provided financial assistance of Rs. 99.49 crores to the **States and Union Territories (UTs)** for the **E-Prisons Project**.

- Also, acting on the request of the MHA, **NIMHANS**, an Institute of National Importance, has recently issued a **set of guidelines on the management of mental health issues** of the prisoners and prison staff.

Key Points

- **About:**
 - This project **aims at computerization of the functioning of prisons** in the country. It has been **operationalised in all States and Union Territories**.
 - e-Prisons **data has been integrated with the Police and Court system** under the **Inter-operable Criminal Justice System**.
 - ePrisons application suite has been **developed by National Informatics Centre (NIC)**, Ministry of Electronics & IT (MeitY).

- It has 3 components:
 - **e-Prison Management Information System (MIS):** It is used at the prisons for their day to day regular activities.
 - **National Prisons Information Portal:** It is a citizen centric portal showing statistical data of various prisons in the country.
 - **Kara Bazaar:** Portal for showcasing and selling the products manufactured in various prisons of the country by inmates.
- **Inter-operable Criminal Justice System:**
 - It is a **common platform for information exchange and analytics of all the pillars of the criminal justice system** comprising Police, Forensics, Prosecution, Courts, Prisons.
 - **Purpose:** To **reduce errors and time taken** in sharing of necessary information between the pillars, which often lead to larger challenges like **longer duration of trials, poorer convictions, transit losses of documents etc.**
 - Some other critical benefits arising out of the ICJS ecosystem are usable analytics products like the **National Database on Sexual Offenders (NDSO)** to identify & track repeat and habitual sexual offenders.

Prisons/Persons detained therein'

- It is a **State subject under Entry 4 of List II of the Seventh Schedule** to the Constitution of India.
- Administration and management of prisons is the responsibility of respective State Governments.
- However, the Ministry of Home Affairs provides regular guidance and advice to States and UTs on various issues concerning prisons and prison inmates.
- The Supreme Court had in September 2018 appointed the **Justice Roy Committee** to examine the various problems plaguing prisons, from overcrowding to lack of legal advice to convicts to issues of remission and parole.

3. Major Administrative Reforms

Why in News

Recently, the Union Government gave the information on Major Administrative Reforms which were introduced in recent years and emphasised the importance of these reforms in making governance more accessible.

- These reforms aim to **encourage greater efficiency, transparent and corruption free governance**, accountability and reduce scope for discretion.

The Government follows the maxim “Minimum Government - Maximum Governance”.

Key Points

- **Mission Karmayogi:**
 - This is a **National Programme for Civil Services Capacity Building (NPCSCB)**. It is a comprehensive reform of the capacity building apparatus at individual, institutional and process levels for efficient public service delivery.
 - It is **aimed at building** a future-ready civil service with the **right attitude, skills and knowledge, aligned to the vision of New India**.
 - The capacity building will be delivered through **iGOT-Karmayogi digital platform**, with content drawn from global best practices.
- **Lateral Entry:**
 - **Lateral entry** means when personnel from the private sector are selected to an administrative post of the government despite them not being selected in or being part of a bureaucratic setup.
 - This is significant because contemporary times require highly skilled and motivated individuals at the helm of administrative affairs, without which public service delivery mechanisms do not work smoothly.
 - Lateral Entry helps in bringing the values of economy, efficiency, and effectiveness in the Government sector. It will help in building a culture of performance within the Government sector.
- **e-Samiksha:**
 - A **real time online system for monitoring and follow up action on the decisions taken by the Government** at the Apex level in respect of implementation of important Government programmes/projects.
 - It is a **digital monitor for bureaucracy to rein in slackers**.
 - Also, the government has been taking an intensive review for weeding out inefficient and Officers of doubtful integrity by **premature retirement**.
- **e-Office:**
 - **e-Office Mission Mode Project (MMP)** has been strengthened for enabling Ministries/Departments to switch over to paperless office and efficient decision making.
- **Citizen Charters:**
 - Government has mandated **Citizen Charters** for all Ministries/Departments which are updated and reviewed on a regular basis.

- It is a written document that **spells out the service provider's efforts taken to focus on their commitment towards fulfilling the needs of the citizens/customers.**
- **Good Governance Index 2019:**
 - It assesses the **Status of Governance and impact** of various interventions taken up by the State Government and Union Territories (UTs).
 - The **objectives of GGI are to provide quantifiable data** to compare the state of governance in all States and UTs, enable States and UTs to formulate and implement suitable strategies for improving governance and shift to result oriented approaches and administration.
 - It has been launched by the **Ministry of Personnel, Public Grievances & Pensions.**
- **National Conference on e-Governance:**
 - It provides a platform for the government **to engage with experts, intellectuals from industry and academic institutions** to exchange experiences relating to **e-Governance initiatives.**
 - In 2020, the **23rd National Conference on e-Governance** was organised by the Department of Administrative Reforms and Public Grievances (DARPG) along with the Ministry of Electronics and Information Technology (MeitY) in Mumbai.
- **Centralized Public Grievance Redress and Monitoring System (CPGRAMS):**
 - It is an online web-enabled system developed by **National Informatics Centre** (Ministry of Electronics & IT [MeitY]), in association with **Directorate of Public Grievances (DPG)** and Department of Administrative Reforms and Public Grievances (DARPG).
 - The **CPGRAMS** provides the facility to lodge a grievance online from any geographical location. It enables the citizen to track online the grievance being followed up with Departments concerned and also enables DARPG to monitor the grievance.
- **National e-Governance Service Delivery Assessment:** It aims at assessing the States, UTs and Central Ministries on the efficiency of e-Governance service delivery.
- Comprehensive restructuring of the Scheme for '**Prime Minister's Awards for Excellence in Public Administration**' in 2014 and thereafter in 2020.

Administrative Reforms Commission

- The ARC is set up by the Government of India to review the public administration system and give recommendations to improve it.

- The first ARC (1966) was headed by Morarji Desai initially and later by K. Hanumanthaiah. The second ARC constituted in 2005 was chaired by Veerappa Moily.

Way Forward

- Reforms are an obvious response to the new challenges confronting the state institution managing public affairs; what lies at the root of such an exercise is the effort to enhance administrative capability in the changed scenario.
- Since the civil servants are accountable to political executives and that results in politicisation of civil services, the focus must be on external accountability mechanisms like citizen charters, social audits and encouraging outcome orientation among civil servants.
- Civil servants should provide unbiased, rational and meritorious suggestions to the political executive in policy formulation. It requires an impartial Civil Services Board that can look after all the aspects related to promotions, transfers, posting and suspensions.

4. State of food insecurity

Context

The latest edition of the **State of Food Security and Nutrition in the World (SOFI)** report, released jointly by five UN organisations in July, reveals that the pandemic and failure on the part of state to combat its effects, has led to a significant increase in the prevalence of hunger and food insecurity in the country.

About the report

- Estimates on food insecurity presented in the SOFI report are based on two globally-accepted indicators of food insecurity:
- 1) The **Prevalence of Undernourishment (PoU)**, which estimates the proportion of people suffering from chronic deficiency of calories.
- 2) A more recently developed an experience-based indicator called the **Prevalence of Moderate and Severe Food Insecurity (PMSFI)**.
- The PoU estimates are based on estimates of per-capita supply of food and distributional parameters estimated using the national consumption surveys
- On the other hand, PMSFI estimates are based on data collected through surveys that attempt to capture people's experiences of food insecurity (such as eating less, modifying diet to eat cheaper food etc).

- **No assessment of food insecurity during a pandemic:** The PMSFI estimates presented in the report are particularly important because, since the outbreak of the pandemic, the **Indian government has not undertaken any official assessment of food insecurity in the country.**
- Not only has the government not conducted its own consumption or food security surveys, it does not approve the publication of results based on the Gallup World Poll.
- As a result, **estimates for India are not published in the SOFI reports.**
- However, these can still be obtained indirectly because the data are presented for South Asia and for “South Asia (excluding India)”.
- Estimates for India can be obtained by comparing the two sets of data.

What the report says

- According to the data presented in the report, the prevalence of moderate to severe food insecurity in India rose by about 6.8 percentage points in 2018-20.
- Data show that there were about 43 crore of moderate to severe food-insecure people in India in 2019.
- As a result of the pandemic-related disruptions, this increased to **52 crore in one year.**
- In terms of prevalence rates, moderate to severe food insecurity increased from about 31.6 per cent in 2019 to 38.4 per cent in 2021.

Causes of food insecurity in India

- **Economic distress:** The problems of hunger and food insecurity are grave in India because of widespread **economic distress, high unemployment and high levels of inequality.**
- **Dependence on informal economy:** A large proportion of the poor is **dependent on the informal economy** in which incomes are too low and uncertain.
- **Unemployment:** **Unemployment rates** have risen sharply over the last few years, **shrinking public investment** and the economic slowdown have compounded the distress among working classes and the peasantry.
- **With low and uncertain incomes,** families dependent on the informal economy do not have assured access to adequate and nutritious food.

Way forward

- **Monitoring system:** There is an urgent need for the government to establish systems for regular monitoring of the food security situation in the country.
- **Universal access to food:** It is ironic that the country with the largest stock of grain in the world – 120 million tonnes as of July 1, 2021 – accounts for a quarter of the world’s food-insecure population.

- **Universalising** access to the public distribution system is the need of the hour at least during the pandemic.

Conclusion

The increasing severity of food insecurity in India points to the urgent need for measures by the government to ensure the right to food of citizens of India.

GS 3 : Economy, Science and Technology, Environment

5. Little progress since years after Indo-US nuclear deal

Other than the imported Russian-built reactor-based project in Tamil Nadu, which is grandfathered under an earlier 1998 agreement, progress of greenfield projects since the Indo-US nuclear deal has been tardy.

Indo-US Nuclear Deal

- The deal was signed in 2008 jointly by then Indian PM Dr. Manmohan Singh and then US President George Bush.
- India agreed to separate its civil and military nuclear facilities and to place all its civil nuclear facilities under International Atomic Energy Agency (IAEA) safeguards.
- In exchange, the United States agreed to work toward full civil nuclear cooperation with India.
- The implementation of this waiver made India the only known country with nuclear weapons which is not a party to the Non-Proliferation Treaty (NPT) but still allowed to carry out global nuclear commerce.

Implementation not in spirit

- The US has been discussing the sale of nuclear reactors to India since the 2008 pact, two subsequent agreements were signed only in 2016 and 2019.
- A “project proposal” to set up six reactors in collaboration with Westinghouse Electric Company (WEC) has been announced, but work is yet to begin.
- WEC, alongside Wilmington-based GE Hitachi Nuclear, has been negotiating to build reactors in India since the nuclear deal was inked.

- The project, however, came under a cloud after WEC filed for bankruptcy in mid-2017 following cost overruns on reactors coming up in the US.
- The GE Hitachi project has barely made any progress.

6. What changed for Indian industry after 1991 economic reforms?

Context

It has been 30 years since the spirit of liberalisation was unleashed in 1991 economic reforms. The private sector, which had been seen very differently up to 1990, was placed at the centre of the reform process. And this has continued and grown since then.

Challenges and opportunities for Indian industry after economic reforms

1) Entry of MNCs and centrality to consumers

- The first challenge was the entry of MNCs through the joint venture (JV) route.
- **Centrality to consumers:** The reforms gave **centrality to the consumer** who till 1991 did not have a choice.
- The Indian consumer was given choices and companies, both foreign and Indian, wanted to be their first choice.
- **Growth in demand:** The surge of new demand from the marketplace transformed the scenario, reflected in GDP growth rapidly **moving up to 7 per cent per annum.**

2) Increased competition

- For the first time, Indian companies faced real competition from other Indian as well as **foreign companies.**
- But, many corporates **restructured themselves** and transformed into competitive forces.
- The new reality of **reduced customs duties** and industrial licensing disappearing, removed the protection umbrella and Indian companies, by and large, who had been planning for this day, were ready to face this challenge.

3) Government-industry partnership

- Till June 1991, the government and industry were at a distance from each other.

- June 1991 changed all of that, the government's dialogue with industry deepened, consultations were frequent.
- Feedback on what was happening on the ground was taken regularly.
- A **government-industry partnership became a reality.**

4) Boost to aspiration of industries

- The most significant change brought about by the reforms pertained to the level of "aspirations" of the industry.
- There was excitement and ambition to be world-class.
- **Rise of IT industry:** In this, the IT industry led by TCS, Infosys and Wipro played a major role.
- They showed that Indian engineers and managers were the best in the world.
- They exuded confidence which spread to others.

5) Boost to entrepreneurship

- Not just the big industry, but also, the small and medium sectors that became part of the new energy in industry.
- Component manufacturing and exports were new initiatives from ancillaries and suppliers of major manufacturers.

6) Infrastructure

- The public sector had a **monopoly over infrastructure.**
- This changed and the private sector was invited to participate, to get into **public-private partnerships** and end the government's monopoly.

7) Birth of new private sector bank

- Banking had been **nationalised in 1969.**
- But the reforms of 1991 gave birth to a new private sector bank – HDFC Bank – which, after due diligence by the government and the Reserve Bank of India, opened its doors in 1994.
- This was a huge step forward in the reform process.

8) Improvement in corporate governance

- An industry-led initiative brought out the first-ever task force guidelines and report on **corporate governance.**
- This was followed by many other actions and policies.

Conclusion

There is still a long way to go, but the die that was cast in 1991 has led to a new tsunami of change.

7. Plastic-Mixed Handmade Paper

Why in News

Recently, **Khadi and Village Industries Commission (KVIC)** has secured **Patent registration for its innovative Plastic-mixed Handmade Paper** developed to reduce **plastic menace** from nature.

Key Points

- The plastic-mixed handmade paper (**which is recyclable and eco-friendly**) was **developed under Project REPLAN (REducing PLastic from Nature)**.
- - The project was **launched in September 2018** as part of KVIC's commitment to **Swachh Bharat Abhiyaan**.
 - It aims to make carry bags by mixing processed and treated plastic waste with cotton fibre rags in the ratio 20:80.
 - This is the **first of its kind project in India**, where **plastic waste is de-structured, degraded, diluted and used with paper pulp** while making handmade paper and thus reduces plastic waste from nature.
- The invention is aligned with the Prime Minister's call for **fighting the menace of single-use plastic**.
- The production of waste-plastic mixed handmade paper is likely to serve the **twin objectives**:
 - Protecting the environment
 - Creating sustainable employment
- The technology developed by KVIC uses both **high & low density waste polythene** that not only adds extra strength to the paper but also reduces the cost by up to 34%.
- KVIC has developed products such as carry bags, envelopes, files/folders, etc. using plastic mixed handmade paper.

Patent

- A Patent is a **statutory right for an invention** granted for a **limited period** of time to the patentee by the Government, **in exchange of full disclosure of his invention** for excluding others, from making, using, selling, importing the patented product or process for producing that product for those purposes without his consent.
- The term of every patent granted is **20 years from the date of filing of application.**
- The patent system in India is governed by the **Patents Act, 1970** as amended by the Patents (Amendment) Act, 2005 and the Patents Rules, 2003.
- The Patent Rules are regularly amended in consonance with the changing environment, **most recent being in 2016.**
- **Patent protection is a territorial right** and therefore it is effective only within the territory of India.
 - There is **no concept of global patent.**
 - Patents should be obtained in each country where the applicant requires protection of his invention.

Khadi and Village Industries Commission (KVIC)

- KVIC is a statutory body established under the Khadi and Village Industries Commission Act, 1956.
- The KVIC is charged with the planning, promotion, organisation and implementation of programmes for the development of Khadi and other village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary.
- It functions under the **Ministry of Micro, Small and Medium Enterprises.**
- **Major initiatives Associated with KVIC:**
 - **Honey Mission' initiative**
 - **Project BOLD**
 - **Leather Mission**
 - **Gramodyog Vikas Yojana**
 - **Kumhar Sashaktikaran Yojana (KSY)**

Prelims Practice Questions

1. Consider the following statements regarding the Defence Acquisition Council (DAC):

1. It makes decisions regarding new policies and capital acquisitions for the Indian Army, Navy and Air Force.
2. It also makes decisions for the Indian Coast Guard.

Which of the statements given above is/are correct?

- A 1 only
- B 2 and 3 only
- C 1 and 3 only
- D 1 and 2 only

Answer : D

Explanation

- The **Defence Acquisition Council (DAC)** is the highest decision-making body in the Defence Ministry for deciding on new policies and capital acquisitions for the three services (**Army, Navy and Air Force**) and the **Indian Coast Guard**. Hence, statements 1 and 2 are correct.
- It was formed, after the Group of Ministers recommendations on 'Reforming the National Security System', in 2001, post Kargil War (1999).

2. Consider the following statements with respect to Anaimalai flying frog:

1. It is endemic to the southern part of the Western Ghats.
2. Its IUCN status is Endangered.

Which of the above statements is/are correct?

- a. 1 only
- b. 2 only
- c. Both
- d. None

Answer: a

Explanation:

- The Anaimalai Flying Frog is found in the states of Tamil Nadu and Kerala in the Western Ghats of India in the tropical evergreen forests. It is endemic to the southern part of the Western Ghats.
- It is also called the false Malabar gliding frog.
- As a semi-arboreal species of frog, the Anaimalai Flying Frog is found in the lower canopy and under story levels of the forests.
- Its IUCN status is Critically Endangered.

3. The Securities and Exchange Board of India (SEBI) can be described as which of the following bodies:

1. Statutory Body
2. Quasi-legislative Body
3. Quasi-judicial Body

Select the correct answer using the code given below:

- A 1 and 2 only
- B 1 and 3 only
- C 1 only
- D 1, 2 and 3

Answer : D

Explanation

- The **Securities and Exchange Board of India (SEBI)** is a statutory body established on April 12, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.
 - The basic functions of the SEBI is to protect the interests of investors in securities and to promote and regulate the securities market.
- In April, 1988 the SEBI was constituted as the regulator of capital markets in India under a resolution of the Government of India.
 - Initially SEBI was a non statutory body without any statutory power.
 - **It became autonomous and given statutory powers by SEBI Act 1992.**
- **SEBI is a quasi-legislative and quasi-judicial body** which can draft regulations, conduct inquiries, pass rulings and impose penalties.
- It functions to fulfill the requirements of three categories –
 - Issuers – By providing a marketplace in which the issuers can increase their finance.
 - Investors – By ensuring safety and supply of precise and accurate information.

- Intermediaries – By enabling a competitive professional market for intermediaries.
- **Hence, option D is correct.**

4. Umling La connects which of the following areas?

- A Spiti valley & Parvati valley
- B Chisumle & Demchok in Ladakh
- C Leh & Lahaul
- D Kashmir valley & Pir Panjal Range

Answer : B

Explanation

- Recently, the Border Roads Organisation (BRO) has constructed and completed blacktopping the world's highest motorable road at Umling La pass in Eastern Ladakh, located at an altitude of 19,300 ft.
- The strategic road built under 'Project Himank' passes through the **Umling La Top and connects Chisumle and Demchok villages.**
- It will enhance the socio-economic condition and promote tourism in Ladakh.
- By constructing this road, BRO has created a record in high-altitude road construction.
- **Hence, option B is correct.**

5. With reference to Swinhoe's Softshell Turtle, consider the following statements:

1. It has a great cultural significance in Vietnam.
2. It plays an important role in maintaining seafloor biosystem
3. Its IUCN status is critically endangered.

Which of the statements given above is/are correct?

- A 1 only
- B 2 only
- C 1 and 3 only
- D 1, 2 and 3 only

Answer : D

Explanation

- Swinhoe's Softshell Turtle is also known as the **Hoan Kiem turtle or Yangtze giant softshell turtle**.
 - In **Vietnam**, these animals have **great cultural significance** as people in Hanoi revere this creature as a **living god**.
 - **Hence, statement 1 is correct.**
- Some researchers have highlighted their **importance to the seafloor biosystem**, where they contribute by enriching soil nutrients and facilitating seed dispersion. **Hence, statement 2 is correct.**
- **Protection Status:**
 - **IUCN Red List:** Critically Endangered
 - **CITES:** Appendix II
 - **Hence, statement 3 is correct.**

6. Consider the following statements with respect to Strait Island

1. It is a small island of Andaman & Nicobar, separated from Ritchie's Archipelago through Diligent Strait.
2. The island is inhabited by Jarawas and Sentinelese tribes of Andaman & Nicobar.

Which of the statement(s) given above is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : a

Strait Island

- The island belongs to the East Baratang Group of North & Middle Andaman region and lies east of Colebrooke Island.
- The island is comma-shaped, and heavily forested it is separated from the Ritchie's Archipelago through Diligent Strait.
- Great Andamanese are one of five PVTGs that reside in 'Strait Island' of Andaman and Nicobar Islands.
- The Jarwas of Andaman live in Western coast of Middle Andaman and South Andaman Islands.
- The Sentinelese tribes live in small North Sentinel Island.

Mains Practice Questions

1Q. Account for the present location of iron and steel industries away from the source of raw material, by giving examples. (UPSC GS-1 Mains 2020)

Approach

- Start the answer by briefly discussing major location factors for the iron and steel industries.
- Discuss the present location factors of iron and steel industries away from the source of raw material
- Conclude suitably.

2Q. "A governor should be discharging his/her duty in accordance with the spirit of the Constitution, not just be an agent of the centre". Discuss the statement in the light of the role of governor in the Indian polity. (250 words)

Approach

- Introduce by defining the constitutional position of governor.
- Briefly mention the role and responsibility of the governor.
- Discuss various issues related to the governor's role as merely an agent of the centre.
- Suggest what should be the way ahead.
- Conclude suitably.