



## News Analysis (12 Jul, 2019)

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### Draft Model Tenancy Act, 2019

Recently, the Ministry of Housing and Urban Affairs has drafted a 'Model Tenancy Act' (MTA), 2019.

- The Tenancy law is a 'model act', because land is a state subject and states will have the option to adopt or reject it.
- It envisages to balance the interest and rights of both the owner and tenant and to create an accountable and transparent ecosystem for renting the premises in disciplined and efficient manner.
- Salient features of the draft:
  - MTA stipulates a robust grievance redressal mechanism comprising of Rent Authority, Rent Court and Rent Tribunal.
  - Landlords will also be able to charge rents that are to be decided by the respective state governments, on par with market rates.
    - Also, It has been proposed to cap the security deposit equal to a maximum of two month's rent in case of residential properties and, a minimum of one month's rent in case of non-residential property.
  - After coming into force of this Act, no person shall let or take on rent any premises except by an agreement in writing.
  - The Model Act provides for its applicability for the whole of the State i.e. urban as well as rural areas in the State.
  - It will be mandatory for both the landlord and the tenant to inform the rent authority after getting into an agreement.
    - This will ensure that a landlord does not arbitrarily increase the rent in variance with what has been agreed to in the agreement.
    - It will also ensure that the tenant is not evicted at the whim of the landlord
  - A digital platform will be set up in the local vernacular language of the State for submitting tenancy agreement and other documents.
  - This MTA will be applicable prospectively and will not affect the existing

tenancies.

- Significance of the draft MTA
  - It is expected to give a fillip to private participation in rental housing for addressing the huge housing shortage across the country.
  - It will enable creation of adequate rental housing stock for various income segments of society including migrants, formal and informal sector workers, professionals, students etc. and increase access to quality rented accommodation, enable gradual formalization of rental housing market.
  - The move could provide relief for both tenants and landlords and help take some load off India's overburdened litigation process.
  - As per Census 2011, nearly 1.1 crore houses were lying vacant in the country and making these houses available on rent will complement the vision of 'Housing for All' by 2022.
  - The draft seeks to unlock the potential of the vacant houses In India, by bringing transparency and accountability in the existing system of renting of premises and to balance the interests of both the property owner and tenant in a judicious manner.

### **Pradhan Mantri Awas Yojana (PMAY)**

Pradhan Mantri Awas Yojana (PMAY) is an initiative by the Government of India in which affordable housing will be provided. Under PMAY, it is proposed to build 2 crore houses for urban poor including Economically Weaker Sections and Low Income Groups in urban areas by the year 2022.

Scheme has four components

- Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource;
- Promotion of affordable housing for weaker section through credit linked subsidy;
- Affordable housing in partnership with Public & Private sectors and
- Subsidy for beneficiary-led individual house construction or enhancement.

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## Silk Samagra

The Government of India has allocated Rs. 2161.68 crore for three years i.e. 2017-2020 to its **Central Sector Scheme** "Silk Samagra" for the development of sericulture in the country.

- The scheme is being implemented by the Central Silk Board (CSB).
- It focuses on improving the quality and productivity of domestic silk thereby reducing the country's dependence on imported silk.
- It comprises the following **four components**:

- Research & Development, Training, Transfer of Technology and I.T. Initiatives
- Seed Organizations
- Coordination and Market Development, and
- Quality Certification Systems (QCS)/Export Brand Promotion and Technology Up-gradation.
- While the R&D units develop technology packages, impart training on improved technology programmes to stakeholders and transfer the technology to the field through front line demonstration, the seed production units produce basic and commercial seed of the improved Silkworm breeds developed by the Research Institutes.
- The units under the Quality Certification System maintain and certify the quality standards set by the R&D units for Silkworm seed, cocoon, raw Silk and Silk products covering the entire Silk value chain.
- Under the scheme, **assistance** is extended to sericulture stakeholders for the beneficiary oriented components like, raising of Kissan nursery, plantation with improved Mulberry varieties, Irrigation, chawki rearing centres with incubation facility and rearing equipments.
- The scheme also provides assistance for door to door service agents for disinfection and input supply, support for improved reeling units like automatic reeling units, multi-end reeling machines, improved twisting machines and support for post yarn facilities for quality silk and fabric production.

### **Silk Production in India**

- There are **five major types of silk** of commercial importance, obtained from different species of silkworms. These are Mulberry, Oak Tasar & Tropical Tasar, Muga and Eri.
- Except mulberry, other non-mulberry varieties of silks are wild silks, known as vanya silks.
- **India** has the unique distinction of producing **all these commercial varieties** of silk.
- **South India** is the leading silk producing area of the country and is also known for its famous silk weaving enclaves like Kancheepuram, Dharmavaram, Arni, etc.

### **The Central Silk Board**

- It is a **statutory body** established in the year 1948 by an Act of Parliament.
- It is working under the administrative control of **Ministry of Textiles**, Government of India.
- Its headquarter is located in **Bangalore**.
- It is **mandated** with:
  - Promoting the development of Silk Industry by such measures as it thinks fit.
  - Undertaking ,assisting or encouraging scientific, technological and economic research.

- Advising the Central Government on all matters relating to the development of silk industry including import and export of raw silk.
- Preparing and furnishing such other reports relating to the silk industry as may be required by the Central Government from time to time.

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## Global Multidimensional Poverty Index

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Global Multidimensional Poverty Index - 2019 (MPI), released by the **United Nation Development Programme** (UNDP) has revealed that there are vast **inequalities** across countries, and among the **poorer** segments of societies.

- MPI-2019 edition is a revised version of **MPI-2018**.
- The MPI captures both the **incidence** and **intensity** of poverty and tracks **101 countries** on deprivations across ten indicators in **health, education, and standard of living**.
- Index is developed by the **Oxford Poverty and Human Development Initiative** (OPHI) and the **United Nations Development Programme** (UNDP).
- As per report a single measure is not a sufficient guide to both inequality and multidimensional poverty, and studies such as the MPI, **Human Development Index**, and the **Gini coefficient** (which measures countries wealth- income distribution), can contribute important and distinctive information for policy action to effectively reduce poverty.

## Key Findings

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- As per Index **1.3 billion** people in the world are still **multidimensionally poor**. **Multidimensionally poor means** that poverty is defined not simply by **income**, but by a number of indicators, including **poor health**, poor **quality of work** and the **threat of violence**.
- Level of Inequality and poverty is very high in Sub-Saharan Africa and South Asia.
- **Bangladesh, Cambodia, Democratic Republic of Congo, Ethiopia, Haiti, India, Nigeria, Pakistan, Peru and Vietnam** (10 selected countries have a combined population of around **2 billion** people) have shown significant progress towards achieving **Sustainable Development Goal** 1 i.e ending poverty in all its forms, everywhere.
- **One** in every three children (under the **age of 10**) and every **second** child **below the age of 18** years is multidimensionally poor in the world.
- About **34%** of the world's **children** and **17.5% adults** covered under MPI survey are multidimensionally poor.
- **One adult in six** is multidimensionally poor compared with **one child in three**, hence children are more prone to multidimensional poverty than adults.

- Multidimensionally poor children are concentrated more in the **Sub-Saharan Africa** and **South Asia**.
- In African countries such as **Burkina Faso, Chad, Ethiopia, Niger and South Sudan** 90% or more children (under the age of 10) are multidimensionally poor.
- Trends in poverty reduction is **uneven** in all 10 countries (**Bangladesh, Cambodia, Democratic Republic of Congo, Ethiopia, Haiti, India, Nigeria, Pakistan, Peru and Vietnam**) as **rural** areas are **poorer** than urban areas.
  - In Cambodia, Haiti, India and Peru poverty reduction in rural areas outpaced that in urban areas.

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## Indian Scenario

- India lifted **271 million** people out of poverty between 2006 and 2016, (reduced from 0.283 in 2005-06 to 0.123 in 2015-16) recording the fastest reductions in the multidimensional poverty index values during the period with strong improvements in areas such as **assets, cooking fuel, sanitation and nutrition**.
  - Among 10 selected countries **India** (and Cambodia) reduced their MPI values the **fastest** and they did not leave the poorest groups behind.
  - **Jharkhand** has reduced the incidence of poverty at a faster pace than other regions (reduced the incidence of multidimensional poverty from **74.9%** in 2005-06 to **46.5%** in 2015-16).
  - India (along with Ethiopia and Peru) significantly **reduced deprivations** in all 10 indicators, namely nutrition, sanitation, child mortality, drinking water, years of schooling, electricity, school attendance, housing, cooking fuel and assets.
    - MPI reduced from **640 million** people (55.1%) in 2005-2006 to **369 million** people (27.9%) in 2015-16.
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## Rakhine State Development Programme

Recently, India has handed over 250 pre-fabricated houses to **Myanmar** for use of displaced returnees from Bangladesh.

- The Indian government had taken up the project under its Rakhine State Development Programme (RSDP).
- India signed a development programme for Rakhine State in Myanmar in late 2017 which was designed to assist the Myanmar government in Rakhine State to build housing infrastructure for displaced **Rohingyas**.
- The program includes creation of infrastructure in the areas of education, health, agriculture and allied activities, agro-processing, community development sectors and related training in these areas.
- More than 700,000 minority Rohingya Muslims fled from Myanmar's Rakhine state to

neighbouring Bangladesh since August 2017, triggering a massive refugee crisis.

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## House Affordability Survey: RBI

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**Reserve Bank of India's** quarterly **residential asset price monitoring survey** (RAPMS) on housing loans has shown that **housing affordability** has worsened over the past four years as the House Price to Income (HPTI) ratio **increased** from 56.1 to 61.5 (from 2015 to 2019).

- The RBI has been conducting a quarterly Residential Asset Price Monitoring Survey (RAPMS) since July 2010 on housing loans disbursed by select banks and **housing finance companies** (HFCs) across 13 cities.
  - **Mumbai** (with a HPTI of 74.4) remains the **least affordable city** in India, while **Bhubaneswar** (54.3) remains the **most affordable** city.
    - The concept of price-to-income ratio is used by lenders to measure affordability of residential property, essentially as a measure of purchasing power for home buyers.
  - The LTV (loan to value) ratio moved from 67.7% to 69.6% (2015 to 2019) showing that banks are getting more **risk-tolerant** in housing loans and are willing to **offer higher loans against** the value.
    - LTV is the amount of loan a lender is willing to give and is calculated in terms of the percentage of the property value.
  - **The loan to income** (LTI) ratio also confirms worsening housing affordability (3 in March 2015 to 3.4 in March 2019).
    - **Loan to income ratio** (LTI) is calculated by dividing the total monthly **debt** obligations, such as minimum credit card payments, auto loan, student loan by net monthly **income**.
    - The ratio is calculated on a **monthly basis** and helps lenders evaluate how much additional debt an applicant's financial situation will allow him to handle.
    - A low LTI value shows a good balance between debt and income.
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## Jagannath Rath Yatra

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The annual Lord Jagannath rath yatra began from the Jagannath temple, Puri on 4<sup>th</sup> July.

- The festival is celebrated on the second day of Shukla Paksha of Ashadh, the third month, according to the traditional Oriya calendar.
- The Rath Yatra (Chariot Festival) is 9 day-long event during which the three holy chariots carrying idols of Lord Jagannath, his brother Balaram (Balabhadra) and sister Subhadra are pulled by thousands of devotees from India and abroad.
- The festival honours the Lord Jagannath's visit along with his siblings to the temple of Queen Gundicha, the place of their aunt's house where they revel in a nine day stay.

- **Jagannath Puri temple** is called '**Yamanika Tirtha**' where, according to the Hindu beliefs, the power of 'Yama', the god of death has been nullified in Puri due to the presence of Lord Jagannath.
  - There are four gates to the temple- Eastern 'Singhdwara' which is the main gate with two crouching lions, Southern 'Ashwadwara', Western 'Vyaghradwara and Northern 'Hastidwara'. There is a carving of each form at each gate.
  - In front of the entrance stands the Aruna stambha or sun pillar, which was originally at the **Sun Temple in Konark.**
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## International Cooperation Scheme

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The **Ministry of Micro, Small and Medium Enterprises (MSME)** is implementing **International Cooperation (IC) Scheme** with the objective of enhancing the competency of MSMEs, capturing new markets for their products, exploring new technologies for improving manufacturing capacity, etc.

- The Scheme was started during the **Ninth Five Year Plan** (under implementation since 1996).
  - The latest guidelines related to the scheme were released in the year 2018.
  - It is a **demand driven scheme** under which **financial assistance** is provided on a **reimbursement basis** to the eligible State /Central Government Organisations and Registered Industry Associations, societies /**trusts associated** with promotion and **development of MSME sector.**
  - As per the existing guidelines, the eligible organizations are facilitated for visit **/participation of MSMEs in international exhibitions** /trade fairs/buyer-seller meet etc. abroad and also holding **International conferences/seminars/ workshops** in India, for technology infusion, exploring business opportunities, joint ventures etc.
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## National Creche Scheme

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The National Crèche Scheme is being implemented by the **Ministry of Women and Child Development.**

- It is a **centrally sponsored scheme** being implemented with effect from 1<sup>st</sup> January, 2017.
- It aims at providing a safe place for mothers to leave their children while they are at work, and thus, is a measure for **empowering women** as it enables them to take up employment.
- It is also an intervention towards **protection and development of children** in the **age group of 6 months to 6 years.**

- The scheme provides for **day care facilities** to the children of working mothers.
  - It also provides supplementary nutrition, health care inputs like immunization, polio drops, basic health monitoring, sleeping facilities, early stimulation (for children below 3 years), pre-school education for children aged between 3-6 yrs.
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## Operation Thirst

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**Indian Railways** have launched “Operation Thirst”, as an all India drive to curb the menace of selling **unauthorized packaged drinking** water in railway premises.

- With the **increase** in the number of **passengers** traveling by railways (due to the closure of schools & festive/marriage season) during peak summer, the demand for drinking water also increases.
  - The operation thirst drive was carried out in all **major railway stations** of the country on 8 and 9<sup>th</sup> July 2019.
  - During the drive, 1371 persons were arrested by the railway protection force for selling of packaged drinking water of **unauthorized brands**.
  - Stalls on platforms were also found selling packaged drinking water bottles of brands which are **not authorized** by the Indian Railway
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## Green Card Cap Relaxed

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The US House of Representatives has passed the **Fairness for High-Skilled Immigrants Act or HR1044**, that **removes the 7% country-cap on Green Card applicants**.

- This bill increases the per-country cap on family-based immigrant visas from 7% of the total number of such visas available that year to 15% and eliminates the 7% cap for employment-based immigrant visas.
  - Currently, according to the US Citizenship and Immigration Services rules: No more than 7% of the visas may be issued to natives of any one independent country in a fiscal year.
  - The act if becomes a law, Indians would be the biggest beneficiaries of such a move.
    - Indian IT professionals, who come to the US mainly on the **H-1B work visas**, are the worst sufferers of the current immigration system which imposes a 7% per country quota on allotment of the Green Card or permanent legal residency.
    - Further, Donald Trump's policy of **‘Buy American, Hire American’** has resulted in numerous legal and administrative changes aimed at discouraging Indian tech workers’ immigration.
    - Lifting the per-country cap would mainly benefit professionals from countries like India, for whom the wait for Green Card is more than a decade.
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