

INSIGHTS

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INSIGHTS CURRENT EVENTS

Team Insights

2013

NATIONAL

Development strategy to counter Maoists: Way to go!

- Following the success of the North Eastern region in transforming militants by investing more on various agriculture and horticulture projects to transform militants, the [Ministry of Home Affairs](#) (MHA) has envisaged a plan to go for massive rubber plantation in Chhattisgarh, Jharkhand, Odisha, Andhra Pradesh and Maharashtra.
- Though operations by security forces are going on against Maoists, giving better livelihood opportunities to [Naxals](#) in their backyard would help them shun violence and lead a normal life.
- The scheme would be on the lines of the Udaan employment generation scheme for youths in Jammu and Kashmir that is being funded by the MHA.

Why rubber cultivation/ Impact of rubber cultivation?

- The rubber cultivation has turned out to be a major success story in rehabilitating militants and transforming them into rubber planters in the North East (Tripura and Assam).
- Cultivation of rubber with its high returns and productivity can prove to be an effective tool for minimising militancy and extremism as it would motivate the militants to engage themselves in this highly remunerative activity. Rubber cultivation is akin to the traditional occupation of farming and can be easily adopted in the region.
- In addition to providing effective means of livelihood, rubber plantations can also support social and economic development of local communities, while helping in the eco-restoration of barren cultivable land by creating a forest cover in the area.

Election Commission okays NOTA option

- The Election Commission has ordered the Chief Electoral Officers of all States and Union territories to provide for 'None of the Above' (NOTA) option in electronic voting machines (EVMs) and ballot papers.
- The option will be provided at the bottom of the panel on the EVMs or as the last row in the ballot paper after all the candidates have been listed with their respective symbols in the same language used to list the candidates.
- The EC has clarified that in the extreme case of the NOTA option polling more votes than any of the candidates in the fray, the candidate who gets the maximum number of votes will be declared the winner.
- The NOTA option was made mandatory by the Supreme Court last month so that people who did not want to vote for any of the candidates in their respective constituencies had the option of rejecting all of them without giving up their right to a secret vote.

Setback for Mundra power projects

- In a setback for mega power projects of the Tata and Adani groups, Haryana and Punjab governments have seriously questioned before the Central Electricity Regulatory Commission (CERC) move to hike power tariff based on the report of the Deepak Parekh Committee.

- The move is likely to have an adverse impact on tariff revision for the 4,000-MW Mundra ultra mega power project of Tata Power and the 4,620-MW mega power project of Adani Power also at Mundra, Gujarat.
- Both projects have a huge component of imported coal and they have filed a petition before the CERC for tariff revision citing a massive rise in costs of coal being imported from Indonesia due to revised regulations in that country and devaluation of rupee is also another reason for the increase.
- The CERC had earlier asked the States buying power from the two Mundra projects to respond to a tariff hike recommendation made by a panel headed by Deepak Parekh.
- The Parekh committee had recommended a compensatory tariff of 45-55 paise per unit for Tata Power's Mundra UMPP and up to 60 paise per unit for Adani Power's plant in the same area.
- The Punjab government has said that, any raise in tariff on power from the Mundra project would lead to an additional burden on consumers, while the Haryana government will not purchase power from the project if tariffs are raised

INTERNATIONAL

India-China visa politics: 'Stapled Visa' an issue to reckon upon

- The ambiguity in China's visa policy has left officials and analysts in India perplexed.
- Recently, two young archers from Arunachal Pradesh (ArP) were prevented by authorities from leaving for China with stapled visas on their passports. They were headed for the Youth World Archery Championship in Wuxi.
- This was not the first of its kind; two more similar incidents can be recollected. A student from Arunachal was not allowed to join a 100-member youth delegation to China after she was issued a stapled visa. And, in 2011, a Karate team from the State was prevented from boarding a flight in New Delhi because its members had been issued stapled visas by the Chinese Embassy.
- These incidents might compromise India's sovereignty and downgrade the status of ArP, undermining India's negotiating position on the boundary dispute.

China's View:

- However China says that it has a "consistent" visa policy for disputed territories; China sees ArP as its territory, and hence residents of ArP do not need visas to travel to China
- China claims around 90,000 square kilometres in Arunachal Pradesh, in the eastern sector of the boundary, while India says China is in occupation of at least 38,000 square kilometres in Aksai Chin, in the west.
- In 2012, both countries were able to resolve another visa row over Jammu and Kashmir (J&K) with China quietly withdrawing stapled visas that it began issuing in 2009 to residents of J&K. Strong Indian reaction which included the suspension of defence exchanges, led to China's shift in stance then.

India's Food Security Act and its global implications

- In the recent Food and Agriculture Organisation (FAO) meet on World Food Security in Rome, India has made it clear that the procurement of foodgrains and distribution under the new Food Security Act will not be higher than the ongoing public distribution system (PDS), indicating that it will not contribute to international price distortions.

Why is the issue being raised at the global fora?

- Ever since the Food Security Act has been passed in India, some of the World Trade Organisation (WTO) countries have started raising questions on the huge stocks that the country is holding to provide subsidised foodgrains under the new law.
- U.S., Pakistan, Canada fear that procuring the food grains at a minimum support price (MSP) from farmers and selling at subsidised rates to 67% population will distort international trade.
- This issue will be discussed at the WTO's meet in Bali (December, 2013).
- India's stand:
- With higher production of foodgrains, India had contributed to world trade by exporting 100 lakh tonnes of rice, 50 lakh tonnes of wheat and 25 lakh tonnes of sugar this year. India has enough foodgrains till 2014 for internal consumption as well as to provide to countries that need foodgrains. Hence the fear does not hold water!!
- The Food Security Act is a shift from a welfare-based to a rights-based approach in providing food security to the poor and protecting human dignity, this is also in accordance to the provisions of Indian constitution.
- India also backs the G-33 proposal that wants subsidies, which are a part of the procurement of foodgrains for public stockholding for poor and marginal farmers, not to be regarded as a prohibited subsidy by the WTO.
- Safeguard provisions (in the WTO agreement) for developing countries: The Agreement on Agriculture (AoA) allows "market distorting subsidies" up to a limit of 10 per cent of the total production. Some developing countries, including India, are demanding that this limit be raised.
- It is said that, FAO was eager to help India publicise the legislation and raise its voice in the international arena. A lot of comparisons can be made from the Brazil's programs w.r.t India's programs say – Brazil's Zero Hunger programmes, women empowerment and reforms of the public distribution system.

More about FAO

- Achieving food security for all is at the heart of FAO's efforts – to make sure people have regular access to enough high-quality food to lead active, healthy lives. FAO's mandate is to raise levels of nutrition, improve agricultural productivity, better the lives of rural populations and contribute to the growth of the world economy.
- An intergovernmental organization, FAO has 194 Member Nations, two associate members and one member organization, the European Union.

Objectives:

- Help eliminate hunger, food insecurity and malnutrition
- Make agriculture, forestry and fisheries more productive and sustainable
- Reduce rural poverty
- Enable inclusive and efficient agricultural and food systems
- Increase the resilience of livelihoods from disasters
- FAO chief Jose Graziano da Silva

Courtesy FAO website

What is Minimum Support Price (MSP)?

- MSP is provided to safeguard the interests of the farmers. Under this Scheme the government declares the minimum support prices of various agricultural produces and assures the farmers that their agricultural produce will be purchased at the MSP, thereby preventing its distress sale.
- The Food Corporation of India (FCI) acts as the Nodal Agency of the government of India in procuring the food grains from the farmers.

BUSINESS & ECONOMICS

Indian Pharma and regulatory norms

- In the recent past, the Indian pharmaceutical industry has been the subject to increased scrutiny by regulatory bodies worldwide.
- The US FDA (Food and Drug Administration) is one regulator that requires the highest standards of safety and quality. Indian companies accounted for 12 per cent of the warning letters issued by US FDA.
- USA accounts for 30 % of India's pharmaceutical exports of \$ 3 billion and this is growing at 18-20 % per annum. Since India's exports to U.S are on the increasing trend, there are likely risks and this has led to increased vigilance.
- Though according to Indian companies, 40 % or more have been unintentional offences.
- Possible measures to be taken (by the Indian pharma) :
- With the stringent regulations, it is time that domestic industry must get its act together particularly in compliance systems and must invest more in processes.
- It is the onus of the regulatory authorities to communicate the rationale of the prescribed processes that are put in place. The mitigation of risks requires much better appreciation of the drug safety rules and a clearer understanding of the processes.

Material wastage plagues industry

- According to the experts, changes in material handling process can help companies save a minimum 10 % of their materials that go waste or get lost during transit.
- This wastage is often being neglected and henceforth organisations must provide due importance to material handling to improve cost-efficiency and bottom lines.

Why Material wastage needs to be given due importance?

- Material wastage is rampant in coal and iron ore. This is due to contamination, pilferage or spillage during transit. It should also be noted that 'manufacturing and mining' sector is 1.6 per cent of gross domestic product (GDP), if companies are able to plug this loophole, then the benefit would be enormous.
- Normally, companies provide least priority to material handling but blame it for any crisis.
- As consumption goes up, there would be more demand of minerals, energy and water. So emphasis should be given on energy-efficient systems that can consume less water while handling of material. The need of the hour is to optimise the processes and it was critical during the current turbulent times.
- Though sectors such as port and power and steel mills were embracing modern technology, material handling in foodgrains and fertilizers remains an area of concern.
- Material handling also plays a crucial role in the development of infrastructure to help meet time and cost.
- The size of material handling industry in India is Rs.15,000 crore growing by 15-20 per cent a year. Hence it is time that Indian organizations give it's due to this long neglected area as it has spill over effect on other sectors as well.

AWARDS

Bimal Roy award

- Filmmaker Shivendra Singh Dungarpur has been selected for this year's (2013) Bimal Roy Memorial Emerging Talent Award for his widely appreciated documentary Celluloid Man.
- Celluloid Man, a documentary made in 2012, explores the life and work of P.K. Nair, legendary film archivist and founder of the National Film Archive of India. The film won two awards best historical/biographical reconstruction and best editing for Irene Dhar Malik at the 60th National Film Awards.
- The Bimal Roy Memorial Society has been conferring this award since 1997. It honours emerging talents from the Indian film industry.
- Past recipients include Rituparno Ghosh, Ashutosh Gowariker, Shoojit Sircar, Sabiha Sumer, and Vikramaditya Motwane.

SPORTS

ICC launches World Test championship

- The ICC has launched the World Test Championship 2017. According to ICC the inaugural championship will be hosted by England and will feature the top four teams in the ICC Test rankings with total prize money of \$10 million at stake.
- The objective of the championship is to preserve the primacy of Tests and to preserve the future of all formats of the game.