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Back to PISA after 2009

The Human Resource Development (HRD) Ministry has decided to participate in PISA, an international assessment of student ability, after a gap of almost 10 years.

What is PISA?

- Program for International Student Assessment (PISA) is an international survey held every three years, coordinated by the Organization for Economic Cooperation and Development (OECD).
- First conducted in 2000, the major domain of study rotates between reading, mathematics, and science in each cycle.
- It is a competency-based test designed to assess the ability of the 15-year-old candidates that measures their reading, mathematics, and science literacy every three years to apply their knowledge to real-life situations.

India in PISA

- India was the participant country in PISA in 2009. However, students fared poorly then and bagged the 72nd rank among 74 participating countries. The then government had boycotted PISA, blaming “out of context” questions for India’s dismal performance and chose not to participate in the 2012 and 2015 cycles.
- The HRD Ministry first revisited this decision in 2016 and set set up a committee to review the matter which recommended that the country should participate in the 2018 test cycle.

A Glance at Indian Education System

- Education in schools is one dimensional, with an obsessive focus on marks. Further there is lack of availability of trained teachers at all levels. Quality teachers are the missing link in the Indian education system.

- A majority of students in the university are unemployable because of their inability to apply their knowledge in real-life situations. This is because of a poor foundation in schools, where the emphasis is more on rote learning, rather than testing a student's creative skills.
- As per UNESCO data, India has one of the lowest public expenditure rates on education per student, especially compared to other Asian countries like China.
- With a literacy rate of about 74 percent, India lags behind other BRICS nations, which have literacy rates above 90 percent.

Indian Education System and PISA

- Unlike most school examinations in India, PISA does not test a student's memory and curriculum-based knowledge. For example, PISA's science test, measures three competencies-the ability to explain scientific phenomena, scientific interpretation of data and evidence, and the ability to design and evaluate scientific query.
- Similarly, reading in India is commonly understood as basic decoding of information or reading aloud, PISA defines it as an individual's capacity to understand, use and reflect on written information in a range of situations.
- The meaning of literacy and numeracy should not be traditional, but should be reoriented to ensure that students understand and imbibe the values of critical thinking, problem solving and expression.
- Countries like Finland, Sweden and Denmark, who top the PISA tests have demonstrated that equity can considerably help to improve overall learning outcomes, through mixed and inclusive classrooms, that do not segregate the so-called 'bright' and 'slow learners', or children from different social, ethnic or other differences.
- Students who had attended pre-primary tend to perform better than those who have not. These approaches need to be emulated in our classrooms too so that the classrooms of the country resonate with the diversity of our country, and help improve learning outcomes as the Scandinavian school systems have shown.

Benefits of PISA

- PISA data reveals common patterns among high performing school systems. Likewise, the data also shows that school systems with the greatest improvement have used common tactics at different points in the reform process.
- The data is also used for benchmarking. Successful school systems have many internal measures but it is difficult to understand what the "best" really is. So an International benchmark like PISA can be a healthy driver for reform efforts worldwide.

Criticism of PISA

- Academicians raised concern about PISA that it has contributed to an obsession with standardised testing relying heavily on quantitative measures rather than qualitative aspects of education.
- It is criticized for shifting focus from long-term and enduring solutions to temporary measures which are being increasingly adopted by countries to improve their ranking.

Conclusion

India should take part in PISA and make efforts to take the maximum benefits out of the assessment which may transform the existing education system to compete at global level.

The Fuel Price Conundrum

Amidst the rising fuel prices and the Opposition protests across the country, the government ruled out any immediate reduction in excise duty in order to bring down the retail prices of auto fuels.

- Only Andhra Pradesh and Rajasthan announced cut in VAT on petrol and diesel after the Central Government urged the states to take action.
- Having said that, reducing taxes on petrol and diesel is difficult because of following reasons:
 - Taxes on petrol and diesel are a key revenue source for both the Centre and states, and a cut will hit their fiscal position.
It can be noted that there's no Customs duty on crude, but petrol and diesel attract a Customs duty of 2.5%.
 - To narrow down the fiscal deficit to 3.3% of gross domestic product in this fiscal year from 3.5% in the previous year, the government needs to preserve (if not increase) tax revenue from fuel levies.
 - States impose the high tax rates on petrol and diesel to address the issue of high gross fiscal deficit as a percentage of their GDP.
 - Apart from taxes, the Centre and the states have other earnings like dividend income, dividend distribution tax, corporate/income tax and profit on exploration of oil and gas from the petroleum sector.

- The Government, despite of not cutting taxes may still have to bear some direct costs, since all fuel product prices are not market-linked.
 - Kerosene and LPG are subsidised to protect society's weaker section. Rising crude oil and gas prices along with depreciating rupee will raise the government's subsidy burden on Kerosene and LPG.
 - Also, higher oil prices and capital outflows push up inflation, significantly increasing the government's borrowing costs.
 - The government's ability to give relief is only when its finances are strong, while on the other hand in an election year the spending cut is not an option since it would hamper the govt.'s spending on development schemes.

Inclusion of Petrol and Diesel under GST

- As of now LPG, kerosene, naphtha, furnace oil, and light diesel oil are under GST.
- Five other petroleum products viz. crude oil, high speed diesel, motor spirit (petrol), natural gas, and aviation turbine fuel lie outside the GST.
- Even if petrol and diesel are included under GST, prices are unlikely to fall. This is because of the GST principle of keeping rates close to the earlier tax rates.
- The international trend also suggests that if petrol and diesel are included in GST, states levy additional taxes to prop up their revenue.
- Since, the state governments levy value-added tax (VAT) on the fuel price inclusive of central excise duties, not the base price, leading to double taxation and further price amplification. GST may not stop prices from moving up, but will at least ensure no cascading effects of taxes like double taxation.

Factors Determining Fuel Prices

- **Crude:** The revision in the price of fuel corresponds to the change in the global crude oil prices on that day.
- **Rupee/ Dollar Exchange Rate:** Indian oil companies import crude oil which is quoted in US dollars, but eventually incur the expense in rupees. Thus, even if the price of the crude oil is on the fall but the rupee is also weakening against the dollar at the same time, it may offset the potential gains to oil refiners.
- **Demand-supply situation:** Short supply or low output of fuel often leads to a rise in its price; while conversely, an increase in the supply mostly results in the decrease in the price.
- **Logistics:** Petrol and diesel transported to over longer distances to cities or regions farther from depots would typically be priced higher than at the places nearer to the oil companies' storage areas.
- **Pricing mechanism:** Daily or quarterly revision of retail prices of petrol and diesel across the country also affects the price of fuel. The government recently decided that petrol and diesel prices will change on daily basis in keeping with international rates.

RBI Intervenes as Rupee Slides to New Low

The rupee recently breached the limit of Rs. 72.5 for a dollar.

- RBI intervened to arrest the free fall of rupee and pumped dollars into the market to stabilize the rupee.
- The Indian rupee has been one of the worst performing major emerging market (EM) currencies in 2018, and the worst in Asia-Pacific.
- Increase in crude oil prices, upcoming state elections, US-China trade war, and domestic inflation are the major reasons for rupee depreciation.

Impact on India

- **Expensive Imports**
 - As the rupee falls, the import of goods become expensive and Indian companies will now have to pay more for the same amount of dollar.
 - The increase in the price of imports like crude oil risks inflation and can cause deplete in forex reserve.
- **Exports Benefitted**

Exporters stand to benefit as they get more rupees while converting dollar export earnings into Indian currency. This is expected to boost exports, but it may not influence the overall impact of currency depreciation as India imports more than it exports.
- **Widening Current Account Deficit**

As rupee weakens, India's CAD also widens, because weakening currency increases the cost of imports vis-a-vis Exports. Widening of CAD impacts the health of the economy leading to investors pulling out their investment from India. Thus, perpetuating currency fall.

Government Intervention

- RBI can go for sterilization, but RBI has not been intervening strongly to check currency volatility.
- Finance Ministry has also proposed to come up with a Deposit Scheme for Non-Resident Indians.
- RBI can increase interests rates in order to attract FPI's. But, it leads to expensive credit for Indian companies which can impact domestic investment.

Sterilization

It refers to the process by which the RBI takes away money from the banking system to neutralize the fresh money that enters the system.

Important Facts for Prelims (11th September 2018)

BIMSTEC-MILEX 2018

- First Military Field Training Exercise for the Bay of Bengal Initiative for Multi Sectoral Technological and Economic Cooperation (BIMSTEC) nations, named MILEX-18, is being conducted at Aundh Military Station, Pune, Maharashtra.
- The aim of the exercise is to familiarise the BIMSTEC Nations' forces in planning and conduct of counter terrorist operations in a semi-urban setting.

[Read more about BIMSTEC](#)

NOMADIC-ELEPHANT 2018

- Indo-Mongolia joint exercise Nomadic Elephant-2018 is being conducted at Mongolian Armed Forces (MAF) Five Hills Training Area, Ulaanbaatar, Mongolia.
- The Nomadic Elephant exercise is an annual, bilateral exercise, held since 2006, and is designed to strengthen the partnership between Indian Army and Mongolian Armed Forces.
- The aim of exercise is to improve tactical and technical skills in joint counter insurgency and counter terrorist operations in rural and urban scenarios.

Gatka

- 'Gatka' is a traditional martial art form associated with the Sikh gurus.
- It was earlier confined to gurudwaras, nagar kirtans and akharas, but now it finds presence in the sports category after the formation of the Gatka Federation of India (GFI) in 2008. Gatka is now played by trained Gatka players at the national level.
- Gatka is believed to have originated when the sixth Sikh Guru Hargobind adopted 'Kirpan' for self defense during the Mughal era, and tenth Guru Gobind Singh made it compulsory for everyone to use the weapons for self defense.

Malignant Catarrhal Fever (MCF)

- Malignant Catarrhal Fever (MCF), a rare and deadly livestock disease has resurfaced in Karnataka affecting cattle belonging to dairy farmers. It was first spotted in the State 10 years ago.
 - MCF, an infectious viral disease, originated in South Africa. It has neither a cure nor a vaccination that can prevent its spread.
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