

1. Assessment of State Implementation of Business Reforms –2016

GS3 - Economy

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, in partnership with the World Bank Group released the results of the Assessment of State Implementation of Business Reforms 2015-16.

The Assessment studies the extent to which states have implemented DIPP's 340 point Business Reform Action Plan (BRAP) for States/UTs 201516, covering the period July 1, 2015 to June 30, 2016.

The BRAP includes recommendations for reforms on 58 regulatory processes, policies, practices or procedures spread across 10 reform areas spanning the lifecycle of a typical business.

What is BRAP?

The complexity of regulatory processes and the difficulty in compliance has been cited as an impediment to the economic development. Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry (MoC&I), Government of India (GoI) has taken up a series of measures to simplify and rationalize the regulatory processes (registration and inspection processes) and introduction of information technology as enabler to make governance more efficient and effective.

With this background, a 340-Point Business Reform Action Plan for States and Union Territories (UTs) was circulated by DIPP to all State/UT Governments in late October 2015 for further implementation. DIPP has launched this online portal to track real-time rankings of states on the basis of number of reforms undertaken by them as identified overtime. Currently, the portal tracks real-time implementation of 340-Point Business Reforms Action Plan to be considered for 2016 rankings.

How it was done?

Data for this assessment was collected from State Governments on the BRAP portal. The portal, among the first of its kind globally, allowed State Governments to submit evidence of implemented reforms. At least 32 State and UT Governments had submitted evidence of implementation of 7,124 reforms. These submissions were reviewed by the World Bank team and validated by DIPP's team to study whether they met the objectives of the BRAP.

What are the criteria?

- a. Single Window Systems
 - b. Tax reforms:
 - c. Construction permits
 - d. Environment and labour reforms:
 - e. Inspection Reforms:
 - f. Commercial disputes and paperless courts
 - g. Obtaining electricity connection
 - h. Availability of land and so on
- How the states/UTs fared

WHERE THEY STAND

	Rank 2015	Rank 2016			Score (In %)
Telangana, Haryana and Uttarakhand have improved the most in the DIPP-World Bank ease of doing business rankings.	2	1	▲	Andhra Pradesh	98.78
	13	1	▲	Telangana	98.78
	1	3	▼	Gujarat	98.21
	4	4	◄	Chhattisgarh	97.32
	5	5	◄	Madhya Pradesh	97.01
	14	6	▲	Haryana	96.95
	3	7	▼	Jharkhand	96.57
	6	8	▼	Rajasthan	96.43
	23	9	▲	Uttarakhand	96.13
	8	10	▼	Maharashtra	92.86

Source: DIPP

Based on implementation of reforms, States have been divided into four categories, The 'leaders' category with an implementation percentage of 90-100 per cent . The next category of 'aspiring leaders' with an implementation rate of 70-90 per cent , This is followed by the 'acceleration required' category with the rate of 40-70 and finally states staying back as 'jump start needed' with the rate of 0-40.

Why is this significant?

The results of the assessment demonstrate that States have increasingly risen to addressing the challenge of making it easier to do business. The national implementation average stands at 48.93%, significantly higher than last year's national average of 32%. This demonstrates the great progress made by States this year.

There is a healthy competition among States on ease of doing business. This exercise is an important aspect in the government's agenda to transform India. We are now looking at broad-basing the reform drive

India's rank in the recently released global Doing Business rankings was a lowly 130th, just one rank up from the previous year's 'revised' ranking of 131st. Prime Minister Modi is keen to ensure that India finds a place in the top 50 countries within a year or two.

The World Bank is learning that one size does not fit big and diverse countries like India, said the World Bank's new Country Director for India, Junaid Ahmad, speaking on the occasion. Ahmad said other large nations like Brazil and Russia have also moved from a focus at the Central level to a sub-national level, like India. Brazil and Russia have requested more exchanges with India to learn about the best practices, he added.

2. Case against a uniform asylum law

GS2 – Policies and politics of developed and developing countries

Issue

Baloch leader **Brahamdagh Bugti's requested for asylum in India** which calls for a uniform and apolitical **asylum law**.

Who is Brahmdagh Bugti?

He is the founder and leader of the Baloch Republican Party, a Baloch nationalist group which broke away from his uncle Talal Akbar Bugti's Jamhoori Watan Party in 2008. The Pakistani government accuses Brahamdagh Bugti of leading the Baloch Republican Army, a separatist group designated as a terrorist organisation in Pakistan. He has lived in exile, first in Afghanistan and later Switzerland, since his grandfather was killed in a Pakistani military operation in 2006

Present Scenario in India

Three asylum bills were introduced in Parliament. But none of the three bills would protect Mr. Bugti because he does not fulfil the conventional idea of a refugee.

Protecting refugees in line with international law is a duty which India must meet. But denying the government the ability to make sovereign decisions about who can receive India's asylum is counterproductive. We need a nuanced law which recognises that asylum and refuge need not overlap.

Asylums vs. refugees

Asylum and **refugee status** are different concepts although the terms are often used interchangeably. Asylum is an expansive institution of protection; refugees are a narrow category of people. An asylum need not be a refugee.

In Europe, asylum was an ecclesiastical concept that provided safe haven in a place of worship. Asylum has no defining criteria other than the willingness of a state to grant it.

Refugee status is narrowly defined. The UN's Refugee Convention of 1951 links refuge to persecution on racial, religious, national, social, or political grounds. Many countries including India disagreed with the UN's definition. It set the bar for protection too high for ordinary people for whom proving targeted persecution is difficult. India did not sign the convention.

The **duty to protect refugees** is a widely accepted, binding norm of international law. But the refugee convention refuses protection to people accused of "serious non-political crimes" such as terrorism. So governments routinely slap trumped-up terror accusations against their dissidents. For such people, asylum is a beacon. Because it is undefined, asylum has been widely interpreted by states to result in multiple forms of protection.

Asylum can be granted for political reasons and **refuge for humanitarian reasons** and the twain need not meet, even if contained in the same statute.

Asylum vs. Extradition law

Asylum and extradition are related concepts. Extradition law exempts a country from handing over a criminal if the offence for which she is wanted is of a political character. This is known as the 'political offence exception.' It enables political asylum. It is recognised in the Extradition Act, 1962 and earlier laws too — perhaps an indicator of the legislature's intent to allow people like Mr. Bugti to shelter in India at the government's discretion.

If Mr. Bugti is accepted, it would not be the first time that Indian asylum has been politicised.

What is the issue with Dalai Lama?

The Dalai Lama has never been officially recognised as a refugee; he remains an "honoured guest" — diplomatese for political asylee.

Way Forward

What India needs is a discretionary political asylum regime for people like Mr. Bugti as well as a mandatory refugee regime to ensure humanitarian protection.

3. Will Pusa Arhar 16 solve India's pulse problem?

GS3 – Crops and pattern

Issue

Pigeon Pea variant Pusa Arhar 16 could prove a game changer for inflation-wary policymakers as it has a maturity time of 120 days down from 160-270 days of current varieties

Context

Anew high-yielding pulse developed by government scientists at a leading research institute could prove a game changer for inflation-wary policymakers and consumers alike. Pusa Arhar 16, a dwarf pigeon pea created by scientists at the Indian Agricultural Research Institute (IARI), has a maturity time of 120 days, down from the 160-270 days needed by varieties now in use. It also requires less water and is suitable for mechanized harvesting with no loss in yields, at about 20 quintals/hectare.

Why important?

Arhar, or pigeon pea, is among the most widely consumed pulses in India. Its prices shot up to as much as Rs200 per kg last year due to lower production, leading to a surge in imports.

Advantages

- variety can be released for commercial cultivation by January next year, so that farmers can plant it beginning of the Kharif (monsoon or summer crop) season (June 2017)
- The variety can help "India achieve self-sufficiency in pulses in the next 2-3 years".
- As crop maturity is synchronous (unlike present varieties which mature unevenly over time), it can be harvested using combine harvesters. The evenness of the crop means it is (also) easily amenable to pesticide sprays,"

- It is suitable for both intensive cultivation areas such as Punjab and rain-fed areas of central India.
- With this variety farmers can easily have another crop of wheat, mustard or potato,”

4. 8 SIMI men flee jail,killed in encounter near Bhopal

GS 3: challenges to internal security of India.

Why in news?

Eight alleged members of the banned students Islamic movement of India (simi) were shot dead by the police yesterday under suspicious

Circumstances near Bhopal, hours after they escaped from the city's central jail by killing a security guard.

Background

Students Islamic movement of India (Simi) is a banned Islamic student organisation formed in 1977 with its stated mission as "liberator of India" from western materialistic cultural influence and to convert Muslims to live according to the Muslim code of conduct. But Simi became militant and extremist in the backdrop of communal riots and violence between Hindu and Muslim groups in the 1980s and 1990s and took a more radical posture. Simi was banned by the Indian government in 2001 when it was found to have indulged in terrorist activities.

Concern

In the context of India's declaration of fight against terrorism and isolating countries which support terrorism in the Goa summit of SAARC, how India fights against the terror groups which are trying to plan 26/11 like attacks is a matter of concern.

Way forward

Dealing with the menace of terrorism would require a comprehensive strategy in which different stakeholders have important role to play besides terrorist and disruptive activities act(tada) and prevention of terrorism act,2002 (pota),unlawful activities(prevention) act(uapa) and national investigation agency act,2003 and special nia courts act. political, legal, police, media etc can contribute to curb terrorism. let's see how they can participate in tackling terrorism.

Public: the general public need to be educated about the evil designs of our neighbouring countries. both majority and minority communities should promote interreligious and work together for peace.

Police: we need to have modern scientific laboratories.strengthening the statepolice,enhancing their training capabilities and providing them with modern equipment of surveillance,investigation and operations is the need of the hour.

Political: a strong political consensus should be built in the countr which says that national interest is supreme.

media:role of media is very crucial in the fight against terrorism as it can peep through every nook and corner of the country with its news. many times media discuss

human rights of the terrorists while conveniently ignoring human rights of victims.it should debate from the point of view of national security.

5. Caught In The Crossfire:

GS 3- Security issues And International Relations.

Why in News: INDIA and PAKISTAN ceasefire violations has been for more than 110 times in few months with 70-80 being killed too includes civilians and jawans.

Background: Ceasefire agreement was signed between India and Pak in 2003 .This agreement made peace on the border for both the countries. However, since surgical strikes by India there have been continuous ceasefire violations.

Ceasefire Meaning: Both sides agree not to attack on each other until some solution is found out by both countries diplomatic channels.

Why do Pakistan Continuously Violates:

1. Loc cease fire violations today are more of an instrument of diplomacy to send veiled messages. It is being firmed up for what they consider as psychological gains.
2. Surgical strikes has hit where it hurts the most on PAK's military ego. They seek revenge by this guerrilla warfare
3. To aggravate terror situation in J & K, disturbing the regular day to day lifestyle.
4. The disagreement and stoppage of inter communication and cultural ties with minimising trade is another reason.
5. To allow terrorist free passage by confusing the military
6. Above all indirectly reduces tourism

Way Forward:

Pakistan cannot make INDIA accept anything by way of pressure and both countries can have prosperous relations by way of dialogue.

6. GST Rates Trust Deficit Between Centre State Widens:

GS3 - Economy

Why in news: Over the past weeks both the centre and states have sparred in the media to reiterate their rigid stance on the tax rates and slabs.

Background: GST was mooted as a reform that would smooth indirect tax regime and would benefit the economy in many ways like increasing tax base, making compliance easier, reducing logistics cost etc. Recent discussions of the GST council indicate that we may have multiplicity of GST rates.

Key Facts about centre's proposal on GST:

1. A multi rate structure where in gold will be taxed at 4% and rest of the items at a tax rate of 6%, 12%, 18%, 26%.
2. Centre also proposed to levy an additional cess over and above 26% on demerit items like tobacco, luxury cars and aerated drinks and use these proceeds to pay compensation to states for revenue losses arise due to GST IF ANY.
3. continuation of existing cess for a period of 5yrs before subsuming them as tax. this would include clean energy cess on luxury items, tobacco etc. use this cess to compensate the losing revenue states.

Point Of Contention between Centre and States:

The cess as well as 26% highest slab. states argue that centre cannot deprive states of their rightful share of GST revenues and then use that amount to pay compensation.

Way forward: GST council to finalise the tax rate as well as the supporting legislations after negotiations.

7. India-Japan nuke accord likely during Narendra Modi's Tokyo visit**GS2-International relations.**

Issue: Civil nuclear cooperation accord between India and Japan may be signed SOON

Significance?

If concluded, this will be Japan's first civil nuclear cooperation pact with a country that has not signed the nuclear Non-Proliferation Treaty and will pave the way for Japan to export nuclear technology to Asia's third largest economy.

India signed a landmark nuclear deal with the US in 2008, clearing the path for the country to source nuclear power plants and technology from international markets. But with Japanese companies in possession of key elements such as safety components and the construction of domes of nuclear power plants, an accord with Japan is crucial for India.

Safety norms under negotiations

Japanese news reporters say that

Japan will permit Indian power producers to reprocess spent fuel at designated facilities on condition that the country accepts comprehensive inspections by the International Atomic Energy Agency.

Civil nuclear pact will include a clause for the Japanese to halt cooperation with India if New Delhi conducts a nuclear test. This is to ensure that the nuclear technology transferred to India, a nuclear weapons state, is not used for military purposes.

Other indo Japan relations

We are also expected to focus on ways to boost trade, including in high-technology areas, security and infrastructure.

8. World Bank to rank cities on 'ease of living'

GS3- Issues related to planning, growth, development and infrastructure

The World Bank Group will soon bring out an "ease of living" index that will rank cities globally.

Importance

As we move more into high income [category], urban centres become extremely important, [including for] accommodation and so on. For cities to actually generate growth, the ease of living there has got to be very important.

Our ranking prospects-

Indian government has launched a mission to help develop over 100 smart cities through a strategy that includes "city improvement (retrofitting), city renewal (redevelopment) and city extension (Greenfield development) plus a pan-city initiative in which Smart Solutions are applied covering larger parts of the city."

The index could include categories on social inclusion, cost of living, public transport, housing, education, health, environment-friendliness, crime/safety, governance and corruption.

Therefore we can expect a better rank.

Reasons for lowly 130 ranks in ease of doing business

1. only Mumbai and Delhi reforms were considered whereas reforms undertaken across the country
2. GST and bankruptcy and insolvency reforms were not taken into consideration.

Prelims

Q. Ease of doing business report is released by

1. World bank
2. IMF
3. Tata Group
4. Govt of India in collaboration with p5

Q. What is Japan parliament called

1. Rajya sabha
2. Diet
3. Both
4. None

Q. The boundary demarcation line between INDIA and PAKISTAN IS:

- a. Mannerheim line b. Radcliff line c. hidden bergline d. Maginot line

Q. ease of doing business is published by

- a. world bank
- b. IMF
- c. WTO
- d. OECD