

News Analysis (13 Sep, 2018)

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Pradhan Mantri Annadata Aay Sanrakshan Abhiyan

The Government has approved a new umbrella scheme "Pradhan Mantri Annadata Aay Sanrakshan Abhiyan" (PM-AASHA) which will provide Minimum Support Price (MSP) assurance to farmers.

- The Scheme is aimed at **ensuring remunerative prices** to the farmers for their produce as announced in the Union Budget for 2018.
- The increase in MSP can improve farmer's income by strengthening procurement mechanism in coordination with the State Governments.

Components of PM-AASHA

Price Support Scheme (PSS)

- Under the PSS, Central nodal agencies will procure **pulses**, **oilseeds and copra** with proactive role of state governments.
- The Food corporation of India (FCI) and the National Agricultural Cooperative Marketing Federation of India (NAFED) will help implement the scheme.
- The procurement expenditure and losses due to procurement will be borne by Central Government as per norms.
- The government will procure 25% of the marketable surplus of farmers for eligible crops.
- The Centre has made a provision of about Rs 16,000 crores to be provided as bank guarantee for the agencies to procure from farmers.

Price Deficiency Payment Scheme (PDPS)

- Under the PDPS, the state will provide the difference between the prices prevailing in mandis and the MSP.
- All oil-seeds are to be covered under PDPS.

- This scheme is modelled on the **Bhawantar Bhugtan Yojana** that has been implemented by the Madhya Pradesh state government as well as **Bhavantar Bharpai Yojana** of Haryana Government.
- There will be **no physical procurement of crops**.

Pilot of Private Procurement & Stockist Scheme (PPPS)

- In lieu of PSS and PDPS, in certain pilot districts the PPPS will be tried out.
- Private agencies will procure oilseeds in coordination with the government.
- The selected private agency shall procure the commodity at MSP in the notified markets during the notified period from the registered farmers in consonance with the PPSS Guidelines, whenever the prices in the market fall below the notified MSP and whenever authorized by the state/UT government.

Issues Associated with the Scheme

- The scheme provides little to strenghthen the procurement mechanism infrastructure in the country which largely only works for two crops **wheat and rice**. According to a survey conducted by the **National Sample Survey Office (NSSO) in the 70th round** in 2013, **only 6% of farmers are able to sell their produce at MSP.**
- A 2017 study by K.S. Aditya found that **only 24% households were aware about the MSP** of crops grown by them.
- Further, the study found, although MSP is announced for the whole of India, the
 operation is limited only to few states where the designated government agencies
 procure the produce from farmers and except for crops like rice and wheat, quantity
 procured is very limited leading to low level of awareness.
- According to a 2016 **NITI Ayog evaluation report 79% farmers were dissatisfied** with the MSP regime.
- Some of the reasons for their dissatisfaction were delay in payments, lack of infrastructure at procurement centres, distance to procurement centres and delayed announcement of MSP rates. NITI Aayog's evaluation also found that there were several states where the procurement infrastructure facilities were 'inadequate'.

Other Pro-farmer initiatives of the Government

• The Government is committed to realizing the vision of doubling farmers' income by 2022 through emphasising on enhancing productivity, reducing cost of cultivation and strengthening post-harvesting management, including market structure.

- Efforts are on for a new market architecture, so as to ensure that farmers get remunerative prices on their produce. These include setting up of Gramin Agricultural Markets (GrAMs) so as to promote retail markets in close proximity of farm gate; competitive and transparent wholesale trade at Agricultural Produce Market Committee (APMC) through National Agriculture Market or eNAM and a robust and pro-farmer export policy.
- Several other pro-farmers' initiatives such as implementation of Pradhan Mantri Fasal Bima Yojana, Pradhan Mantri Krishi Sinchai Yojana, Paramparagat Krishi Vikas Yojana and distribution of Soil Health Cards have been undertaken. The commitment for farmer welfare is also reflected by decision of announcing minimum support price based on the formula of 1.5 times the cost of cultivation.

Way forward

- Steps should be taken to **improve facilities at procurement centres**, such as drying yards, weighing bridges, etc.
- More godowns should be set up and maintained properly for better storage and reduction of wastage.
- The procurement centres should be in the village itself to avoid transportation costs.
- Hence, the Government must reinforce the procurement infrastructure which was a key recommendation of the Centre's NITI Aayog for the success of this well intentioned scheme for the farmer's welfare.

Food Corporation of India (FCI)

The Food Corporation of India was setup under the Food Corporation's Act 1964, in order to fulfill following objectives of the Food Policy:

- Effective price support operations for safeguarding the interests of the farmers.
- Distribution of foodgrains throughout the country for public distribution system.
- Maintaining satisfactory level of operational and buffer stocks of foodgrains to ensure National Food Security.

National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED)

- NAFED is registered under the Multi State Co-operative Societies Act.
- It was setup in 1958 with the object to promote Co-operative marketing of Agricultural Produce to benefit the farmers.
- Agricultural farmers are the main members of NAFED, who have the authority to say in the form of members of the General Body in the working of NAFED.

The Ministry of Health and Family Welfare has recently prohibited the manufacture for sale, sale or distribution for human use of 328 FDCs through the powers conferred by section 26A of the Drugs and Cosmetics Act, 1940.

Background

- In March 2016, Central Government had prohibited the manufacture for sale, sale, and distribution for human use of 344 FDCs.
- However, drug manufacturers dragged Central Government to court over its order. As per the directions given by the Supreme Court in December 2017, the matter was examined by the Drugs Technical Advisory Board (DTAB).
- The Drugs Technical Advisory Board recommended that there is no therapeutic
 justification for the ingredients contained in 328 FDCs and these FDCs may involve risk
 to human beings.

Fixed Dose Combinations (FDCs)

A fixed-dose combination or FDC drug contains two or more active ingredients in a fixed dosage ratio.

Benefits of FDC's

- The basic rationale of making "fixed-dose combination" medicinal products is either to improve patient compliance or to benefit from the synergistic effects of the two medicinal products given together.
- FDCs have shown to be particularly useful in the treatment of infectious diseases like HIV, malaria, and tuberculosis were giving multiple antimicrobial agents is the norm.
- FDCs are known to offer specific advantages over the single entity preparations, such as increased efficacy, and/or a reduced incidence of adverse effects, possibly reduced cost and simpler logistics of distribution relevant to situations of limited resources.

Issues related to FDCs

- FDCs are the combination of two or more drugs, there might be the case that the patient may not actually need those many drugs, thus he is subjected to additional side effects.
- Some drug doses have to be individualized based on patient's response. It is not possible in FDCs.
- Some companies have been selling FDCs in India without proper clinical trials and government approvals. Thus, it is necessary to regulate them.
- These non-essential FDCs thus do harm by encouraging irrational and indiscriminate use by peoples. Irrational use of FDCs of antibiotics is among the major causes of antibiotic resistance in India.

Drugs Technical Advisory Board

- Drugs Technical Advisory Board is a statutory body constituted under the Drugs and Cosmetics Act, 1940.
- The function of DTAB is to advice Central government and State government on technical matters related to drugs and cosmetics.

Approval for 100% Electrification of Broad Gauge Routes of Indian Railways

The Cabinet Committee on Economic Affairs (CCEA) has approved electrification of remaining un-electrified broad gauge (BG) routes of Indian Railways

- Presently around two thirds of freight and more than half of passenger traffic in Indian Railways moves on electric traction,
- However, electric traction accounts for just 37% of the total energy expenses of Indian Railways.
- Upon completion of electrification of the proposed routes, Indian Railways broad gauge network will be 100% operational on electric traction.
- This electrification is likely to be completed by 2021-22.

Benefits

- Speed- 100% electrification will provide seamless train operation by eliminating detention of trains due to change in traction from diesel to electric and vice versa.
- Capacity- It will help Railways in enhancing line capacity due to higher speed & higher haulage capacity of electric locomotives.
- Safety- Improved signaling system will lead to enhanced safety in train operation
- Energy Security- As per new Auto Fuel Policy of the Government, total shift to electric traction will reduce fossil fuel consumption of about 2.83 billion liters per annum and also give a subsequent reduction in GHG emissions.
- Energy bill savings- It provides savings of Rs 13,510 crore per annum in fuel bill as maintenance of electric locomotive is low as compared to diesel locomotive.
 Regeneration facility of electric locomotives will save 15-20% energy; also there is reduced overall requirement of electric loco due to their higher horse power.
- Sustainability- Reduced carbon footprint as environmental cost per tonne Km for electric traction is 1.5 paisa as compared to 5.1 paisa diesel traction. In line with commitment made by India in COP21, total shift to electric traction will reduce CO2 emission of Railways by 24% till 2027-28. Green house gas emission for electric traction will fall below diesel traction by 2019-20 making it environmentally friendly option.

• Employment Generation - Direct employment during construction phase for about 20.4 crore Man days.

Why it is needed?

- For plugging missing links and last mile connectivity.
- For managing seamless operation of rail traffic across the network,
- To remove bottlenecks created by the need to change traction.
- To enhance the line capacity and improve the average speed of trains.
- To improve operational efficiency and improve Railway Finances.
- To reduce environmental impact of Railways.

Way Forward

The complete electrification of railway is poised to continue the growth story of Indian Railways. Through the aforementioned benefits, complete electrification will act as a catalyst for the modernization process and deliver greater economic benefits. It will help Indian Railways become the growth engine of India.

Important Facts for Prelims (13th September 2018)

Consumer Price Index and Index of Industrial Production (IIP)

Central Statistics Office, Ministry of Statistics and Programme Implementation released the data on inflation (CPI) and Industrial Growth(IIP).

Index of Industrial Production

- The Index of Industrial Production (IIP) is an index which shows the growth rates in different industry groups of the economy in a fixed period of time.
- It is compiled and published monthly by the Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation six weeks after the reference month ends.
- IIP is a composite indicator that measures the growth rate of industry groups classified under:
 - Broad sectors, namely, Mining, Manufacturing, and Electricity.
 - Use-based sectors, namely Basic Goods, Capital Goods, and Intermediate Goods.
- Base Year for IIP is 2012.

Eight Core Industries

• Eight Core industries in IIP include eight vital sectors of Industries in India.

- Eight Core industries (and their weightage) are:
 - Coal (10.33 percent)
 - Crude Oil (8.98 percent)
 - Natural Gas (6.88 percent)
 - Refinery Products (28.04 percent)
 - Fertilizers (2.63 percent)
 - Steel (17.92 percent)
 - Cement (5.37 percent)
 - Electricity (19.85 percent)
- Eight Core Industries in decreasing order of their weightage: **Refinery Products> Electricity> Steel> Coal> Crude Oil> Natural Gas> Cement> Fertilizers**.
- Eight Core Industries have combined weightage of 40.27 % in the IIP.

Measurement of Inflation in India

Wholesale Price Index WPI

- It is the most widely used inflation indicator in India.
- Published by the Office of Economic Adviser, Ministry of Commerce and Industry.
- All transactions at the first point of bulk sale in the domestic market are included.
- Major criticism for this index is that the general public does not buy products at wholesale price.
- Hence, WPI does not give the actual picture of the amount of pressure borne by the general public. However, the increase in wholesale prices does affect the retail prices.

• Consumer Price Index CPI

- It measures price changes from the perspective of a retail buyer.
- It measures changes over time in the level of retail prices of selected goods and services on which consumers of a defined group spend their incomes.
- Four types of CPI are as follows:
 - CPI for Industrial Workers (IW).
 - CPI for Agricultural Labourer (AL).
 - CPI for Rural Labourer (RL).
 - CPI (Rural/Urban/Combined).
 - Of these, the first three are compiled by the Labour Bureau in the Ministry of Labour and Employment.
 - Fourth is compiled by the Central Statistical Organisation (CSO) in the Ministry of Statistics and Programme Implementation.

• Producer Price Index (PPI)

- It measures the average change over a period of time in selling prices by producers of goods and services.
- PPI measures price change from the point of view of the seller.
- Majority of the Organisation for Economic Co-operation and Development (OECD) countries measure inflation based on Producer Price Index (PPI) while only some others use WPI.

Land border open between Ethiopia and Eritrea

- The land border between Ethiopia and Eritrea has been reopened after 20 years.
- The border was closed after a border conflict between Eritrea and Ethiopia in 1998.
- War ended in 2000 with the signing of the Algiers agreement.
- Now Ethiopia, otherwise landlocked, will have access to oceans.

Read About Ethiopia-Eritrea Conflict

Brihadeeswara temple, Thanjavur

- Ganesh Chaturthi in Pune would be celebrated in a replica of Thanjavur iconic Brihadeeswara temple.
- The purpose is to showcase the country's heritage to devotees who cannot afford to travel to other parts of the country and to serve the larger purpose of uniting people during festivities.
- Brihadeshwara Temple also known as Raja Rajeswara Temple, is a Hindu temple dedicated to Shiva and is located in Thanjavur (Tamil Nadu).
- It is one of the best examples of the Dravidian style of temple architecture built by Chola emperor Raja Raja Chola I in about 1000 AD.
- The temple is a magnificent and dignified edifice consisting of a pyramidal spire and is adorned with beautiful sculpture and paintings inside as well as outside.
- The apex structure on top of the temple is believed to be carved out of a single stone carving.
 - It is so designed that the viman does not cast a shadow at noon during any part of the year.
- The temple entered the UNESCO World Heritage Site list in 1987 and is also a part of "Great Living Chola Temples". The temple turned 1000 years old in 2010.
- The temple, which is the tallest in India, still remains an engineering mystery as it is completely made of granite and archaeologists still don't know how the builders got such huge pieces of granite for construction at this height.

ASI discovers copper coins belonging to the medieval period

- The Archaeological Survey of India has discovered a hoard of Copper Coins in the premises of Khirki Mosque (Delhi) during the course of conservation of the monument.
- On the basis of preliminary observation, it was found that some of the coins belong to the reign of Sher Shah Suri and his successors.
- The Khirki Mosque was built by Malik Maqbul, Prime Minister of Firoz Shah Tughlaq (1351-88), and is believed to be one of the seven mosques built by him.
- Khirki Mosque is built with rubble stone and is thickly plastered.
- The Khirki Mosque is double-storeyed. Corresponding with the openings of cells on the lower storey, the upper storey contains perforated windows (khirkis), which have given it its present name.
- Khirki mosque is one of the two examples of closed mosques in Northern India. Another one was also built by Malik Maqbul.

Capacity Development Scheme

Recently, Cabinet Committee on Economic Affairs chaired by Prime Minister approved continuation of the Capacity Development Scheme (Ministry of Statistics and Programme Implementation) for the period 2017-18 to 2019-20 with an outlay of Rs 2,250 crore.

Objective:

To make available credible and timely official statistics for policy makers and public.

Features:

- It includes augmenting resources and improving IT infrastructure for bringing out important statistical products like Gross Domestic Product (GDP), Consumer Price Index (CPI), Index of Industrial Production (IIP), Socio-Economic surveys etc.
- From April, 2017 a Periodic Labour Force Survey (PLFS) is started to assess quarterly labour data in urban areas and annual labour data for the whole country (urban and rural areas).
- It has two Sub-schemes:
 - Economic Census It lists all non-agricultural establishments periodically. It was last conducted in January, 2013 to April, 2014; Government plans to conduct it every three year.
 - Support for Statistical Strengthening (SSS) –Strengthen State/ Sub-State/ UT level statistical systems and facilitate development of a robust national system and provide funds after detailed examination.

- Three new surveys to be taken up under it
 - Time Use Survey (TUS)
 - Annual Survey of Service Sector Enterprises (ASSSE)
 - Annual Survey of Unincorporated Sector Enterprises (ASUSE)