



News Analysis (16 Aug, 2018)

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Ayushman Bharat

During his Independence Day speech from Red Fort, Prime Minister announced that Pradhan Mantri Jan Arogya Abhiyaan, also known as Ayushman Bharat or the **National Health Protection Mission (AB-NHPM)** or Modicare, will be launched on 25 September, 2018. However, since the scheme is meant only for poor and economically-deprived people, not everyone is eligible to get free medical insurance under Ayushman Bharat scheme.

Key Features

- The government-sponsored health insurance scheme will provide free **coverage of up to Rs 5 lakh per family per year** at any government or even empanelled private hospitals all over India for secondary and tertiary medical care facilities.
- Modicare will be available for **74 crore beneficiary families** and about 50 crore Indian citizens. Under the process, 80 percent of beneficiaries, based on the Socio-Economic Caste Census (SECC) data in the rural and the urban areas, have been identified.
- There is no restriction on the basis of family size, age or gender.
- Ayushman Bharat is unlike other medical insurance schemes where there is a waiting period for pre-existing diseases. All kinds of diseases are covered from day one of the Ayushman Bharat policy. The benefit cover includes both pre and post hospitalization expenses.
- The expenditure incurred in premium payment will be shared between Central and State Governments in a specified ratio. The funding for the scheme will be shared – 60:40 for all states and UTs with their own legislature, 90:10 in Northeast states and three Himalayan states of Jammu and Kashmir, Himachal and Uttarakhand and 100% Central funding for UTs without legislature.
- The NHPS will draw additional resources from the Health and Education Cess and also depend on funding from States to boost the Central allocation. The premiums are expected to be in the range of `Rs 1,000 – ` 1,200 per annum.

- The NHPM (National Health Protection Mission) will pay for the hospitalisation costs of its beneficiaries through strategic purchasing from public and private hospitals.

NOTE:

"Strategic purchasing" means active, evidence-based engagement in defining the service-mix and volume, and selecting the provider mix in order to maximize societal objectives.

- **Wellness Centres:** The 1.5 lakh sub-centres that are converted into wellness centres will cater to majority of services such as detection and treatment of cardiovascular diseases, screening for common cancers, mental health, care of the elderly, eye care, etc.
- The wellness centres will also offer a set of services including maternal and child health services, mental health services and vaccinations against selected communicable diseases.

Benefits

- The scheme, if implemented properly could enhance access to health care including early detection and treatment services by a large section of society who otherwise could not afford them.
- NHPS could help country move towards universal health coverage and equitable access to healthcare which is one of the UN Sustainable Development Goals (SDG3: Good health and well-being). „
- The wellness centres that are planned under the Ayushman Bharat programme can play a preventive role by reducing the incidence and impact of non-communicable diseases. „ The proposed NHPS could be the precursor to the Universal Insurance Scheme which will provide cover to all citizens.

How will NHPS work financially?

- The NHPS operates around the insurance principle of '**risk pooling**'. When a large number of people subscribe to an insurance scheme, only a small fraction of them will be hospitalised in any given year. In a tax-funded system or a large insurance programme, there is a large risk pool wherein the healthy cross-subsidise the sick at any given time. „
- The NHPS will be financially viable, despite a high coverage offered to the few who fall sick in any year, because the rest in the large pool do not need it that year.

Tasks Ahead

- State governments, which will administer it through their own agency, will have to purchase care from a variety of players, including in the private sector, at pre-determined rates.
- Reaching a consensus on treatment costs through a transparent consultative process is vital for a smooth and steady rollout.
- A large-scale Information Technology network for cashless treatment should be set up and validated.
- Since a majority of the families will be rural, and the secondary and tertiary public hospital infrastructure suffers from severe efficiency and accountability problems, State governments should upgrade the administrative systems.

Challenges

- The steady growth of a for-profit tertiary care sector poses the additional challenge of arriving at a basic care package for those who are covered by the NHPS, at appropriate costs.
- The NHPS scheme, which primarily offers support for clinical services such as hospitalization, fails to address the broken public health system in the country.
- The most critical issue remains the limited and uneven distribution of human resources at various levels of health services, with up to 40% of health worker posts lying vacant in some states.
- Most primary health care centres suffer from a perennial shortage of doctors and even district hospitals are without specialists. „
- Without addressing the human resource situation, public sector healthcare will remain of poor quality and largely unacceptable, forcing patients to go to the private sector. This will ultimately be unsustainable and even detrimental for the poor for whom the scheme is intended.

The Currency Turmoil in Turkey

Recently the Turkish Lira lost a fifth of its value against the U.S. dollar. The currency has lost over 40% of its value against the dollar this year.

- This plunge has caused food, fuel and rental prices to surge across the country.
- The backdrop to all this is the escalation in global trade tensions, with Beijing now lodging a complaint to the World Trade Organisation to determine the legality of U.S. tariff and subsidy policies.

Reasons for Depreciation

- The immediate cause of Lira's fall is the rising tension between Turkey and the U.S. over the continuing detention of American pastor Andrew Brunson on spying and terror charges.
 - The USA imposed 20 percent duty on aluminium and 50 percent on steel imports from Turkey.
 - Moreover, the NATO allies have been at loggerheads over a wide range of topics, including diverging interests in Syria, Ankara's ambition to buy Russian defence systems, etc.
- Other underlying causes are:
 - The Turkish economy has been centred on a construction and consumption boom;
 - High inflation at more than 15%. This primarily leads to erosion of the purchasing power;
 - A high current account deficit and soaring foreign debt;
 - A strengthening dollar and higher interest rates in the U.S. have compounded the economic crisis in emerging markets and particularly in Turkey. Higher interest rates could draw more investors back to the U.S. and spark an outflow of capital from emerging markets.
 - President Erdogan's tightening grip on institutions is being seen as an attack on democracy leading to capital outflows.

Steps Taken by Turkey

- Turkey doubled tariffs on some U.S. imports, including alcohol, cars, tobacco, cosmetics, rice and coal.
- Turkey is assured of \$15 billion of investment package by Qatar which would be channelled into the banks and financial markets.

Impact

- The lira collapse and strengthening of dollar are driving a capital exodus from across emerging markets, sending currencies such as the Argentine peso and Indian rupee to record lows.
 - European banks that own significant stakes in Turkish lenders are also at risk.
 - Emerging equities fell 2 %, and are down almost 20 % from January highs.
 - There are concerns also about China's slowing economy which is pressuring other Asian markets. E.g.: Indonesia, raised interest rates for the fourth time since May.
 - The dollar rise has hit commodities, with prices of Copper, gold and Brent crude slipping to new lows.
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Mission Gaganyaan

The Prime Minister of India in his Independence Day address announced that an Indian astronaut would go into space by 2022, when India celebrates her 75th year of Independence.

- If India does launch the Gaganyaan mission, it will be the fourth nation to do so after the United States, Russia and China.
- In 1984, India's first astronaut Wing Commander (retd.) Rakesh Sharma orbited Earth as part of a Soviet mission.
- In pursuance of this, in July 2018, ISRO conducted an experiment for emergency escape of astronauts called the **Pad Abort Test** which demonstrated the safe recovery of the crew module in case of any emergency at the launch pad.

The '**pad abort**' test or **Crew Escape System** is an emergency escape measure that helps pull the crew away from the launch vehicle when a mission has to be aborted.

The Mission

- R. Lalithambika, a specialist in advanced launcher technologies, will helm the project as Director of the Human Space Flight Project.
- The mission is estimated at Rs.9000 crore.
- The plans in the "demonstration phase" includes undertaking two unmanned flights and one human flight using Indian technology to put a crew of three into a low earth orbit for 5-7 days.
- A manned space mission is very different from all other missions that ISRO has so far completed.
- In terms of complexity and ambition, even the missions to the Moon (Chandrayaan) and Mars (Mangalyaan) are nowhere in comparison.
- For a manned mission, the key distinguishing capabilities that ISRO has had to develop include the ability to bring the spacecraft back to Earth after flight – For this, ISRO, in 2014, successfully tested the Crew module Atmospheric Reentry Experiment (CARE) that came back to Earth after being taken into space.
- Also to build a spacecraft in which astronauts can live in space, the **Environmental Control & Life Support System (ECLSS)** is meant to ensure that conditions inside the crew module are suitable for humans to live comfortably.

- One of the most important requirements is the development of a launch vehicle that can carry heavy payloads into space.
 - The spacecraft carrying human beings, called crew module, is likely to weigh in excess of 5 to 6 tonnes.
 - ISRO's main launch vehicle, the PSLV (Polar Satellite Launch Vehicle), which carried the Chandrayaan and Mangalyaan missions too, can carry payloads that are barely up to 2 tonnes.
 - That is why the development of GSLV Mk-III, a launch vehicle with capabilities to deliver much heavier payloads much deeper into space, was necessary.
- Most of the critical technologies and hardware required for the Human Space Flight Programme (HSP) are ready or have been demonstrated.
- ISRO would now stitch them up into a complete project and present a comprehensive project report to get a formal approval of the government.

GSLV MK-III

- The Geosynchronous Satellite Launch Vehicle (GSLV)-III is a launch vehicle conceived and designed to make ISRO fully self reliant in launching heavier satellites.
- It is designed to be a three stage **vehicle**, with the first stage comprising two Large Solid Booster with solid propellant, that are strapped on to the second stage, the re-startable liquid stage. The third stage is the Liquid Oxygen/ Liquid Hydrogen cryogenic stage.
- ISRO successfully tested GSLV Mk-III, now called **LVM-3 (Launch Vehicle Mark-3)**, in an experimental flight in December 2014.
- Then, in June 2017, ISRO successfully launched the first "developmental" flight of LVM-3, which carried the GSAT-19 satellite into space.
- The LVM-3 is the declared launch vehicle for taking the manned crew module into space.
- Over the next few years, many more flights of GSLV are scheduled. These will help ISRO in perfecting the cryogenic technology for sending up heavier and heavier payloads.
- In fact, in June 2018, the government approved the funding for the next 10 flights of GSLV Mk-III at an estimated cost of Rs 4,338.2 crore. This was supposed to take care of GSLV Mk-III missions till 2024.

Emergency Measures to Tackle Pink Bollworm

The state Government of Maharashtra has announced emergency measures to check the menace of pink bollworm (PBW) infestation in parts of the state.

- The state government will also set up a 16-member committee in each district to monitor relief measures and minimise economic losses to farmers.
- The government floated a cluster of compensation schemes for small farmers and passed a resolution demanding that seed companies should take responsibility for giving compensation.

Background

- India is the only Bt cotton-growing country facing the problem of pink bollworm infestation.
- Unlike other bollworm insect species that also attack other crops such as pigeon-pea, sorghum and sunflower, PBW feeds only on cotton.
- The infestation of this insect pest — whose larvae bore into cotton bolls through the lint fibre to feed on the seeds — happened during October, just when the crop was maturing and almost ready for its first-flush pickings, and further aggravated by unseasonal rains.

Concerns

- To overcome this problem, the union government has recommended a unique RIB (Refugia In Bag) concept, wherein 25 grams of non-Bt Cotton seed is mixed with 450 grams of Bt Cotton seeds.
- The strategy of growing 'refuge' plants around the GM plants is to prevent or delay the development of Bt-resistant insects. This enables planting non-BT cotton which can host PBW wild insects and prevent resistance build-up in PBW.
- The RIB concept has also been backed by National Seeds Association of India (NSAI) according to which it will weaken the proliferation of PBW on BT Cotton.

NOTE:

- The National Seed Association of India (NSAI) is the apex organization representing the Indian seed industry with more than 250 companies as its members.
- Its aim is to create a dynamic, innovative, and internationally competitive, research based industry producing high performance, high quality seeds and planting materials which benefit farmers and significantly contribute to the sustainable growth of Indian Agriculture.

The farmers have raised concerns that the infestation would reduce the area under cotton crop by at least 10% resulting in low yield and drop in prices.

Why the case is unique for India?

- The pink bollworm grew resistant because India restricted itself to cultivating long-duration hybrids since the introduction of Bt cotton in 2002.
- All other Bt cotton-growing countries like China, US mainly grow open-pollinated cotton varieties rather than hybrids.
- This is said to be the reason for the pink bollworm growing resistant to toxins in India.

Way Forward

- NSAI has popularised the Integrated Pest Management (IPM) programme which involves crop rotation of cotton with other crops, biological control of insects with the help of insects and parasites that devour pink boll worms and destroying crop residue and trash in the field.
- NSAI has also suggested the government to move back to Bollgard.
- Farmers should move swiftly to the short-duration crop varieties.
- Seed companies cannot develop open-pollinated varieties with BG-2, but they can develop with BG as Monsanto did not patent BG in India.

Pink Bollworm (PBW)

- The pink bollworm (*Pectinophora gossypiella*), is an insect known for being a pest in cotton farming.
- The pink bollworm is native to Asia, but has become an invasive species in most of the world's cotton-growing regions.
- In parts of India, the pink bollworm is now resistant to first generation transgenic Bt cotton (Bollgard cotton) that expresses a single Bt gene (Cry1Ac).
- Monsanto has admitted that this variety is ineffective against the pink bollworm pest in parts of Gujarat, India.

Protests over Water Aerodrome Project in Chilika

The Union government proposal for setting up of five water aerodromes in the country to promote tourism, including the one at the Chilika lake is faced with sharp criticism from the state government of Odisha and various organizations.

- The Indian National Trust for Art and Cultural Heritage, Odisha has written to the state government and the Centre requesting to reconsider the proposal of operating seaplanes in the Chilka Lake.
- According to the State Government, it would directly affect two lakh fishermen families and the biodiversity of Asia's largest saltwater lake.
- Apart from Chilika, Gujarat's Sardar Sarovar Dam and Sabarmati River Front have been cleared for the project in the first phase.

- Andhra Pradesh, Assam and Maharashtra are also in the list of water aerodrome projects.
- Green Nobel prize winner environmental activist, Prafulla Samantara while opposing the move pointed that it can affect its biodiversity and have negative impact on the livelihood of thousands of families depending on it.

What is Water Aerodrome?

- A water aerodrome is an area of open water that can be used by seaplanes as well as amphibious aircraft to land and take off.
Such aircraft are expected to take people across water faster and more safely than local boats
- Moreover, depending on the volume of traffic, water aerodrome may have a terminal building on the shore or on a jetty where planes can dock, and bays where they can be parked.
- The water dromes are present in some island nations, especially in the richer ones like the British Virgin Islands.
- Also, there are few in Canada, including Yellowknife on the Great Slave Lake, Tofino on Vancouver Island and Whitehorse on Schwatka Lake.

Chilika lake

- Chilika is Asia's largest and world's second largest lagoon after the New Caledonian barrier reef in New Caledonia. It lies on the east coast of India in the state of Odisha, separated from the mighty Bay of Bengal by a small strip of sand.
- It spreads over Puri, Khurda and Ganjam districts of Odisha on the east coast of India, at the mouth of the Daya River, flowing into the Bay of Bengal, covering an area of over 1,100 square kilometers.
- It is the largest wintering ground for migratory birds on the Indian sub-continent and is home to a number of threatened species of plants and animals.
- In 1981, Chilika Lake was designated the first Indian wetland of international importance under the Ramsar Convention.

Ramsar Convention on Wetlands

- The Convention on Wetlands, signed in Ramsar, Iran, in 1971, is an intergovernmental treaty which provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources.
 - Ramsar Convention is the only global environment treaty dealing with a particular ecosystem.
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India lost One-Third of its Coastline Due to Soil Erosion

A staggering one-third of almost the entire Indian coastline was lost due to soil erosion in the last 26 years as per the report of the National Centre for Coastal Research (Ministry of Earth Sciences) titled National Assessment of Shoreline Changes along the Indian coast.

- India has a total coastline of 7,517 kilometres. Of this, 6,031 kilometres were surveyed (excluding creeks) and 33 percent of it was found to be eroded.
- The erosion was more on the eastern coast beside the Bay of Bengal rather than on the Western coast beside the calmer Arabian Sea.
- According to the report, West Bengal (63%) and Puducherry (57%) are most vulnerable to erosion, followed by Kerala and Tamil Nadu at 45% and 41%, respectively.
- Odisha on the eastern coast is the only state where the coast witnessed an expansion of more than 50%.
- Moreover, 29 percent of the coastline also saw a gain in soil or land accretion.
- The survey used data from five satellites - Landsat 5 and 7 (operated by NASA), ISRO's Resourcesat 1 and 2 and Cartosat-1.

Factors and Causes of Soil Erosion due to Water

- **Human Induced factors:** Faulty farming systems, deforestation caused by overgrazing, clearance of land for agricultural purpose and construction, dam construction and diversion of the natural course of rivers, and mining activities weaken the topmost layer of the crust directly or indirectly, thus making it vulnerable to excessive wearing away by various agents of erosion.
- **Rainfall Intensity and Runoff:** The impact of raindrops will break up the soil and water build-up will create runoff, taking sediment with it.
- **Soil Erodability:** Based on the characteristics of each unique soil, it is more or less susceptible to erosion. Recurring erosion is more typical for soil in areas that have experienced erosion in the past.
- **Slope Gradient and Length:** The steeper the slope, the greater amount of soil can be lost. As the soil erodes downward, it increases the slope degree, which in turn, creates further erosion.
- **Vegetation:** Vegetative cover of plants or crop residues protect the soil from raindrop impact and splash. The less vegetation cover, the more erosion can occur.

Coastline of India

- Length of the coastline of India including the coastlines of Andaman and Nicobar Islands in the Bay of Bengal and Lakshadweep Islands in the Arabian Sea is 7517 km.
- Length of Coastline of Indian mainland is 6100 km which is surrounded by the Arabian Sea in the west, Bay of Bengal in the east, and the Indian Ocean in the south.

- The long coastline of India is dotted with several major ports such as Kandla, Mumbai, Navasheva, Mangalore, Cochin, Chennai, Tuticorin, Vishakapatnam, and Paradip.

Why did the Eastern coast see more erosion than the Western coast?

- The eastern coast of India saw more soil erosion than the western coast as the Bay of Bengal sees rougher waters than the Arabian Sea.
- The eastern coast sees a lot of rain which keeps the seas rough through most of the year.
- Besides the Southwest Monsoon (June to September), the eastern coast also witnesses the Northeast Monsoon from October to December and brings rain to coastal Andhra Pradesh and Tamil Nadu.
- The eastern coast underwent more erosion due to frequent cyclonic activities from Bay of Bengal in past three decades, compared to the western coast, which remained largely stable.

Difference between Soil Erosion and Land Accretion

- “Erosion and accretion are complementary to each other. If the sand and sediments have drifted from one side, it must accumulate somewhere else”.
- Soil erosion is the loss of land and human habitation as sea water washes off regions of soil along the coastline.
- Soil accretion, on the other hand, results in an increase in the land area.
- However, if accretion happens in deltas, estuaries, and creeks, the soil will block the inflow of seawater into these areas which are breeding ground for several species of aquatic flora and fauna.

Widening the Ambit of Consent Mechanism

A panel set up by SEBI under the chairmanship of Supreme Court former Justice A.R. Dave to review the consent mechanism has proposed changes for settling market violations.

Consent Mechanism

- Under the consent mechanism a **fine is paid without any admission of wrongdoing**. Under consent mechanism norms, someone who anticipates penal actions by SEBI can settle the matter in question by offering SEBI a fee.
- The consent process was introduced in 2007 with the idea of reducing the regulatory time spent on minor violations. It initially gained popularity among stock market participants, as it helped save time and expenses of a legal proceeding.

- However, relatively serious violations, such as insider trading, fraudulent and unfair trade practices, among others, cannot be settled via consent.
- Violations that have not had a market-wide impact or not caused substantial loss to investors will be eligible to apply for settlement under consent mechanism.
- The smooth functioning of the consent route is also critical for SEBI, which is overburdened with pending litigation.

Key Points

- The committee has suggested measures such as **confidential settlement, higher penalties on late submission of consent applications and extending the ambit of consent mechanism for any violations being investigated by SEBI.**
- The rationale behind the proposed changes is to broaden the ambit of offences that can be settled under the route. It will also help SEBI reduce the burden of pending cases.
- Public concern over accountability and responsibility has to be addressed in a more cost-effective, less time-consuming manner by seeking means and devices to arrive at an arrangement relieving the aggrieved of a cumbersome procedure.
- The settlement process should not be used as a platform for forum shopping. Accordingly, an application shall not be filed for the same alleged default again, if the earlier application was rejected.
 - Such a step will ensure that the settlement process is taken seriously by an applicant.
 - The recommendation can ensure that the Board's time will not be misused or wasted by non-genuine applications.
- The panel has also suggested adding a new provision on **settlement with confidentiality.**
 - The Settlement Regulation do not have a provision for settlement with confidentiality.
 - All settlement orders contain details of the applicant and are published on SEBI website.
 - There is no explicit provisions for an applicant to voluntarily provide information to the regulator relating to the fraudulent and unfair trade practices and other serious defaults that would assist it in dealing with any inquiry, investigation, inspection, and audit.
 - Confidentiality is multi-faceted and depends on the nature of the assistance provided to the board. There will not be any public disclosure unless such disclosure is made by the applicant himself or agreed to by the applicant in writing.

Effect of Widening the Ambit of the Consent Mechanism

- Widening the ambit of the consent mechanism **will reduce the administrative burden on SEBI.**
- Current settlement regulations disallow violations such as insider trading, fraudulent and unfair trade practices such as front-running, and the failure to make an open offer in case of a takeover to be settled through the consent window.
- Violations such as failure to redress investor grievances, failure to make material disclosure in offer documents and non-compliance of SEBI notices are also excluded from the scope of settling with a fee.

NOTE:

- **Forum shopping** is the practice of choosing a country in which to bring a legal case through the Courts on the basis of which country's laws are the most favourable. In some instances, there is a choice of jurisdiction
- **Insider trading** is the buying or selling of a security by someone who has access to material nonpublic information about the security.
- **Front-running** is the practice of a broker or trader stepping in front of large orders to gain an economic advantage. It also occurs when a broker buys shares for their account ahead of a firm's strong buy recommendation to clients. Front-running is also known as tailgating. Front-running is a prohibited practice for brokers.

Important Facts for Prelims (16th August 2018)

Armed Forces special Powers Act (AFSPA)

- As per a parliamentary standing committee report, the Centre wanted to reduce the areas under the Armed Forces (Special Power) Act (AFSPA) in Assam but the State government rejected the proposal.
- The Armed Forces (Special Powers) Act **enacted in the year 1958**, provides **special powers to Indian Armed Forces** in 'disturbed areas' to maintain law and order.
- Disturbed area is one which is declared by a notification under Section 3 of the AFSPA, due to differences or disputes between members of different religious, racial, language or regional groups or castes or communities.
- The Central Government, or the Governor of the State or administrator of the Union Territory can declare the whole or part of the State or Union Territory as a disturbed area.
- AFSPA allows any commissioned officer, warrant officer and non commissioned officer or any other of equivalent rank to use force acting in contravention of any law, arrest on suspicion, conduct searches without warrant etc.
- It is effective in the whole of Nagaland, Assam, Manipur (excluding seven assembly constituencies of Imphal) and parts of Arunachal Pradesh.

- AFSPA was revoked from Meghalaya on April 1,2018.
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