



PIB, THE HINDU Newspaper and Editorial Current Affairs

Posted at: 21/02/2019

International Conference and Exhibition On Energy and Environment

Why in news?

The President of India, Shri Ram Nath Kovind, today inaugurated the International Conference and Exhibition on Energy and Environment in New Delhi.

Highlights:

- The 3 day conference organized by Council of Scientific and Industrial Research(CSIR) aims to deliberate and identify the R&D needs to innovate new techniques, technologies and applications for clean, safe, symbiotic sustenance of society, environment, energy and industries in post-2020 era.
- The President said that India is committed to provide power to all citizens at affordable cost as well as boost the national economy through an industrial revolution in tune with Industry 4.0.
- India has mounted the world's largest and most innovative energy efficient lighting programme, 330 million LED lights which have resulted in reduction of 32 million tones of CO₂ annually.

About Industry 4.0:

- Industry 4.0 is a name given to the current trend of automation and data exchange in manufacturing technologies. It includes cyber-

physical systems, the Internet of things, cloud computing and cognitive computing. Industry 4.0 is commonly referred to as the fourth industrial revolution.

- The characteristics given for the German government's Industry 4.0 strategy are: the strong customization of products under the conditions of highly flexible (mass) production.
- The required automation technology is improved by the introduction of methods of self-optimization, self-configuration, self-diagnosis, cognition and intelligent support of workers in their increasingly complex work.

How different will be the 4th industrial revolution?

- There are three reasons why today's transformations represent not merely a prolongation of the Third Industrial Revolution but rather the arrival of a Fourth and distinct one: velocity, scope, and systems impact.
- The speed of current breakthroughs has no historical precedent. When compared with previous industrial revolutions, the Fourth is evolving at an exponential rather than a linear pace.
- Moreover, it is disrupting almost every industry in every country. And the breadth and depth of these changes herald the transformation of entire systems of production, management, and governance.
- The 4th revolution will be characterized by the advent of cyber-physical systems which, while being reliant on the technologies and infrastructure of the third industrial revolution, represent entirely new ways in which technology becomes embedded within societies and even our human bodies. Examples include genome editing, new forms of machine intelligence, and breakthrough approaches to governance that rely on cryptographic methods such as blockchain.
- Hence, it can be said that the 4th industrial revolution is conceptualised as an upgrade on the third revolution and is marked by a fusion of technologies straddling the physical, digital and biological worlds.

Benefits:

- Like the revolutions that preceded it, the Fourth Industrial Revolution has the potential to raise global income levels and improve the quality of life for populations around the world.
- By gaining access to the digital world, consumers will be benefited in several ways. With the advent of new technology, we get to use more and more efficient products.
- In the future, technological innovation will also lead to a supply-side miracle, with long-term gains in efficiency and productivity.
- Transportation and communication costs will drop, logistics and global supply chains will become more effective, and the cost of trade will diminish, all of which will open new markets and drive economic growth.

Challenges:

- IT security issues, which are greatly aggravated by the inherent need to open up those previously closed production shops
 - Reliability and stability needed for critical machine-to-machine communication (M2M), including very short and stable latency times
 - Need to maintain the integrity of production processes
 - Need to avoid any IT snags, as those would cause expensive production outages
 - Need to protect industrial know how (contained also in the control files for the industrial automation gear)
 - Lack of adequate skill-sets to expedite the march towards fourth industrial revolution
 - Threat of redundancy of the corporate IT department
 - General reluctance to change by stakeholders
 - Loss of many jobs to automatic processes and IT-controlled processes, especially for lower educated parts of society
 - Low top management commitment
 - Unclear legal issues and data security
 - Unclear economic benefits/ Excessive investment
 - Lack of regulation, standard and forms of certifications
 - Insufficient qualification of employees.
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UN Comprehensive Convention on International Terrorism

Why in news?

India-Saudi Arabia Joint Statement during the State Visit of His Royal Highness the Crown Prince of Saudi Arabia to India demanded early implementation of UN Comprehensive Convention on International Terrorism.

About UN Comprehensive Convention on International Terrorism:

- The Comprehensive Convention on International Terrorism is a proposed treaty which intends to criminalize all forms of international terrorism and deny terrorists, their financiers and supporters access to funds, arms, and safe havens.
- The negotiations are currently deadlocked even after two decades of proposal i.e. through 1996 till 2016.
- Although consensus eludes towards adoption of the terrorism convention, but discussions have yielded three separate protocols that aim to tackle terrorism: International Convention for the Suppression of Terrorist Bombings, adopted on 15 December 1997; International Convention for the Suppression of the Financing of Terrorism, adopted on 9 December 1999; and International Convention for the Suppression of Acts of Nuclear Terrorism, adopted on 13 April 2005

Proposed comprehensive definition of terrorism

- Being a criminal law instrument, the definition of terrorism to be included in the proposed Convention must have the coordinator of negotiations on the proposed convention, the necessary "legal precision, certainty, and fair-labeling of the criminal conduct - all which emanate from the basic human rights obligation to observe due process." It cannot be a political definition.
- The definition of the crime of terrorism which has been on the negotiating table of the Comprehensive Convention since 2002 reads as follows:

"1. Any person commits an offence within the meaning of this Convention if that person, by any means, unlawfully and intentionally, causes:

- (a) Death or serious bodily injury to any person; or
- (b) Serious damage to public or private property, including a place of public use, a State or government facility, a public transportation system, an infrastructure facility or the environment; or
- (c) Damage to property, places, facilities, or systems
- (d) when the purpose of the conduct, by its nature or context, is to intimidate a population, or to compel a Government or an international organization to do or abstain from doing any act."

Major Reasons for Deadlock:

Currently, the negotiations of the Comprehensive Terrorism Convention are deadlocked because of differences over the definition of terrorism.

- The key sticking points in the draft treaty revolve around several controversial yet basic issues, including the definition of 'terrorism'. For example, what distinguishes a terrorist organisation from a 'liberation movement'? And do you exclude activities of national armed forces, even if they are perceived to commit acts of terrorism? If not, how much of this constitutes 'state terrorism'?"
- India proposed this convention in 1996 and has since demanded consistently, especially in the wake of the 2008 Mumbai attacks.
- The issue was once again pushed by the Indian Prime Minister, Narendra Modi in his address at the 69th Session of the UN General Assembly held in September 2014. India further pressed for the adoption of CCIT following the July 2016 Dhaka attack.

Second edition of States' ranking on Startup initiatives

Why in news?

After the successful first edition of States' Startup Ranking in 2018, where 27 States and 3 Union Territories participated, Department for Promotion of Industry and Internal Trade (DPIIT) released second edition of Startup Ranking for 2019.

Key Facts:

- The Startup Ranking framework aims to rank the States/UTs for establishing a robust ecosystem for supporting Startups. The framework also encourages States and UTs to identify, learn and replicate good practices from each other.
- The Ranking Framework 2019 comprises of 7 pillars and 30 action points. The pillars will assess States'/UTs efforts across institutional support, simplifying regulations, easing public procurement, incubation support, seed funding support,
- venture funding support and awareness and outreach related activities.
- The ranking exercise aims to evaluate measures taken by States/UTs during the assessment period from May 1, 2018 to June 30, 2019.
- DPIIT has prepared the framework after several rounds of consultation with State and UT Governments. The framework has evolved distinctly as compared to last year with major emphasis on collecting feedback from Startups and other important stakeholders from the Startup ecosystem.
- DPIIT also proposes to recognise States and UTs for their exemplary performance in seven pillars of the ranking framework.
- As part of the Ranking 2019 exercise, DPIIT will recognize innovative Startup programs and initiatives from State/UT Governments.

About Start Up India:

- Startup India is a flagship initiative of the Government of India, intended to build a strong ecosystem that is conducive for the growth of startup businesses, to drive sustainable economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower startups to grow through

innovation and design.

- Several programs have been undertaken since the launch of the initiative on 16th of January, 2016 by GOI to contribute to his vision of transforming India into a country of job creators instead of job seekers.
 - These programs have catalyzed the startup culture, with startups getting recognized through the Startup India initiative and many entrepreneurs availing the benefits of starting their own business in India.
 - The 19-Point Startup India Action Plan envisages several incubation centres, easier patent filing, tax exemptions, ease of setting-up of business, a INR 10,000 Crore corpus fund, and a faster exit mechanism, among others.
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4TH India-Asean Expo Summit

Why in news?

The 4th India-ASEAN Expo and Summit will be held on 21-23 February, 2019 in New Delhi.

Key Facts:

- This is a flagship event of Department of Commerce, being organised with FICCI to carry forward the momentum and to further strengthen India-ASEAN relations under the Act-East Policy.
- The Association of South-East Asian Nations (ASEAN) comprises of Vietnam, Thailand, Singapore, Philippines, Myanmar, Malaysia, Lao PDR, Indonesia, Cambodia and Brunei. India's relationship with ASEAN is a key pillar of our foreign policy and the foundation of our Act-East Policy.
- India-ASEAN trade and investment relations have been growing steadily, with ASEAN being the second largest trading partner of India, after China, with a total bilateral merchandise trade of USD

81.33 billion.

- The Summit is a platform for the policy makers, industry captains and business leaders to come together and forge a common vision for India and ASEAN's mutual growth and progress.
- There will be various Plenary Sessions on sectoral engagements with ASEAN which will be attended by the Ministers and other eminent delegates from ASEAN and India.

Background:

- The ASEAN region is becoming one of the preferred trade and investment regions for Indian businesses and FICCI as an apex Chamber of Commerce and Industry of India, gives special focus to this region.
- The combined strength of the single ASEAN market is more than US\$2.6 trillion and India's US\$ 2.7 trillion economy, creates an economic power house that has the potential to become one of the strongest in the world.
- The India - ASEAN Business Fair offers an opportunity to governments, stakeholders and industry to capitalize and enhance efforts of sustaining momentum of trade and investment in the region.

Aims & Objectives

- To bring Indian, ASEAN and Global MNCs together to work jointly for larger market and choosing India as a hub for ASEAN as a regional & global value chain
 - Strengthen existing and Explore new areas of collaboration between India and ASEAN
 - Promote Trade and Investments in ASEAN region and India
 - Promote People-to-People contacts
 - To provide a platform that will bring together multiple stakeholders, Policy makers - Industry - Academia - Media - Thought Leaders
 - To promote traditional linkages and focusing on nascent areas of cooperation.
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Report on India's Trillion Dollar Digital Opportunity

Why in news?

Recently 'India's Trillion-Dollar Digital economy', a new report by the Government of India's Ministry for Electronics and Information Technology (MEITY), released by the Union Minister for Law & Justice and Electronics & Information technology in Mumbai.

Important Findings:

- The report takes stock of the massive digitally-enabled change that is underway and lays out a vision and roadmap for the coming years. The fact-based report is a collaborative effort, with data and inputs from a wide range of government, business and civil society entities, undertaken over the past year.
- With a strong foundation of digital infrastructure and expanded digital access through Digital India Programme of the Government, India is now poised for the next phase of growth — creation of tremendous economic value and empowerment of citizens as new digital applications permeate sector after sector.
- India can create up to \$1 trillion of economic value from the digital economy in 2025, up from around \$200 billion currently. India's digital consumer base is the second largest in the world and growing at the second-fastest rate amongst major economies. India's inclusive digital model is narrowing the digital divide within the country and bringing benefits of technology to all segments of people.
- Half the potential economic value of \$1 trillion in 2025 could come from new digital ecosystems in diverse sectors, including financial services, agriculture, healthcare, logistics, jobs and skills market, e-governance and other areas.
- The Digital India program, launched in July 2015, is a flagship program of the Government of India that is transforming the country into a digitally empowered society and knowledge economy. Building on this foundation, India now has a massive opportunity to further scale up its digital economy.

- The report finds that India can create up to \$1 trillion of economic value from the digital economy in 2025, with about half of the opportunity originating in new digital ecosystems that can spring up in diverse sectors of the economy. Currently, India's digital economy generates about \$200 billion of economic value add.
 - India is the second-fastest digitizing economy amongst 17 leading economies of the world, according to the report's Country Digital Index, that is based on 30 metrics to measure digital adoption in 17 mature and emerging digital economies, including Brazil, China, Indonesia, Russia, South Korea, Sweden, and the United States.
 - Even within India, the digital divide is narrowing fast, as less affluent states leapfrog to catch up with more affluent ones on dimensions such as internet subscriber growth, density of internet infrastructure, and Common Service Centres.
 - The report lays out a roadmap for Digital India 2.0, and outlines the enablers required in nine strategic areas, ranging from creating 21st century IT infrastructure and software capabilities, to using digital to serve key national priorities, such as healthcare, education and energy for all, doubling farmers' income, Make in India, next-gen financial services, jobs and skills of the future, and e-governance.
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Mega Food Parks

Why in news?

Union Minister of State for Food Processing Industries today inaugurated Sikaria Mega Food Park Pvt Ltd at Village Tulakona in Agartala.

Background:

- The Scheme of Mega Food Park aims at providing a mechanism to link agricultural production to the market by bringing together farmers, processors and retailers so as to ensure maximizing value addition, minimizing wastage, increasing farmers income and

creating employment opportunities particularly in rural sector.

- The Mega Food Park Scheme is based on “Cluster” approach and envisages creation of state of art support infrastructure in a well-defined agri / horticultural zone for setting up of modern food processing units in the industrial plots provided in the park with well-established supply chain.
- Mega food park typically consist of supply chain infrastructure including collection centers, primary processing centers, central processing centers, cold chain and around 25-30 fully developed plots for entrepreneurs to set up food processing units.
- The Mega Food Park project is implemented by a Special Purpose Vehicle (SPV) which is a Body Corporate registered under the Companies Act. State Government, State Government entities and Cooperatives are not required to form a separate SPV for implementation of Mega Food Park project. Subject to fulfillment of the conditions of the Scheme Guidelines, the funds are released to the SPVs.

Project Components

- The scheme aims to facilitate the establishment of a strong food processing industry backed by an efficient supply chain, which includes Collection Centres, Primary Processing Centers (PPC), Central Processing Center (CPC) and Cold Chain infrastructure.
- Collection Centers and Primary Processing Centers (PPC): These component have facility for cleaning, grading, sorting and packing facilities, dry warehouses, specialized cold stores including pre-cooling chambers, ripening chambers, reefer vans, mobile pre-coolers, mobile collection vans etc.
- Central Processing Centers(CPC):Includes common facilities like Testing Laboratory, Cleaning, Grading, Sorting and Packing Facilities, Dry Warehouses, specialized storage facilities including Controlled Atmosphere Chambers, Pressure Ventilators, variable Humidity Stores, pre-cooling Chambers, Ripening Chambers, Cold Chain Infrastructure including Reefer Vans, Packaging Unit, Irradiation Facilities, Steam Sterilization Units, Steam Generating Units, Food Incubation cum Development Centers etc.
- The extent of land required for establishing the CPC is around 50- 100

acres, though the actual requirement of land would depend upon the business plan, which may vary from region to region. The land required for setting up of PPCs and CCs at various locations would be in addition to land required for setting up the CPC.

- It is expected that on an average, each project will have around 30-35 food processing units with a collective investment of Rs.250 crore that would eventually lead to an annual turnover of about Rs.450-500 crore and creation of direct and indirect employment to the extent of about 30,000 persons.
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Contempt of Court

Why in news?

The Supreme Court found Reliance Communications Ltd. (RCom) and its chairman Anil Ambani and two other group firms guilty of contempt of court and ordered to pay off dues worth 550 crore to Swedish telecommunications equipment major Ericsson.

Court's observations:

- A Bench ordered RCom, led by Mr. Ambani, to "purge" the contempt by paying a balance of 453 crore of dues to Ericsson within four weeks. If not, Mr. Ambani along with two other group firms would each have to serve a sentence of three months' imprisonment.
- Three chairpersons had given "conditional" undertakings on behalf of their respective companies in order to "wriggle" out of the commitment to the court.
- The court also ordered the three companies to pay the Supreme Court Registry a fine of ₹1 crore each within four weeks. The money would be paid over to the Supreme Court Legal Services Committee. In case of default in paying the fine, the chairpersons of the three companies would have to spend a month in jail.
- The Bench ruled that the chairpersons' undertakings were neither as per the court's orders nor in accordance to the earlier ones given in the NCLAT.

What is Contempt of court?

- The **Contempt of Courts Act of 1971** is one of the most powerful statutes in the country.
- It gives the constitutional courts wide powers to restrict an individual's fundamental right to personal liberty for "scandalising the court" or for "wilful disobedience" of any judgment, writ, direction or order.
- The offence of "scandalising the court" continues in India even though it was abolished as an offence in England and Wales long ago.

Contempt of Court Act (1971)

- For the concept of Contempt of Court, the Contempt of Court Act, 1971 was passed which dealt with such a concept.
- Article 129 and 215 of the Constitution of India empowers the Supreme Court and High Court respectively to punish people for their respective contempt.
- Section 10 of The Contempt of Courts Act of 1971 defines the power of the High Court to punish contempt of its subordinate courts.
- Power to punish for contempt of court under Articles 129 and 215 is not subject to Article 19(1)(a).

In India contempt of court is of two types:

1. Civil Contempt: Under Section 2(b) of the Contempt of Courts Act of 1971, civil contempt has been defined as willful disobedience to any judgment, decree, direction, order, writ or other process of a court or willful breach of an undertaking given to a court.
2. Criminal Contempt: Under Section 2(c) of the Contempt of Courts Act of 1971, criminal contempt has been defined as the publication (whether by words, spoken or written, or by signs, or by visible representation, or otherwise) of any matter or the doing of any other act whatsoever which:
 - I. Scandalizes or tends to scandalize, or lowers or tends to lower the authority of, any court, or
 - II. Prejudices, or interferes or tends to interfere with the due course of any judicial proceeding, or

III. Interferes or tends to interfere with, or obstructs or tends to obstruct, the administration of justice in any other manner.

Law Commission observations:

- On March 8, 2018, the Department of Justice wrote to the Law Commission of India, asking it to examine an amendment to the Act to nix “scandalising the court” as a ground for contempt and restrict contempt to only “wilful disobedience” of directions/judgments of the court.
- The Supreme Court recently published a report that noted that 568 criminal contempt cases and 96,310 civil contempt cases were found pending in the High Courts.
- In the Supreme Court, as of April 10, 683 civil contempt cases and 15 criminal contempt cases have been shown as pending.
- But the Law Commission has submitted a report stating that there is **no point “tinkering” with the 1971 Act.**
- The statute, it said, only lays down **the procedure in contempt cases.** “The powers of contempt of the Supreme Court and High Courts are independent of the Act 1971. **The contempt powers of the higher courts are drawn from the Constitution itself.**

Removing Criminal Contempt:

- The Commission said that “to delete the provision relating to ‘**criminal contempt**’ inter alia ‘**scandalising of courts**’ will have no impact on the power of the Superior Courts to punish for contempt (including criminal contempt) in view of their inherent constitutional powers, as these powers are independent of statutory provisions”.
- Additionally, **Article 142(2)** enables the Supreme Court to investigate and punish any person for its contempt.
- The Law Commission informed the government that the 1971 Act was a good influence. In fact, the statute, by laying down procedure, restricts the vast authority of the courts in wielding contempt powers, it said.
- The 1971 Act contains “adequate safeguards to exclude instances which may not amount to criminal contempt” as defined under Section 2(c) of the Act 1971. The Commission said the statute has stood the test of judicial scrutiny for about five decades.

- It empowers the High Court to act if someone is in contempt of the subordinate courts. Diluting the Act would expose the subordinate judiciary to acts of contempt of court.
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Recapitalisation Package

Why in news?

The government has approved the disbursal of a recapitalisation package of 48,239 crore for 12 public sector banks.

About the package:

- The package had a fourfold objective: (i) bringing the better-performing banks currently in the Prompt Corrective Action (PCA) category out of it, (ii) helping those that have recently come out of PCA to stay out of it, (iii) equipping non-PCA banks to meet regulatory requirements, and (iv) helping the remaining PCA banks to meet their requirements as well.
- Towards this, a total of ₹15,982 crore is to be disbursed to Allahabad Bank and Corporation Bank, both of which fall within the first objective.
- Bank of India and Bank of Maharashtra, which recently exited the PCA category, are to receive a total of ₹4,843 crore. The bulk of this (₹4,638 crore) is allocated for Bank of India.
- Four of the non-PCA banks (Punjab National Bank, Union Bank, Andhra Bank and Syndicate Bank) will get a total of ₹14,879 crore. The largest share of this, of ₹5,908 crore, will go to PNB.
- The last category of PCA public sector banks looking to meet their regulatory requirements will get a total of ₹12,535 crore. These banks are **Central Bank**, United Bank, UCO Bank, and Indian Overseas Bank.
- It should be taken as a supplement to the earlier package of recapitalisation, which was much bigger.
- Usually, when growth starts to become better, then those NPAs which have an economic reason behind them automatically get out of their

NPA status. So, given that growth is improving and that this is a supplementary amount, it may be considered a timely intervention.

- The Centre had infused ₹28,615 crore into 7 banks via recapitalisation bonds in December 2018.

What is Prompt Corrective Action?

- To ensure that banks don't go bust, RBI has put in place some trigger points to assess, monitor, control and take corrective actions on banks which are weak and troubled. The process or mechanism under which such actions are taken is known as Prompt Corrective Action, or PCA.

Why the need for PCA?

- The 1980s and early 1990s were a period of great stress and turmoil for banks and financial institutions all over the globe.
- In USA, more than 1,600 commercial and savings banks insured by the Federal Deposit Insurance Corporation (FDIC) were either closed or given financial assistance during this period.
- The cumulative losses incurred by the failed institutions exceeded US \$100 billion. These events led to the search for appropriate supervisory strategies to avoid bank failures as they can have a destabilising effect on the economy.

PCA Norms:

- RBI has set trigger points on the basis of CRAR (a metric to measure balance sheet strength), NPA and ROA.
- Based on each trigger point, the banks have to follow a mandatory action plan. Apart from this, the RBI has discretionary action plans too.
- The rationale for classifying the rule-based action points into “mandatory” and “discretionary” is that some of the actions are essential to restore the financial health of banks while other actions will be taken at the discretion of RBI depending upon the profile of each bank.
- Banks are not allowed to renege or access costly deposits or take

steps to increase their fee-based income.

- Banks will also have to launch a special drive to reduce the stock of NPAs and contain generation of fresh NPAs.
- They will also not be allowed to enter into new lines of business.
- RBI will also impose restrictions on the bank on borrowings from interbank market.

Recap Bonds:

- Recapitalisation bonds are dedicated bonds to be issued at **the behest of the government for recapitalizing the trouble hit Public Sector Banks (PSBs)**.
 - Bonds worth of **Rs 1.35 trillion** is to be issued to inject capital into PSBs who are affected by high level of NPAs.
 - Recapitalization bonds are proposed as **a part of the Rs 2.11 trillion capital infusion package** declared by the government on October 24th, 2017.
 - In December 2018, the government announced the issue of additional Rs 41000 crores worth of recapitalisation bonds.
 - The term recapitalisation means giving equity money to cover debt of an entity. In the case of PSBs, their NPAs (debts) will be replaced by equity capital from recapitalisation by the government.
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Tejas

Why in news?

Mark I (MkI) Tejas, the Light Combat Aircraft (LCA) designed and developed in India has overcome its last hurdle by finally bagging what is called the FOC certification.

Final Clearance:

- The FOC or final operational clearance, coming on the first day of

Aero India 2019, certifies that the **world's lightest fighter plane** is "ready for battle."

- As its stakeholders stood in front of an LCA prototype, endorsements of the LCA's fire power came in from none other than its prospective user the Chief of Air Staff, Air Chief Marshal Birendra Singh Dhanoa.

Ready to start:

- **Hindustan Aeronautics Limited (HAL)** is also ready to start producing 16 LCAs in the improved FOC version. The first 16 are almost fully delivered.
- More than three-and-half decades after the **Light Combat Aircraft (LCA)** or Tejas was conceived, the programme got a shot in the arm as it was accorded the **Final Operational Clearance (FOC)** by aviation certifying authorities, raising the hope of the Indian Air Force (IAF) that has been grappling to cope with its ageing fleet.
- The LCA, that **began as an ambitious programme in 1983**, had proved that it could not just sustain a very high sortie rate but also carry out accurate weapon delivery of both air-to-air and air-to-ground targets.

Inflation Pressure eases

Why in news?

The Indian economy benefits from the fall in global oil prices.

Why has inflation been falling?

- Inflation at both the retail and wholesale levels has been falling for the last 4-5 consecutive months.
- Inflation as measured by the **Consumer Price Index (CPI)**, which captures retail inflation, and the **Wholesale Price Index (WPI)** has been falling in general for the last year or so.
- The CPI, for example, was as high as 5.21% in December 2017,

following which it fell quite steadily (except for a mid-year blip in 2018) till it reached **2.05% in January 2019**, the lowest it has been in 19 months.

- The WPI has similarly seen an overall decline, but has been more volatile than the CPI.
- The **main reason why inflation has been falling is the drop in global oil prices**. After rising in the middle of 2018 to average \$80 a barrel in October, the Indian basket of crude oil prices fell to \$57 a barrel in December 2018. It was \$59 in January 2019. Prices in February have been slightly higher than that, but the increase is not much.

What does this mean for the economy?

- The nature of the Indian economy is such that a change in oil prices has knock-on effects on almost every sector such as food, manufacturing, transport and infrastructure.
- Any sector that uses fuel or energy as an input is affected by global oil prices because India is still overwhelmingly dependent on imported oil to meet its needs.
- When global oil prices fall, inflation falls across the board, most notably in energy-intensive sectors. And within this, falling prices in each of these sectors have an impact on the other sectors dependent on them. For example, falling inflation in the transport sector means that every sector that needs to transport goods will also benefit.
- Another aspect of falling inflation is that the Reserve Bank of India has more leeway to go easy on interest rates, one of its key inflation targeting tools.
- In its last Monetary Policy Review, the **central bank cut the benchmark interest rate by 25 basis points**. Some experts feel there is scope for even more cuts.
- Politically, low and falling inflation is always to the benefit of the government. This is especially noteworthy in the run-up to the general election. In contrast, the CPI inflation averaged about 7.6% in the three months leading up to the 2014 elections.

Why do WPI and CPI inflation diverge?

- Economists have pointed out the divergence for quite some time now. The main reason behind it is that the **two indices measure different**

products and assign each of the categories different weights in the calculation of the overall index.

- This divergence has intensified since the implementation of the Goods and Services Tax because the **new tax system affects retail inflation far more than it does wholesale inflation**, since it is included in the final price of the product.

What is the outlook ahead?

- The outlook on oil prices is a stable one. The consensus is that crude oil prices will remain in the range of \$55-65 a barrel for the next three to four quarters.
 - Given how important this is for inflation in India, experts feel retail inflation will remain subdued at 2-3% and wholesale inflation at 3-4% in the near future.
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The private sector in public health

Why in news?

The healthcare panel at the recent India Conference hosted by students of the Harvard Kennedy School and the Harvard Business School discussed the role of the private sector in augmenting public healthcare services.

Health for all:

- **Goal 3 of the UN Sustainable Development Goals (SDG)** is to “ensure healthy lives and promote well-being for all at all ages”.
- India has a mammoth role in helping the world attain SDG-3 as global health indicators cannot improve without India making giant strides.
- In providing healthcare, the Indian government has led the way, as it should, given that **India is a welfare state**.
- Over the past decade, courtesy changing demographics and lifestyles, India has been witnessing **shifting disease prevalence** in terms of

the largest causes of morbidity and mortality.

Role of Private sector:

- This requires that we give our health delivery system a re-look. The Harvard panel dove in to how the private sector can be leveraged for this purpose.
 - The precondition is to create an ecosystem where partnerships between the private and the public sector can thrive.
 - This must start with trust and stated common objectives. Once the ecosystem is more conducive, complementarities need to be identified.
 - While one may not foresee a great presence of the private sector in providing primary healthcare services, areas such as ambulance services and value-based care delivery can be promoted through this sector.
 - Ayushman Bharat seeks to improve the network of the government's first-point-of-contact health centres.
 - For higher levels of services, the private sector can be incorporated by creating linkages between public health infrastructure and private providers through a hub-and-spokes model.
 - Besides services, the private sector is also a source of capital. A legally mandated way to provide this is through Corporate Social Responsibility.
 - Companies above a certain annual turnover (₹1,000 crore), net worth (₹500 crores) or annual net profits (₹5 crore) have to earmark 2% of their net profits of the past three years to CSR projects, which may include healthcare projects.
 - CSR has not yet reached its full potential. However, it is encouraging to see the merging of initiatives.
 - This is seen in the government directing companies, albeit public sector ones, to the focus districts of the **Aspirational Districts programme**, which was started in 2018 to improve governance and service delivery across six sectors including health
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Sea squirt

Why in news?

A rubbery sea creature with an irritating habit of clinging to ships and invading beaches could help measure plastic pollution as it can filter tiny particles from the ocean and store them in its soft tissue.

Findings of the study:

- Israeli researchers have found that ascidians, round, palm-sized animals also known as sea squirts can thrive in dirty industrial areas and pristine waters alike, allowing them to detect and analyze waste and its impact in various regions.
- A staggering amount of plastic flows into the ocean each year.
- The United Nations says it is as if a garbage truck full of plastic was dumped into the water every minute, a rate some estimates show could lead to oceans carrying more plastic than fish in 30 years. But the long-term impact of the waste, particularly tiny pieces called **microplastic**, is still not fully understood.
- Sea squirts just sit in one place all their life and filter the water, like a pump. They can really give a picture of what the whole reef, the whole ecosystem felt during its life.
- The sea squirts are related in evolutionary terms to human beings. So studying them and the plastic inside them could be more insightful than looking at creatures like fish or clams.

Lightning alerting system

Why in news?

Concerned over large number of deaths due to lightning in the State, the Odisha State Disaster Management Authority has decided to establish an intelligent and automated system, outdoor alerting siren system for quick dissemination of warning.

ABOUT LAS:

- To begin with, OSDMA, in collaboration with US-based firm Earth Networks, will establish the **outdoor lightning alerting system** in 14 most lightning-prone blocks of the State on a pilot basis.
 - The blocks chosen are Bhadrak, Remuna, Jaleswar, Keonjhar, Athagarh, Thakurmunda, Tangi-Choudwar, Suliapada, Chandbali, Ghashipura, Tangi, Kodinga, Sundargarh and Bhogarai.
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Nobody has the right to stop business on hartal day

Why in news?

The Kerala High Court has reiterated that under the guise of hartal, nobody has any right to prevent other citizens from exercising their **fundamental right to carry on business or trade** anywhere in India and move freely.

About the judgment:

- The Bench while granting anticipatory bail to 24 persons accused in cases registered in connection with the hartal held on January 2, said hartal seekers were only intended to withdraw themselves from their work and persuade their fellow men to follow them.
- That did not give them the freedom to take the law into their hands and compel others to stop vehicular traffic or compel anybody to close down shops.
- The petitioners formed themselves into an unlawful Assembly for protesting against the entry of women to the Sabarimala temple and obstructed roads besides asking shopkeepers to down shutters. They committed mischief and wrongfully restrained the police from

discharging their official duties.

About Constitutional Mandate:

- Freedom of Association All citizens have the right to form associations or unions or co-operative societies.
- It includes the right to form political parties, companies, partnership firms, societies, clubs, organisations, trade unions or any body of persons. It not only includes the right to start an association or union but also to continue with the association or union as such. Further, it covers the negative right of not to form or join an association or union.
- Reasonable restrictions can be imposed on the exercise of this right by the State on the grounds of sovereignty and integrity of India, public order and morality. Subject to these restrictions, the citizens have complete liberty to form associations or unions for pursuing lawful objectives and purposes.
- However, the right to obtain recognition of the association is not a fundamental right.
- ***The Supreme Court held that the trade unions have no guaranteed right to effective bargaining or right to strike or right to declare a lock-out. The right to strike can be controlled by an appropriate industrial law.***



Ghost Nets

Why in news?

The unprecedented August 2018 flood has washed out a huge amount of plastics from the land and rivers into the ocean, threatening marine life and underwater

ecosystems.

Findings of the report:

- Now, scientists have come across evidence that **migratory birds are also victims of the discarded plastic.**
- A research scholar working on pelagic birds of Kerala, has documented the serious implications of plastics on seabirds visiting Kerala in this season.
- He recorded the case of a ***Lesser Black backed Gull or Heuglin's Gull (Larus fuscus heuglini)*** with a plastic bottle ring caught in its beak. The species is a winter visitor and was seen at Ponnani.
- The ring had pierced the bird's beak and formed a ring around its eyes, obstructing its vision during flight.
- According to Mr. Nishanth, the ring could have become tangled with the bird's beak while it was feeding on fish from the sea or picking worms from the beach.
- Heuglin's Gull breeds in the tundra of northern Russia and migrates south to southwest Asia, including India, during winter.

Unsustainable Fishing:

- Scientists feel that nylon fishing nets thrown back into the ocean, often referred to as ghost nets, or carried out to the sea during the flood, could also pose a serious hazard for marine life.
- A Lesser Crested Tern (*Thalasseus bengalensis*), a winter visitor to Kerala and found at Thottappally in Alappuzha, was documented with a discarded gill net wrapped around its beak, limbs and wings.
- The sight of seabirds ingesting plastics is on the increase in Kerala, especially during November to February when migratory species visit the State.

