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News Analysis (13 Dec, 2019)

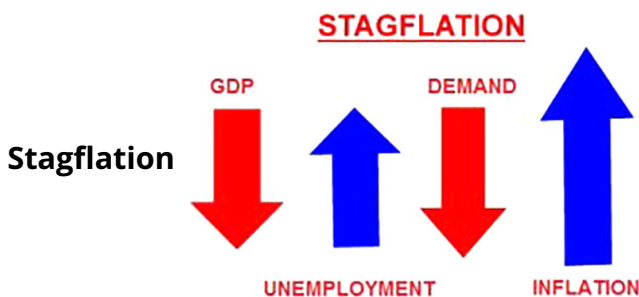
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Contraction in Index of Industrial Production

Why in News

According to the data released by the Ministry of Statistics and Programme Implementation (MoSPI), the quick estimates of **Index of Industrial Production (IIP)** stands at 127.7 for October 2019, which is **3.8% lower** as compared to the level in the month of October 2018. This contraction is due to demand slump in economy and fall in activity across sectors such as manufacturing, electricity, infrastructure etc.

- **Retail inflation** (measured by the Consumer Price Index) surged to a **40-month high** of **5.54%** in November 2019, owing to rising food inflation.
- The combination of contraction in industrial activity and rising inflation has led experts to fear that India is entering a phase of **stagflation**.



- Stagflation means a situation characterized by **simultaneous increase in prices** and **stagnation of economic growth**.
- It is described as a situation in the economy where the growth rate slows down, the level of unemployment remains steadily high and yet the inflation or price level remains high at the same time.

- **Dangerous for the economy**

- In a usual low growth situation, central banks and government try to stimulate the economy through higher public spending and low interest rates to create demand.
- These measures also tend to elevate prices and cause inflation. So, these tools cannot be adopted when inflation is already running high, which makes it difficult to break out of low growth-high inflation trap.

- The **solution** lies in increasing productivity, this enables higher growth without inflation.

Index of Industrial Production

% y-o-y	Weight %
Industrial output	100
Use-based classification	
Primary goods	34.1
Capital goods	8.2
Intermediate goods	17.2
Infrastructure/ Construction	12.3
Consumer durables	12.8
Consumer nondurables	15.3
Sectoral classification	
Mining	14.4
Manufacturing	77.6
Electricity	8.0

- The Index of Industrial Production (IIP) maps the **change in the volume of production in Indian industries.**
- It is estimated and published on a monthly basis by the **Central Statistical Organisation (CSO)** under MoSPI.
- It is currently calculated using **2011-2012 as the base year.**

- The IIP is basically divided into three sectors, though a use-based classification is also provided by the CSO.
 - The **three sectors** include: Mining, Manufacturing and Electricity. Electricity, crude oil, coal, cement, steel, refinery products, natural gas, and fertilisers are the **eight core industries** that comprise about 40% of the weight of items included in the Index of Industrial Production.
 - **Use based classification include:** Primary Goods, Capital Goods, Intermediate Goods, Infrastructure/ Construction goods, Consumer durables and Consumer nondurables.
- **Calculation**
 - The index is created by giving different weights to each sector and every month, production is tracked.
 - Finally, the index value is compared to the value it had in the same month last year to figure out the economy's industrial health.

Consumer Price Index

- **Inflation** refers to the rise in the prices of most goods and services of daily or common use, such as food, clothing, housing, recreation, transport, consumer staples, etc.
 - It measures the average price change in a basket of commodities and services over time. The opposite and rare fall in the price index of this basket of items is called 'deflation'.
 - It is indicative of the decrease in the purchasing power of a unit of a country's currency. This is measured in percentage.
- In India, inflation is primarily measured by two main indices — **WPI (Wholesale Price Index)** and **CPI (Consumer Price Index)**, which measures wholesale and retail-level price changes, respectively.
 - The goods or services sold by businesses to smaller businesses for selling further is captured by the WPI.
 - The CPI is an index measuring retail inflation in the economy by collecting the change in prices of most common goods and services used by consumers.

Source: TH

Samagra Shiksha Abhiyan

Why in News

Ministry of Human Resource Development is implementing the **Scheme of Vocationalisation of School Education**.

- Under the scheme, a vocational subject is offered for Classes IX to XII along with the general education to provide necessary employability and vocational skills for a variety of occupations.
- The above scheme is being implemented under the umbrella of '**Samagra Shiksha – an integrated scheme for school education**'.

Samagra Shiksha

- **Key Provisions:**
 - Samagra Shiksha is an **integrated** scheme for school education extending from **pre-school to class XII** to ensure inclusive and equitable quality education at **all levels** of school education.
 - It **subsumes** the three Schemes of **Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE)**.
The scheme treats school education holistically as a **continuum from Pre-school to Class 12**.
 - The main emphasis of the Scheme is on improving the quality of school education by focussing on the **two T's – Teacher and Technology**.
- **Vision:**
 - The vision of the Scheme is to ensure inclusive and equitable quality education from pre-school to senior secondary stage in accordance with the **Sustainable Development Goal (SDG)** for Education.
 - **SDG-4.1:** Aims to ensure that all boys and girls complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.
 - **SDG 4.5:** Aims to eliminate gender disparities in education and ensure equal access to all levels of education.
 - The scheme mainly aims to support States in the implementation of the **Right of Children to Free and Compulsory Education (RTE) Act, 2009**.
 - Right to Education Act (RTE) is a fundamental right under **Article 21-A** of the Constitution of India.
- **Funding Pattern:**
 - The Scheme will be implemented as a **Centrally Sponsored Scheme**.
 - The fund sharing pattern for the scheme between Centre and States is at present in the ratio of **90:10 for the North-Eastern States and the Himalayan States** and **60:40 for all other States and Union Territories with Legislature**.
 - It is **100% centrally sponsored for Union Territories without Legislature**.
 - The scheme also proposes to give flexibility to the States and UTs to plan and prioritize their interventions within the scheme norms and the overall resource envelope available to them.

Mullaperiyar Dam

Why in News



The **Ministry of Jal Shakti** has constituted a **three-member Supervisory Committee** to settle the issue of **Mullaperiyar dam** between **Kerala and Tamil Nadu**.

- The tension between the two states over the issue has persisted since the **1960s**, with Kerala citing concerns regarding the **dam's safety** and arguing for the reduction of the dam's water levels.
- But with the water from the dam being diverted to five districts in Tamil Nadu and its importance in the state's irrigation and power production practices, Tamil Nadu has consistently opposed this.

Mullaperiyar Dam

- The Mullaperiyar dam is located on the **confluence** of the **Mullayar and Periyar rivers** in **Kerala's Idukki district**.
- It is **operated and maintained** by the **Tamil Nadu** for meeting the drinking water and irrigation requirements of five of its southern districts.
According to a 999-year lease agreement made during the British rule the operational rights were handed over to Tamil Nadu.
- The dam intends to divert the waters of the **west-flowing river Periyar** eastward to the arid rain shadow regions of the Tamil Nadu.

Periyar River

- The Periyar River is the **longest river in the state of Kerala** with a length of 244 km.
- It is also known as '**Lifeline of Kerala**' as it is one of the few **perennial rivers** in the state.

A perennial river is a channel that has continuous flow in parts of its stream bed all year round.

- Periyar River **originates** from **Sivagiri hills of Western Ghats** and flows through the **Periyar National Park**.
- The **main tributaries** of Periyar are Muthirapuzha, Mullayar, Cheruthoni, Perinjankutti.

Source: PIB

National Financial Reporting Authority

The National Financial Reporting Authority (NFRA) was constituted on 1st October, 2018 by the Government of India under **section 132 (1) of the Companies Act, 2013**.

Need: In the wake of accounting scams, a need was felt to **establish an independent regulator** for enforcement of auditing standards and ensuring the quality of audits so as to enhance investor and public confidence in financial disclosures of companies.

Composition: The Companies Act requires the NFRA to have a chairperson who will be appointed by the Central Government and a maximum of 15 members.

Functions and Duties

- Recommend accounting and auditing policies and standards to be adopted by companies for approval by the Central Government;
- Monitor and enforce compliance with accounting standards and auditing standards;
- Oversee the quality of service of the professions associated with ensuring compliance with such standards and suggest measures for improvement in the quality of service;
- Perform such other functions and duties as may be necessary or incidental to the aforesaid functions and duties.

Powers

- It can probe listed companies and those unlisted public companies having paid-up capital of no less than Rs 500 crore or annual turnover of no less than Rs 1,000 crore.
- It can investigate professional misconduct committed by members of the **Institute of Chartered Accountants of India (ICAI)** for prescribed class of body corporate or persons.

Source: IE

Atal Bhujal Yojana

- The Atal Bhujal Yojana (ABHY) is a **centrally sponsored scheme worth Rs.6,000 crore** for **sustainable management of groundwater with community participation**.
It envisages people participation through the formation of 'Water User Associations', water budgeting, preparation & implementation of Gram-panchayat-wise water security plans, etc.
- It is being implemented by the **Ministry of Jal Shakti** (earlier known as Ministry of Water Resources, River Development and Ganga Rejuvenation).
- The scheme is being funded by the **Government of India and the World Bank** on **50:50** basis.
- The identified **over-exploited and water-stressed areas** for the implementation of the scheme are Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh.
The States have been selected according to the degree of groundwater exploitation and degradation, established legal and regulatory instruments, institutional readiness, and experience in implementing initiatives related to groundwater management.

Source: PIB

Kuchipudi Dance Form

Kuchipudi is one of the **8 classical dance forms of India**.

- The dance form has **emerged from a**



popular

- **theatrical art 'Kuchipudi Yakshagana'** named after the place of its origin, the village Kuchipudi in Andhra Pradesh.
- It is **performed as dance drama** i.e. performance in groups and also as solo items.
- **Siddendra Yogi**, the disciple of Narayana Theertha who lived in the **17th century**, is credited to have systemised the art form of Kuchipudi Yakshagana.
- Costumes, ornaments and jewellery occupy an important place.

IBM GRAF

Why in news

International technology company IBM plans to make a high-resolution weather forecast model, named **IBM GRAF (Global High-Resolution Atmospheric Forecasting System)**, that will rely on user-generated data to improve the accuracy of forecasts available in India.

- It will generate forecasts at a **resolution of 3 kilometres**. This is a significantly higher resolution than the 12-kilometre models used by the India Meteorological Department to generate forecasts.
- Weather forecasts will be available to individuals for **free download and can be used by farmers**. The forecast system will also be used to provide **custom forecasts** for energy companies, consumer brands, insurance businesses and satellite imagery analysts.
- For its forecasts, IBM will rely on a global network of sensors — automatic weather station, data buoys and barometric pressure data from cell phones of users who will download the application.
- It will run on **supercomputer** and generate forecasts over desired time-frames — three days, weekly or fortnightly.

Source: TH
