

# UPSC 2017: Comprehensive News Analysis – June 12

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## UPSC Current Affairs 2017: News Analysis

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#### **Category: POLITY**

#### 1. [Maharashtra capitulates, to grant farm loan waiver](#)

##### **In news:**

- Maharashtra government was forced to accept the demand for a complete farm loan waiver.
- The total outstanding crop loans amount to around Rs. 1.34 lakh crore.

##### **Steering panel meeting:**

- The decision came after a meeting between the steering committee of the agitating farmers and a high-powered ministerial group formed by Chief Minister Devendra Fadnavis under the leadership of Revenue Minister Chandrakant Patil.
- For smallholding farmers – those with land up to five acres, which is almost 78% of the 1.37 crore holdings in the State, as per the Maharashtra Economic Survey 2016-17 – their farm loans were waived.

### S. Swaminathan Reports:

Prof. Swaminathan is a geneticist, known as “Indian Father of Green Revolution” for his key contributions in Green Revolution (1960s) where he introduced high yielding varieties of wheat. Under his leadership, the committee submitted its report in five instalments over the period from December, 2004 to October, 2006. These reports made several recommendations for improvement in the situation of farmers in India. While several criticized the Government for not implementing the recommendations of this committee properly, other few questioned the recommendations itself.

#### **Key Findings & Recommendations of the Report**

- The major causes of the agrarian crisis are: unfinished agenda in land reform, quantity and quality of water, technology fatigue, access, adequacy and timeliness of institutional credit, and opportunities for assured and remunerative marketing. Adverse meteorological factors add to these problems.
- Land Reforms were considered necessary and key suggestions in this regards were to distribute ceiling-surplus and waste lands; prevent diversion of agricultural land & forest to corporate sector for non-agricultural purposes; ensure grazing rights & seasonal access to forests to tribals and pastoralists; establish a National Land Use Advisory Service, etc.
- Timely and adequate supply of credit is a basic requirement of small farm families and to enhance the same key suggestions of the committee were: expand the outreach of Credit facilities System; issue Kisan Credit Cards to women farmers; establish an Agriculture Risk Fund to provide relief to farmers in the aftermath of successive natural calamities, etc.

- 28% of the families in India were found to be Below Poverty Line and therefore, food security needed attention. The committee recommended: ensure availability of quality seed and other inputs at affordable costs; Set up Village Knowledge Centres (VKCs) or Gyan Chaupals in the farmers' distress hotspots; need for focused Market Intervention Schemes (MIS) in the case of life-saving crops; have a Price Stabilisation Fund in place to protect the farmers from price fluctuations, etc.
- Improving the competitiveness of the small farmers was considered necessary. Suggestions in this area included: improvement in implementation of Minimum Support Price (MSP); MSP should be at least 50% more than the weighted average cost of production; availability of data about spot and future prices of commodities through the Multi Commodity Exchange (MCD) and the NCDEX, etc.
- The committee highlighted the need to create productive employment opportunities and to improve the quality of employment in several sectors such that real wages rise through improved productivity. For this purpose committee recommended emphasizing on relatively more labour intensive sectors and inducing a faster growth of these sectors and ensuring that the net take home income of farmers should be comparable to those of civil servants.
- The committee also recommended development of measures to reserve traditional rights of access to biodiversity and conservation, enhancement and improvement of crops, farm animals & fish stocks through breeding, etc.

## 2. [NEET-like exam for judge posts?](#)

### In news:

- The government has proposed to the Supreme Court a NEET-like examination to recruit judges to the lower judiciary.
- The proposal comes close on the heels of several States, opposing the formation of an all-India judicial service, a 60-year-old idea.
- There were vacancies of 4,452 judges in subordinate courts as per the figures released on December 31, 2015.
- While the sanctioned strength is 20,502, the actual number of judges/judicial officers in subordinate courts is 16,050.
- The Ministry has suggested various models to the apex court so that vacancies in the subordinate courts are filled up fast. It also proposed that UPSC can hold an exam to recruit judicial officers.

### Category: **INTERNATIONAL RELATIONS**

## 1. [India, Israel set to expand defence ties](#)

### In news:

- Israel has emerged as one of the largest and trusted suppliers of defence equipment to the Indian armed forces.
- Israel is well entrenched in the areas of Unmanned Aerial Vehicles, air defence systems, special forces equipment and electronic warfare equipment.

### Deal for Spike Anti-Tank Guided Missiles:

- Two countries are close to concluding a deal.
- The purchase of Spike missiles was approved by the **Defence Acquisition Council (DAC)** in October 2014, but negotiations on the contract ran into trouble over cost and technology transfer. The \$13,200-crore deal includes 8,000-plus missiles, 300-plus launchers and technology transfer.
- The deal is likely to expand as the Army intends to equip its 382 infantry battalions and 44 mechanised regiments with new missiles.

## 1. [GST Council decides to lower rates on 66 items](#)

### IN news: (Knowing the rate of interest for each item is not at all important for exam)

- The Goods and Services Tax (GST) Council decided to reduce tax rates on 66 items including cashew nuts, packaged foods such as sauces and pickles, agarbatti, insulin, school bags, children's colouring books, cutlery, and some tractor components.
- The Council has also reduced the tax rate on cinema tickets costing Rs. 100 or less.
- The Council will meet again on June 18 to discuss any pending issues, including the e-waybill rules and the rates on lotteries.
- **The Council also decided to increase the limit under the compensation scheme from Rs. 50 lakh to Rs. 75 lakh. The scheme was introduced for small businesses that would struggle to comply with the various requirements of GST. Those opting for the scheme will have to pay tax at the rate of 1% for the trading community, 2% for those engaged in manufacturing, and 5% for restaurants.**

### Objective :

- To maintain revenue neutrality.
- Eases the burden on SMEs and small businesses in trading, manufacturing, and the restaurant business because they are mass job creators.

## 2. [FinMin debating on bad bank, UBI concept: Jaitley](#)

### In news:

- Finance Minister Arun Jaitley said that he had been discussing the two concepts introduced in this year's Economic Survey – **Universal Basic Income (UBI), and the creation of a bad bank** – with Chief Economic Adviser Arvind Subramanian, but added that political and economic considerations make UBI a tough task.
- The CEA had, in the Economic Survey, also introduced the **idea of the creation of a bad bank to take over the**

**debt of the NPA** -laded banks so as to ease their stress and enable them to begin lending again.

#### **Basic Information:**

- **Universal Basic Income (UBI):** A basic income (also called basic income guarantee, Citizenâ€™s Income, unconditional basic income, universal basic income (UBI), or universal demogrant) is a form of social security in which all citizens or residents of a country regularly receive a regular, unconditional sum of money, either from a government or some other public institution, in addition to any income received from elsewhere.

### **3. How does the monsoon affect the economy?**

#### **Context:**

The India Meteorological Department (IMD): Indiaâ€™s annual monsoon rainfall is expected to be 98% of the long-period average (LPA), up from 96% projected earlier, raising prospects of higher farm output and economic growth.

#### **Why are monsoon rains important for India?**

- The monsoon is the lifeblood for Indiaâ€™s farm-dependent \$2 trillion economy, as at least half the farmlands are rain-fed.
- The country gets about 70% of annual rainfall in the June-September monsoon season, making it crucial for an estimated 263 million farmers.
- About 800 million people live in villages and depend on agriculture, which accounts for about 15% of Indiaâ€™s gross domestic product (GDP) and a failed monsoon can have a rippling effect on the countryâ€™s growth and economy.
- Whereas, a normal to above-normal and well-distributed monsoon boosts farm output and farmersâ€™ income, thereby increasing the demand for consumer and automotive products in rural markets.

#### **What happens in case of a poor monsoon?**

- The monsoon has a direct impact on the countryâ€™s agricultural GDP. The planting of key kharif, or summer, crops like rice, sugar cane, pulses and oilseeds begins with the arrival of monsoon rains in June.
- Summer crops account for almost half of Indiaâ€™s food output and a delayed or poor monsoon means supply issues and acceleration in food inflation, a key metric which influences Reserve Bank of Indiaâ€™s decision on interest rates.
- A deficit monsoon could also lead to a drought-like situation, thereby affecting the rural household incomes, consumption and economic growth.
- A poor monsoon not only leads to weak demand for fast-moving consumer goods, two-wheelers, tractors and rural housing sectors but also increases the imports of essential food staples and forces the government to take measures like farm loan waivers, thereby putting pressure on finances. Whereas a normal monsoon results in a good harvest, which in turn lifts rural incomes and boosts spending on consumer goods. It also has a positive impact on hydro power projects.

#### **D. GS4 Related**

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