### The Hindu News Analysis – 03rd July 2019 – Shankar IAS Academy

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*C – Chennai; T – Thiruvananthapuram; B – Bengaluru; D – Delhi
**Not by wishful thinking**

A rich nation economy may be an end if demand, savings, and investments are output up. Demand may be increased by raising people's standards of living, social security, and employment.

1. Real growth rate → 9% per year @ 4% inflation target (RBI)
2. Last 5 years GDP growth rate → 7.1%
3. Growth rate of Asian Countries
   - China → 11.7% (2003-07)
   - S. Korea → 11% (1983-87)
4. Growth rate target of 9% achievable for India
5. Requirements for growth
   - Domestic Savings rate → 30.8% of GNDI
   - Investment rates → 32.5% of GCF to GDP ratio
6. GNDI = Gross National Domestic Income
   - Sum of all income earned while producing goods & services within India
7. GNP = Gross National Product
   - Sum of all income earned while producing goods & services outside India

**Prime Minister → India will become a $5 trillion dollar economy by 2024 (Target)**

1. $5 trillion → 350 lakh crore of GDP at current prices
2. GDP → Total value of goods and services
3. Current Prices → Market value
4. India's GDP at current prices → 2018-19 → 190.1 lakh crore
5. Annual per capita Income → ₹ 1,42,719
6. Monthly per capita Income → ₹ 11,900
7. For achieving $5 trillion dollar
   - Output Expansion → 8.4% in 5 years
   - Compound annual growth rate → 13%
8. Rate of return that would be required for an investment to grow from beginning balance to end balance

**Civilspedia Team - Powered by Shankar IAS Academy**
Q. “India’s Target of 5 trillion-dollar economy by 2024 is challenging but achievable”. Discuss.

* Foreign Capital Inflow
  - Investment from foreign countries into India
* India should turn into an investment-led economy
* Booster for domestic savings & Investment rate
  - Incremental Capital - Output Ratio (ICOR) = 8-9%
  - Relationship between the level of investment made in the economy and the consequent increase in GDP.
* Views of the present government about investments
  - FDI - Foreign Direct Investments will help fill the investment gap

« Author’s views → Not possible
  - For higher growth rate → atleast 40% domestic savings rate necessary
  - China → 5-6%
  - India: 2008-09 → 2.7% of GDP
    2017-18 → 1.5% of GDP
* Problems in Indian Economy
  - Slow down
  - Decline in domestic savings rate
    2013-14 → 31.4%
    2016-17 → 29.6%.
  - Decline in gross capital formation rate
    2013-14 → 33.8%
    2016-17 → 30.6%

« Financial Sector
  - Banks - Lesser Credit Growth
    - NPA Issue
    - Governance crisis
  - Export to GDP ratio declined

* Baltic Dry Index - Chances for a huge global trade war
  - Shipping & trade Index
    - Created by London based Baltic exchange
    - Present - 1354 pts
      All time high - 11,793 pts (May 2008)
* Author → Increase in domestic savings & investments will help India achieve the goal
Mekedatu to claim 52.5 sq km of forest

Cost of project shoots up by ₹3,000 cr.

> Mekedatu - Place in Karnataka
> River Cauvery
> Inter-state river
> Originates in Karnataka - Passes TN - drains in Bay of Bengal
> One of the major East flowing rivers

Mekedatu Balancing Reservoir and Drinking Water Project
> Reservoir across River Cauvery
> Objectives:
  1. To provide drinking water facility to Bengaluru Metropolitan Region
  2. To regulate required quantum of water to TN - as per CWMT award - modified by Supreme Court in Feb, 2018

Part A—Preliminary Examination

Paper I—(200 marks)

- Current events of national and international importance.
- General issues on Environmental ecology, Bio-diversity and Climate Change - that do not require subject specialization.

Part B—Main Examination

PAPER-IV


- Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.
- Conservation, environmental pollution and degradation, environmental impact assessment.

3. To store the flood waters that may escape into Sea
4. To harness 400 MW of renewable energy in a year

> With respect to River Cauvery,
  * Karnataka - Upper Riparian State
  * Tamil Nadu - Lower Riparian State

Mekedatu Project

> to be built by Cauvery Neeravari Nigam Limited (CNNL) - Company completely owned by State Government of Karnataka
> Pre-feasibility report for the project
> Submitted by Chief Engineer, CNNL
> Released by MoEF & CC

Civilspedia Team - Powered by Shankar IAS Academy
Q. Consider the following statements with reference to River Cauvery.

1. It is a west flowing river.
2. It originates from Karnataka and drains in Bay of Bengal.
3. The State Government of Karnataka has proposed a water reservoir project across the river at Mekedatu.

Which of the above statements is/are correct?

a) 1 only
b) 1 and 2 only
c) 2 and 3 only
d) 1, 2 and 3
Practice Question – Prelims

Q. With reference to India’s ratification to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, consider the following statements.

1. India has signed the convention in 2017, but ratified it only in 2019.
2. The ratification will help India in addressing the loss of revenue as a result of treaty abuse and profit shifting.
3. India will have to modify the Double Taxation Avoidance Agreements (DTAs) that are modified as per MLI for BEPS (or) MLI Compliant DTAs.

Which of the above statements is/are correct?
(a) 1 and 2 only
(b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2, and 3
Practice Question – Prelims

Q. By which of the following procedures, can the notified list of Scheduled Castes, be altered?

a) A State Government may order the District Magistrates to issue caste certificates to one or more Other Backward Castes.

b) State Legislature has to pass a legislation, to include or exclude the name of a particular caste.

c) The Governor of a state has to issue a public notification to that effect.

d) The Parliament, by enacting a law.
Part A—Preliminary Examination

Paper I—(200 marks)

- Current events of national and international importance.
- Indian Polity and Governance
- Economic and Social Development—Social Sector Initiatives, etc.

Part B—Main Examination

PAPER-II

General Studies I: Indian Heritage and Culture, History and Geography of the World and Society.

- Role of women and women’s organization, population and associated issues, poverty and developmental issues, urbanization, their problems and their remedies.

PAPER-III

General Studies II: Governance, Constitution, Polity, Social Justice and International relations.

- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.
- Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes.

Nirbhaya Fund

- Announced in 2013
- Fund for supporting the initiatives to ensure the safety of women
- Nodal Ministry → Ministry of Women and Child Development

1. Utilization of Nirbhaya Fund Vs Fund Allocation

Underutilised:
The graph plots the amount released under the Nirbhaya Fund against its utilisation in various States/UTs. Maharashtra has not utilized a single rupee and West Bengal has used less than 1%.

Crime and safety:
The graph plots the proportion of funds utilised against crimes against women per 1 lakh female population across States in 2016. In nine States/UTs, the crime rate is high but the use of funds is low.

2. Crime against women Vs Utilisation of Funds

3. Scheme-wise expenditure of worst performing states
Practice Question – Prelims

Q. The nodal ministry for appraising and recommending the proposal/schemes under ‘Nirbhaya Fund’ is

a) Ministry of Finance
b) Ministry of Social justice and Empowerment
c) Ministry of Women and Child Development
d) Ministry of Labour
Practice Question – Prelims

Q1. Consider the following statements with reference to River Cauvery.

1. It is a west flowing river.
2. It originates from Karnataka and drains in Bay of Bengal.
3. The State Government of Karnataka has proposed a water reservoir project across the river at Mekedatu.

Which of the above statements is/are correct?

a) 1 only  
b) 1 and 2 only  
c) 2 and 3 only  
d) 1, 2 and 3

Practice Question – Prelims

Q2. With reference to India’s ratification to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, consider the following statements.

1. India has signed the convention in 2017, but ratified it only in 2019.
2. The ratification will help India in addressing the loss of revenue as a result of treaty abuse and profit shifting.
3. India will have to modify the Double Taxation Avoidance Agreements with countries that have already ratified the Convention.

Which of the above statements is/are correct?

(a) 1 and 2 only  
(b) 2 and 3 only  
(c) 1 and 3 only  
(d) 1, 2, and 3
Practice Question – Prelims

Q3. By which of the following procedures, can the notified list of Scheduled Castes, be altered?

a) A State Government may order the District Magistrates to issue caste certificates to one or more Other Backward Castes.

b) State Legislature has to pass a legislation, to include or exclude the name of a particular caste.

c) The Governor of a state has to issue a public notification to that effect.

d) The Parliament, by enacting a law.

Practice Question – Prelims

Q4. The nodal ministry for appraising and recommending the proposal/schemes under ‘Nirbhaya Fund’ is

a) Ministry of Finance

b) Ministry of Social justice and Empowerment

c) Ministry of Women and Child Development

d) Ministry of Labour
Practice Question – Mains
GS – III

Q. “India’s Target of 5 trillion-dollar economy by 2024 is challenging but achievable”. Discuss.

Practice Question – Prelims
Answers

Q1. Option ‘c’ – 2 and 3 only
Q2. Option ‘d’ – 1, 2, and 3
Q4. Option ‘c’ - Ministry of Women and Child Development
LIKE, COMMENT & SHARE

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