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MINISTRY OF SCIENCE AND TECHNOLOGY



MK Yadav Sir

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THE HINDU

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NHRC accreditation status faces review in Geneva this week

Critical assessment

The Sub-Committee on Accreditation of the Global Alliance of National Human Rights Institutions (GANHRI) made the following observations on the NHRC in March 2023:

- The NHRC has failed to create conditions required to be "able to operate independent of government interference"
- Involvement of police officers in the investigative process amounts to a "conflict of interest"
- The committee lacked any members representing India's largest minority religions



Suhasini Haidar
Ishita Mishra
NEW DELHI

The National Human Rights Commission (NHRC) is preparing to defend the Union government's human rights processes at a meeting in Geneva this week, where a decision on whether India's human rights body will retain its "A status" is expected to be made.

The NHRC's ratings were put on hold in 2023 after concerns were raised on its composition procedure, the presence of police personnel in human rights investigations, and the lack of gender and minority representation in the committee.

The decision over whether the NHRC is given its ability to vote at the UN Human Rights Council and some UNGA bodies.

The meeting of the Sub-Committee on Accreditation (SCA) of the UN-recognised Global Alliance of National Human Rights Institutions (GANHRI) worldwide will be held on May 1, official sources told *The Hindu*, as part of the five-year peer review for each member of the 114-member alliance.

While the NHRC Chairperson, retired Supreme Court judge Justice Arun Kumar Mishra, had travelled to Geneva last year for the GANHRI SCA meeting on India, this year, the NHRC is expected to attend the review meeting on Wednesday online.

CONTINUED ON

NATIONAL HUMAN RIGHTS COMMISSION

(Syllabus: GS Paper 2 – Polity)

Context: The **National Human Rights Commission (NHRC)** is preparing to defend the government's human rights processes at a meeting in Geneva. The meeting of **Global Alliance of National Human Rights Institutions (GANHRI)** will held as part of the 5 yrs peer review for each member of the grouping.

National Human Rights Commission (NHRC)

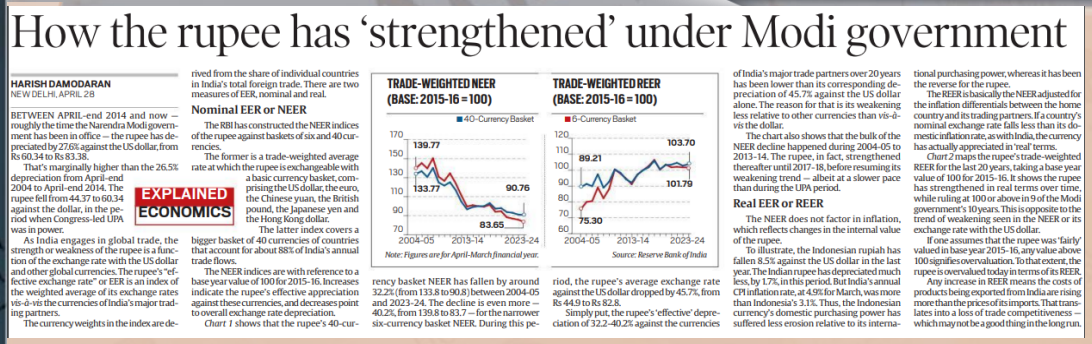
- **About:** It is an independent statutory body.
- **Establishment**: On 12 October, 1993. The statute under which it is established is the Protection of Human Rights Act (PHRA), 1993 as amended by the Protection of Human Rights (Amendment) Act, 2006.
- **Mission**: The **Commission is responsible for spreading of human rights awareness** amongst the masses and encouraging the efforts of all stake holders in the field of human rights literacy not only at the national level but at international level too.
- **Appointment**: By the President on the recommendations of a six-member committee.
  - Consisting of the **Prime Minister** as its head, the **Speaker of the Lok Sabha**, the **Deputy Chairman of the Rajya Sabha,** leaders of the **Opposition in both the Houses** of Parliament and the **Union Home Minister**.
- **Composition**: Chairperson, five full-time Members and seven deemed Members.
- **Tenure:** A term of three years or until they attain the age of 70 years, whichever is earlier.
- **Removal**: They can only be **removed upon proven charges of misconduct** or incapacity, substantiated through an inquiry overseen by a Supreme Court Judge.

Global Alliance of National Human Rights Institutions (GANHRI)

- **About**: At the 1993 International Conference in Tunis, National Human Rights Institutions (NHRIs) formed the International Coordinating Committee of NHRIs (ICC) to synchronize NHRI network activities.
- **Renamed**: In 2016, the ICC underwent a name change, becoming the Global Alliance of National Human Rights Institutions (GANHRI).
- **Role of GANHRI Bureau**: The GANHRI Bureau plays a pivotal role in overseeing the operations and initiatives of the alliance.
- **Annual Meetings and Cooperation**: GANHRI conducts general annual meetings, Bureau meetings, Sub-Committee on Accreditation meetings, and international conferences in collaboration with the UN Human Rights, which serves as the GANHRI secretariat.

EFFECTIVE EXCHANGE RATE OR EER

(Syllabus GS Paper 3 – Economy)



How the rupee has 'strengthened' under Modi government

HARISH DAMODARAN
NEW DELHI, APRIL 28

EXPLAINED ECONOMICS

BETWEEN APRIL-end 2014 and now — roughly the time the Narendra Modi government has been in office — the rupee has depreciated by 27.6% against the US dollar, from Rs 60.34 to Rs 83.38.

That's marginally higher than the 26.5% depreciation from April-end 2004 to April-end 2014. The rupee fell from 44.37 to 60.34 against the dollar, in the period when Congress-led UPA was in power.

As India engages in global trade, the strength or weakness of the rupee is a function of the exchange rate with the US dollar and other global currencies. The rupee's "effective exchange rate" or EER is an index of the weighted average of its exchange rates *vis-à-vis* the currencies of India's major trading partners.

The currency weights in the index are derived from the share of individual countries in India's total foreign trade. There are two measures of EER, nominal and real.

Nominal EER or NEER

The RBI has constructed the NEER indices of the rupee against baskets of six and 40 currencies.

The former is a trade-weighted average rate at which the rupee is exchangeable with a basic currency basket, comprising the US dollar, the euro, the Chinese yuan, the British pound, the Japanese yen and the Hong Kong dollar.

The latter index covers a bigger basket of 40 currencies of countries that account for about 88% of India's annual trade flows.

The NEER indices are with reference to a base year value of 100 for 2015-16. Increases indicate the rupee's effective appreciation against these currencies, and decreases point to overall exchange rate depreciation.

Chart 1 shows that the rupee's 40-currency basket NEER has fallen by around 32.2% (from 133.8 to 90.8) between 2004-05 and 2023-24. The decline is even more — 40.2%, from 139.8 to 83.7 — for the narrower six-currency basket NEER. During this period, the rupee's average exchange rate against the US dollar dropped by 45.7%, from Rs 44.9 to Rs 82.8.

Simply put, the rupee's 'effective' depreciation of 32.2-40.2% against the currencies of India's major trade partners over 20 years has been lower than its corresponding depreciation of 45.7% against the US dollar alone. The reason for that is its weakening less relative to other currencies than *vis-à-vis* the dollar.

The chart also shows that the bulk of the NEER decline happened during 2004-05 to 2013-14. The rupee, in fact, strengthened thereafter until 2017-18, before resuming its weakening trend — albeit at a slower pace than during the UPA period.

Real EER or REER

The NEER does not factor in inflation, which reflects changes in the internal value of the rupee.

To illustrate, the Indonesian rupiah has fallen 8.5% against the US dollar in the last year. The Indian rupee has depreciated much less, by 1.7%, in this period. But India's annual CPI inflation rate, at 4.9% for March, was more than Indonesia's 3.1%. Thus, the Indonesian currency's domestic purchasing power has suffered less erosion relative to its international purchasing power, whereas it has been the reverse for the rupee.

The REER is basically the NEER adjusted for the inflation differentials between the home country and its trading partners. If a country's nominal exchange rate falls less than its domestic inflation rate, as with India, the currency has actually appreciated in 'real' terms.

Chart 2 maps the rupee's trade-weighted REER for the last 20 years, taking a base year value of 100 for 2015-16. It shows the rupee has strengthened in real terms over time, while ruling at 100 or above in 9 of the Modi government's 10 years. This is opposite to the trend of weakening seen in the NEER or its exchange rate with the US dollar.

If one assumes that the rupee was 'fairly' valued in base year 2015-16, any value above 100 signifies overvaluation. To that extent, the rupee is overvalued today in terms of its REER.

Any increase in REER means the costs of products being exported from India are rising more than the prices of its imports. That translates into a loss of trade competitiveness — which may not be a good thing in the long run.

TRADE-WEIGHTED NEER (BASE: 2015-16 = 100)

Note: Figures are for April-March financial year.

TRADE-WEIGHTED REER (BASE: 2015-16 = 100)

Source: Reserve Bank of India

Context: Recently, the rupee has depreciated by 27.6% against the US dollar since April-end 2014, during the ruling government's tenure. However, over the last decade, the Indian currency has shown a stronger position in 'real' terms against major global currencies despite its fall against the dollar.

Effective Exchange Rate or EER

- **About:** The EER stands for Effective Exchange Rate and signifies the weighted average of the rupee's exchange rates against the currencies of India's major trading partners.
  - The EER is measured by an index similar to the consumer price index (CPI).
- **Determining Currency Weights**: In the EER are determined by the respective shares of individual countries in India's total foreign trade.
- **Comparison**: Similar to the CPI, where commodity weights are based on their relative importance in the consumption basket, the EER's currency weights are based on trading partner importance to India.

- **There are two measures of EER**
  - **Nominal EER or NEER:** It represents an unadjusted weighted average rate of one country's currency against a basket of various foreign currencies.
    - ✓ **Calculation of NEER Indices**: The Reserve Bank of India has constructed NEER indices of the rupee against a basket of six and 40 currencies.
    - ✓ **Composition of NEER Indices:** The former index includes a trade-weighted average rate with a basket comprising major currencies like US dollar, the euro, the Chinese yuan, the British pound, the Japanese yen and the Hong Kong dollar.
    - ✓ **Base Year:** 2015-2016
  - **Real EER or REER**: It is the real effective exchange rate (a measure of the value of a currency against a weighted average of several foreign currencies) divided by a price deflator or index of costs.
    - ✓ **External Value Evaluation:** The NEER tracks changes in the rupee's value against a basket of global currencies, offering a comprehensive view of its international standing.
    - ✓ **Limitation**: NEER neglects inflation, failing to account for shifts in the rupee's internal value over time.
    - ✓ **Base year**: 2015-2016

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INS VIKRANT & INS VIKRAMADITYA

(Syllabus: GS Paper 3 – Sci and Tech)



The significance of carrier aviation

Why is the success of the INS Vikrant important? Who were involved in the development of DMR 249 steel? Is India on its way to get a 'third' aircraft carrier? Why is it important that the country should have a strong naval presence in the Indian Ocean Region (IOR)?

EXPLAINER

Shishir Pati

The story so far:

On March 5, both aircraft carriers of the Indian Navy, INS Vikramaditya and INS Vikrant, showcased "twin carrier operations" with MiG-29K fighter jets taking off simultaneously from both and landing cross deck as Defence Minister Rajnath Singh looked on from onboard one of them. This demonstrated an ability that only a handful of nations can boast of. Further one of the carriers, INS Vikrant is indigenously designed and constructed. Commissioned in September 2022, INS Vikrant has been fully operationalised and integrated into the operational cycle in record time. As the two carriers sailed, they were joined by a flotilla of frontline warships of the Indian Navy, a combined tonnage of around 1,40,000 as well as aircraft.

What does INS Vikrant signify?

A carrier is a floating city. The design work on the Indigenous Aircraft Carrier (IAC)-1, later christened Vikrant, began in 1999; however 2005-2006 were probably the most crucial years for the carrier and for India's war shipbuilding. The crucial decision was on the warship-grade steel, which till then was procured from Russia. After much brainstorming, it was decided that it would be developed and produced in India, a collaborative effort between the Steel Authority of India, the Defence Research Development Organisation (DRDO) and the Indian Navy. The decision on the development of DMR 249 steel was a commercial decision, Madhu S. Nair, Chairman and Managing Director (CMD), Cochin Shipyard Limited (CSL) said speaking to *The Hindu* shortly after the commissioning of Vikrant. DMR 249 steel is now being used for the construction of all warships in the country.

The construction also ushered in several new processes and spin-offs benefiting the shipbuilding industry at large. For instance, in 2002, 3-D modelling was introduced for the first time in India and a joint team of 200 personnel from the Navy's Warship Design Bureau and CSL began work. The keel of Vikrant was finally laid in 2009, launched into water in 2013 and went through extensive user acceptance trials between August 2021 and July 2022 before its eventual commissioning.

What is the composition of INS Vikrant?

Delays notwithstanding, Vikrant is an engineering marvel. It has a total area in excess of 12,450 m2 which equals to about two and a half hockey fields. The 262m long and 62m wide ship is powered by four General Electric LM2500 engines generating 88 MW of power giving it a maximum speed of 28 knots and an endurance of 7,500 nautical miles. Built at an overall cost of around ₹20,000 crore and 76% indigenous content, the ship has around 2,200 compartments, for a crew of around 1,600 that include specialised cabins to accommodate women officers and sailors. Vikrant houses two galleys which cater to all onboard, preparing upto 4,000-5,000 meals every day. The galleys start operation at 3 am every morning and continue for almost 20 hours a day, an official said. "It is equipped with state of the art automatic chapati making machines, capable of making 6,000 chapatis per meal, large cooking boilers capable of preparing 4,00 kgs of rice, dal, vegetables and other dishes." Additionally, in order to cater for a variety of items on the menu, it is also fitted with combi-steamers, a dosa machine and ovens for preparing, idlis, pizzas, breads and other bakery items.

Noting that among manufacturing activities, shipbuilding has one of the highest forward and backward linkages, the economic Survey 2022-23 said that Vikrant alone engaged approximately 500 MSMEs, 12,000 employees from ancillary industries, and 2,000 CSL employees.

What are its capabilities?

Vikrant can operate an air wing of 30 aircraft comprising MiG-29K fighter jets, Kamov-31, MH-60R multi-role helicopters, in addition to indigenous Advanced Light Helicopters and Light Combat Aircraft (Navy). It uses the STOBAR (Short Take-Off but Arrested Recovery) method to launch and recover aircraft for which it is equipped with a ski- jump to launch aircraft, and three 'arrester wires' for their recovery. About 2000 men start the day by preparing the flight deck for flying operations. "First we clean the entire flight deck of any debris or left overs. Simultaneously, the pilots are briefed for the missions in the briefing room," one official onboard explained. "After all the aircraft are started up, the entire deck vibrates and generates noise in excess of 200 decibels."

The flight deck has an independent fighting system to assist for bad weather and night operations. Once the aircraft finishes the mission, they are safely recovered back to the ship and guided for a precision landing, the official stated. "The fighters which have a hook under the belly pick up one of the three arresting gear wires on flight deck. The aircraft with a speed of more than 250 kmph is stopped within a distance of just 90m in just 2-3 seconds." Vikrant has larger deck space and visibly larger hallways compared to previous carriers including Vikramaditya, which is of similar size. India is currently negotiating with France for the purchase of 26 Rafale-M carrier jets as the MiG-29Ks are in short supply while an indigenous twin-engine deck-based fighter is currently under development. Navy Chief Admiral R. Hari Kumar had expressed confidence that they will receive it by 2034 or so.

While the present Vikrant was the first carrier built in the country, India has had a long history of operating carriers. The erstwhile HMS Hermes was the first carrier purchased from the U.K., which arrived in 1959 and played a vital role in the 1971 war. Then came the 28,700 tonne INS Viraat commissioned in 1987, formerly HMS Hermes, also from the U.K. INS Vikramaditya procured from Russia and commissioned in 2013 is India's third carrier.

After Vikrant, what next?

An aircraft carrier is fundamental to command, control and coordination of operations from the sea and to project combat power ashore, over the seas or in the air, Adm Kumar told *The Hindu*, noting that the fragile maritime security situation across the Indian Ocean Region (IOR) and India's stature as the largest resident naval power necessitate a strong and robust Navy. "Aircraft carriers play a pivotal role in this and concurrent availability of two Carrier Battle Groups facilitates credible presence and preparedness on both Western and Eastern seaboards." The Navy has already moved a case for a second Indigenous Aircraft Carrier (IAC-II), a repeat of a Vikrant-like carrier. The proposal was cleared by the Defence Procurement Board last September and has since been forwarded for approval by the Defence Acquisition Council, expected to be taken up since it meets other the electrics.

The IAC-II displacing 65,000 tonnes will use some modifications and newer technologies incorporated in the original design of the Vikrant and will also be manufactured by CSL. It will take around eight to 10 years to build a new carrier, Mr. Nair said recently, as long as the basic design, engines and propulsion are kept intact. The Navy has shelved its earlier plans for a 65,000 tonne carrier from the whole new technology cycle involved and the resultant cost and timelines.

The proposed IAC-II has often been referred to as India's third aircraft carrier. However, that is not entirely right. Design, construction and operationalisation of a carrier takes a long time and the IAC-II, if it comes in time, will be a timely replacement for INS Vikramaditya. Adm Kumar acknowledged that in the past year, "We are of the view that we will go for a repeat order with improved capabilities and in the meantime we will study whether we need to go for a larger carrier. Till a third aircraft carrier gets ready and is commissioned, the life of INS Vikramaditya may also come to the end of its lifetime. Then we would need to build another carrier," he said on the sidelines of Aero India 2023. Therefore effectively, for the foreseeable future, the Indian Navy will have only two aircraft carriers in operation while it has long envisioned a force structure around three carriers, two at sea while one is in maintenance. Any delay in decision making could risk India losing its expertise of building and operating carriers, reminiscent of the submarine debacle of the 1980s.

While debate around carriers versus submarines continues, there is a renewed global interest with several countries now going for carriers of varying sizes. The U.S. is fielding new super carriers, and the U.K. has inducted new carriers while France and Russia have announced plans to build new ones. Japan has begun converting its helicopter carriers to operate F-35 fighter jets. Last month, China announced that it is building its fourth aircraft carrier, likely a nuclear-powered super carrier. From commissioning its first carrier, Liaoning, in 2012, launching second carrier Shandong in 2017, third carrier Fujian in 2022 and the fourth to be unveiled soon, China's pace is also frankly unprecedented.

It is not an either/or between carriers and submarines. Each has its merits in naval warfare with profound ability to influence wars. The current global trajectory shows that, the growing carrier targeting missiles and drones notwithstanding, the days of carrier aviation seem to be bright for the foreseeable future.

Context: Recently, both aircraft carriers of the Indian Navy, INS Vikramaditya and INS Vikrant, demonstrated "twin carrier operations," featuring MiG-29K fighter jets taking off simultaneously and landing cross deck, observed by Defence Minister Rajnath Singh aboard one of them.

INS Vikrant

- **About**: The INS Vikrant, the **44,000-tonne indigenous aircraft carrier (IAC)**, is the first to be designed and constructed in India.
- **Features**
  - **Length**: 262 metres in length, exceeding that of two football fields and is 62 metre wide. Around 20 aircraft can be parked in the hangar.
  - **Speed**: 28 knots (more than 50 kmph) and a cruising speed of 18 knots with an endurance of about 7,500 nautical miles.
  - **Built by**: Cochin Shipyard Ltd.
  - The IAC was commissioned in 2022 making it the most potent sea-based asset.
  - **Capabilities**: can project Air Power over long distances, including Air Interdiction, Anti-Surface Warfare, offensive and defensive Counter-Air, Airborne Anti-Submarine Warfare and Airborne Early Warning.
  - **Carrying**: the Russian-made MiG-29K fighter jet,
    - ✓ Kamov-31 early warning helicopters,
    - ✓ the indigenously manufactured Advanced Light Helicopters and
    - ✓ the MH-60R multirole helicopter made by the American defence major Lockheed Martin.

INS Vikramaditya

- **About:** It is a modified Kiev-class aircraft carrier that entered into service with the Indian Navy in 2013.
- **Acquired from**: Russia
- **Built**: In 1987
- **Features:** It has an overall length of about 284 meters and a maximum beam of about 60 meters.
  - The ship has a total of 22 decks. It can carry more than 1,600 personnel, including crew.
  - **Displacement:** 44,500 Tonnes
  - **Speed**: More than 30 knots and can achieve a maximum range of 7,000nmi.

INDIAN EXPRESS

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PHI-3-MINI

(Syllabus: GS Paper 3 – Sci and Tech)

MICROSOFT LAUNCHES PHI-3: WHAT ARE SLMs, AND WHAT CAN THEY DO?

BIJIN JOSE
NEW DELHI, APRIL 28

MICROSOFT last week unveiled the latest version of its lightweight AI model, the Phi-3-mini, reportedly the first among three small language models (SLMs) that the company plans to release.

SLMs are compact versions of large language models (LLMs), which can comprehend and generate human language text. The new model expands the selection of high-quality models for customers, offering more practical choices as they build generative AI applications.

Phi-3-mini basics

Phi-3-mini is an SLM that has 3.8 billion parameters (a measure of the size and complexity of an AI model), and is trained on a data set that is smaller in comparison to LLMs such as Open AI's GPT-4.

The AI model is instruction-tuned, which means it can follow a range of instructions given by the user, reflecting how people normally communicate.

It is the first model in its class to support a context window – which helps an AI model recall information during a session – of up to 128,000 tokens, with little impact on quality. A token is the fundamental unit of data used by a language model to process and generate text.

Microsoft has described Phi-3 as a family of open AI models that are the most capable and cost-effective SLMs available. In the coming weeks, the company will add more models, including Phi-3-small and Phi-3-medium, to the Phi-3 family.

Different from LLMs

SLMs like Phi-3-mini are more streamlined versions of LLMs. When compared to LLMs, smaller AI models are cost-effective to operate and perform better on smaller devices like laptops and smartphones.

While LLMs are trained on massive general data, SLMs stand out with their specialisation. Through fine-tuning, SLMs can be customised for specific tasks – achieving accuracy and efficiency in the process. Most SLMs undergo targeted training, which demands considerably less computing power and energy compared to LLMs.

SLMs also differ from LLMs when it comes to inference latency, which is the time taken for a model to make predictions or decisions after receiving input. The compact size of SLMs allows for quicker processing, making them more responsive and apt for real-time applications such as virtual assistants and chatbots. As developing and deploying SLMs is often cheaper than LLMs, organisations and research groups with limited budgets prefer using them.

In a blog post, Microsoft mentioned use cases from India: "ITC, a leading business conglomerate based in India, is leveraging Phi-3 as part of their continued collaboration with Microsoft on the copilot for Krishi Mitra, a farmer-facing app that reaches over a million farmers."

Phi-3-mini's capabilities

Phi-3-mini has outperformed models of the same size and next size across a variety of benchmarks in areas like language, reasoning, coding, and maths, according to Microsoft.

It requires less computational power and has much better latency. With longer context windows, it is capable of taking in and reasoning over large text content such as documents, web pages, and code. Microsoft claims that Phi-3-mini demonstrates strong reasoning and logic capabilities, making it ideal for analytical tasks.

Context: Recently, just a few days after **Meta revealed its Llama 3 Large Language Model (LLM),** Microsoft introduced the latest iteration of its 'lightweight' AI model **the Phi-3-Mini.**

Large Language Model

- **About**: It is an artificial intelligence (AI) program designed for text recognition and generation, among other functions.
- **Data Training**: LLMs undergo training on massive datasets, hence their designation as "large", to enhance their capabilities.

PHI-3-Mini

- **About**: It stands out as the inaugural release among Microsoft's trio of compact models, promising notable advancements in performance.
- **Performance Comparison**: It has demonstrated superior performance compared to models of similar and larger sizes across various benchmarks.
- **Application in AI**: Language models like Phi-3-Mini are fundamental to AI applications such as ChatGPT, Claude, Gemini, etc.
- **Features**:
  - **Availability:** Phi-3-mini, boasting a 3.8B parameter count, is accessible via Microsoft Azure AI Studio, HuggingFace, and Ollama.
  - **Variation**: The context window, determining an AI's reading and writing capabilities, is measured in tokens.
  - **Variant Offerings**: Microsoft offers two variants of Phi-3-mini, with context lengths of 4K and 128K tokens respectively.
  - **Improved Text Processing**: Longer context windows empower models to analyze extensive text content such as documents, web pages, and code more effectively.

How is Phi-3-mini different from LLMs?

- Phi-3-mini is an SLM. Simply, SLMs are more streamlined versions of large language models.
- When compared to LLMs, smaller AI models are also cost-effective to develop and operate, and they perform better on smaller devices like laptops and smartphones.

LIVEMINT Apr 28

RBI RULES FOR UNIVERSAL BANK LICENSE

(Syllabus: GS Paper 3 – Economy)

Despite new RBI rules, no small finance bank will apply for a universal banking licence anytime soon

Context: The Reserve Bank of India (RBI) has said small finance banks (SFBs) should have a minimum net worth of Rs 1,000 crore to become universal banks in accordance with the on-tap licensing norms.

RBI Rules for Universal Bank License

- **Scheduled Status Requirement:** SFBs aspiring to become universal banks must hold scheduled status with a satisfactory performance record for at least five years, as per the central bank's directive.
- **Listing on Recognised Stock Exchange**: The shares of these aspiring banks should be listed on a recognized stock exchange, as outlined in the RBI circular.
- **Financial Performance Criteria:** Eligible SFBs must demonstrate a net profit in the last two financial years, along with maintaining GNPA and NNPA of less than or equal to three percent and one percent, respectively, during the same period, according to the RBI.
    - The circular specifies that there's no mandatory requirement for an identified promoter for eligible SFBs. However, existing promoters, if any, must continue their role during the transition to a universal bank.
- **Shareholding Lock-in Requirements**: The circular emphasizes that there should be no new mandatory lock-in requirement for the minimum shareholding of existing promoters in the transitioned universal bank.
- **Preservation of Promoter Shareholding Plan**: It's specified that the promoter shareholding dilution plan, once approved by the Reserve Bank, should remain unchanged during the transition process, as per the RBI's guidelines.

Small Finance Banks (SFBs)

- **About**: SFBs are banks that have limited financial resources and are regulated by the Reserve Bank of India.
- **Purpose of SFBs**: SFBs aim to provide financial inclusion to low-income individuals and underserved communities who are often excluded from traditional banking systems.

FINANCIAL EXPRESS

Apr 28

NETWORK AS A SERVICE

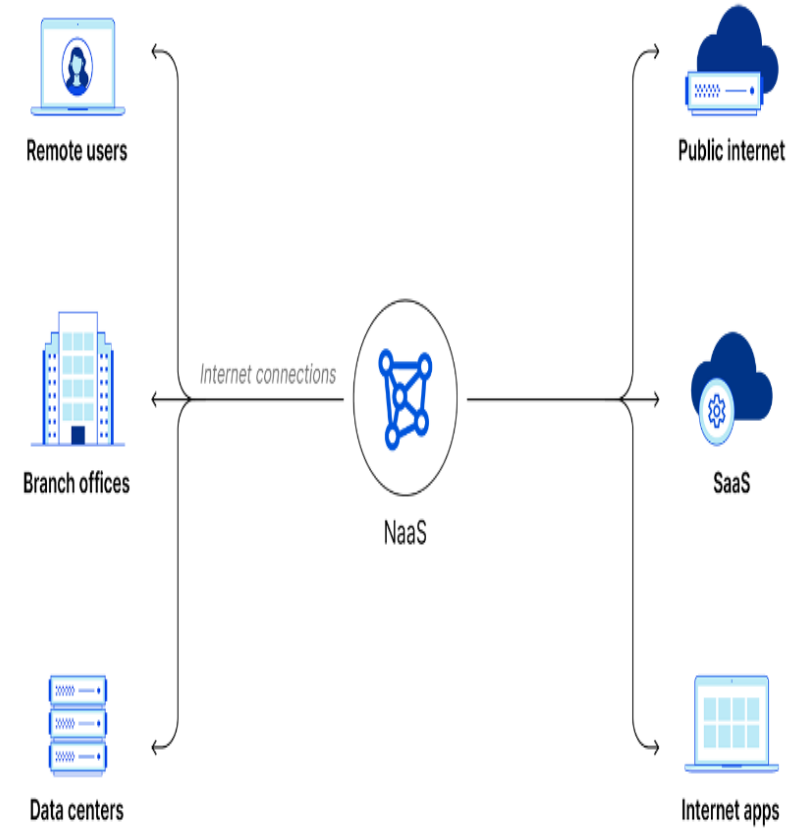
(Syllabus: GS Paper 3 – Sci and Tech)

Internet economy should embrace NaaS

Context: In an era of heightened connectivity, network as a service offers the potential to enhance the daily user experience.

Network as a Service

- **About:** NaaS is a cloud service model where customers lease networking services from a cloud provider instead of managing their own network infrastructure.
- **Infrastructure**: Similar to other cloud services, NaaS operates networking functions via software, eliminating the need for physical hardware, as long as there's internet connectivity.
- **Flexibility and Scalability**: NaaS offers organizations flexibility by allowing them to adjust network resources according to their needs, making it both scalable and cost-effective.
- **Replacement**: NaaS can supplant traditional networking systems like VPNs and MPLS, offering greater agility and ease of management.
- **Features**:
    - By adopting NaaS, users can delegate network management to the provider, who often offers integrated security services, reducing the need for on-premise security appliances.
    - NaaS providers typically offer a range of service models, including managed services, rented hardware, and full NaaS, catering to diverse customer needs and preferences.



INDIAN EXPRESS Page 12

PAPUA NEW GUINEA

(Syllabus: GS Paper 1 – Geography)

Behind the cannibal stereotype: why Biden offended Papua New Guinea

ARJUN SENGUPTA
NEW DELHI, APRIL 28

PAPUA NEW Guinea Prime Minister James Marape, last week, criticised United States President Joe Biden for implying that his uncle was eaten by cannibals in New Guinea during World War II.

Biden, during a campaign event at Pittsburgh on April 17, had said that after his uncle's plane was shot down in New Guinea, "they never found the body because there used to be, there were a lot of cannibals, for real, in that part of New Guinea."

EXPLAINED CULTURE

In response, Marape said: "President Biden's remarks may have been a slip of the tongue; however, my country does not deserve to be labelled as such [as cannibals]."

The people of New Guinea have long tried to shed the cannibal label. While there have been documented cases of cannibalism among tribes on the island, the use of the stereotype has as much to do with European ideas on race and civilisation.

Eating 'witches', not humans

The Korowai tribe of New Guinea (they live in the Indonesian province of Papua on the western side of the island) number between 2,000 and 4,000. Anthropologist Rupert Stasch wrote that "their spectacular treehouses, their limited possession of factory-made commodities such as cotton clothing, and their practice of cannibalism" make them "a perfect fit with Westerners' stereotypes of 'primitive' humanity" (*Society of Others: Kinship and Mourning in a West Papuan Place*, 2009).

Although some anthropologists say the practice has been discontinued, the Korowai gained global notoriety as cannibals. But they themselves do not identify as such.

"The Korowai have no knowledge of the deadly germs that infest their jungles, and so believe that mysterious deaths must be caused by *khakhua*, or witches who take on the form of men," a 2006 *Smithsonian Magazine* article said. When a member of the tribe dies, his or her male relatives kill the *khakhua* responsible (the dying person names him). And then they eat him. As a Korowai man told the Smithsonian Magazine: "We don't eat humans, we only eat *khakhua*."



As acts of love and grief

Cannibalism in New Guinea has also been documented among the Fore (pronounced FOR-ay) people who live in the highlands of Papua New Guinea. This tribe of approximately 20,000 individuals (today) consumed human flesh as part of mortuary rituals till about the 1960s.

For the Fore, this was an act of love and grief. "If the body was buried it was eaten by worms; if it was placed on a platform it was eaten by maggots; the Fore believed it was much better that the body was eaten by people who loved the deceased than by worms and insects," researchers Jerome Whitfield, Wandagi Pako, John Collinge, and Michael Alpers wrote in their paper 'Mortuary rites of the South Fore and kuru' (2008).

The Fore stopped consuming human flesh in the 1960s after it was discovered that it was this practice that was leading to the spread of a deadly disease – kuru ('literally "shivering" or "trembling"'), later identified as a form of transmissible spongiform encephalopathy – that was annually killing as many as 200 Fore in the mid-20th century. The incidence of *kuru* has now declined, and no Fore has succumbed to the illness since 2010.

The cannibal stereotype

In both the above cases, consumption of human flesh was a part of social custom, which helped the tribes make sense of the inexplicable, or process difficult emotions. New Guinea's famous cannibal tribes did not eat just anybody, as Biden's remarks appeared to imply. They were not "savages" – stereotype that has historically followed cannibals.

"At best, these 'savages' were pegged as souls to be saved… But far worse occurred throughout history, as those accused of consuming other humans, for any reason, were brutalised, enslaved, and murdered," author Bill Schutt wrote in *Cannibalism: A Perfectly Natural History* (2017).

"During the last years of the 15th century… millions of indigenous people living in the Caribbean and Mexico were summarily reclassified as cannibals for reasons that had little to do with people-eating. Instead, it paved the way for them to be robbed, beaten, conquered, and slain…all at the whim of their new Spanish masters," he wrote.

Biden's remarks -- and Papua New Guinea's reaction to them -- must be seen in this context, where the cannibal stereotype has been used to justify the excesses of European colonialism.

What explains cannibalism

In Darwinian terms, it is fairly simple to explain the cannibal taboo. Eating one's own is looked down upon as it impacts the health of the species. If, as Darwin postulated, all species have a fundamental imperative towards survival and propagation, the practice of cannibalism is directly antithetical to this.

However, there is plenty of evidence of cannibalism across the natural world, from single-celled organisms, to dinosaurs, to polar bears, to humans.

Schutt argued that the incidence and frequency of cannibalism can be explained among various species – and different human communities – based on their local environmental conditions. "Cannibalism serves a variety of functions, depending on the cannibal. There are even examples in which an individual being cannibalised receives a benefit," he wrote.

Palaeoanthropologist Carole A Travis-Henikoff explained in her book *Dinner with a Cannibal* (2008): "Starvation brings on 'survival' cannibalism, while the ingestion of dead relatives is known as 'endocannibalism' or "funerary" cannibalism [like in the case of the Fore, an act of mourning]. 'Exocannibalism' refers to the eating of one's enemies [like the Korowai, also known to address skewed sex ratios], whereas 'religious' cannibalism relates to the actual or simulated partaking of human flesh as part of a religious rite."



Context: Papua New Guinea's Prime Minister recently criticized United States President for suggesting that his uncle was consumed by cannibals in New Guinea during World War II.

Papua New Guinea

- **About**: In the southwestern Pacific, encompasses the eastern half of New Guinea and its offshore islands.
- **Capital**: Port Moresby
- **Bordering country:** It shares its only land border with Indonesia to the west and it is directly adjacent to Australia to the south and the Solomon Islands to the east.
- **Terrain**: The terrain is predominantly mountainous, but there are low-lying plains in southern New Guinea.
- **Torres Strait**: It is also known as **Zenadh Kes**, is a strait between Australia and the Melanesian island of New Guinea.
- **Economy**: Copper and gold are the main mineral resources of the island.

Korowai Tribe

- **About:** It resides in the Indonesian province of Papua on the western side of the island, with a population ranging from 2,000 to 4,000.
- **Treehouses**: Their notable feature is the construction of remarkable treehouses, which are significant aspects of their culture and lifestyle.
- **Limited Commodities**: The Korowai have minimal possession of modern commodities like cotton clothing, contributing to their distinctiveness from Western culture.
- **Practice of Cannibalism**: Historically, the Korowai gained global attention due to allegations of cannibalistic practices, although the extent of this practice remains debated among anthropologists.
- **Perception and Stereotypes**: Anthropologist noted that aspects like their treehouses and alleged cannibalism often reinforce Western stereotypes of "primitive" societies.

FOREST FIRE IN INDIA

(Syllabus: GS Paper 3 – Disaster Management)

Forest put out in several parts of U'khand, IAF relief operation continues for second day



A fire rages in the Ranibagh area of Nainital district. PTI

HT Correspondent
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DEHRADUN: Uttarakhand reported eight new forest fires, the forest department said in its daily bulletin on Sunday, as a helicopter of the Indian Air Force continued firefighting operations for the second day bringing under control the blaze in several areas.

Separately, the government cancelled the leaves of all forest department officials till the situation was completely under control, and filed against 196 cases against "anti-social elements" for starting the fires, officials said.

Of the new fires, reported in the 24 hours till 4pm on Sunday, eight were in the Kumaon region, which has also seen the maximum damage due to the fires since November 1 last year. Of the over 735.8 hectares of forest land damaged in 606 fires since November 1 last year, 242.3 hectares were damaged in the Garhwal region, 429.4 hectares in the Kumaon region and 64.02 hectares in the administrative wildlife regions, forest officials said.

In the Kumaon region, fires are raging at two to three places in Nainital district and at one place each in Champawat, Almora, Pithoragarh and Bageshwar,

continued on →6

Context: The state forest department recently stated that the fires engulfing the forests of Nainital and Pauri Garhwal in Uttarakhand were predominantly caused by human activities.

Forest fire

- **About:** An unclosed and freely spreading combustion that consumes the natural fuels.
  - When a fire burns out of control it is known as Wild Fire.

Types of Forest Fires

- **Ground Fires**
  - Occur below materials like leaves and peat.
  - Slow-moving but can cover large areas if left unattended.
- **Crown Fires**
  - Highest risk due to fast-spreading behavior.
  - Develop on top of trees.
  - Can jump from one tree to another, making them highly aggressive.
- **Surface Fires**
  - Only occur at the surface and are no taller than the average human.
  - Relatively easy to extinguish and create the least amount of destruction.

Forest fire in India

- **Forest fire season:** November to June is considered to be forest fire season in India, with hundreds of thousands of small and large fires burning every year.
- **Worst fire months:** April-May are usually the worst fire months across the country.
- **According to India State of Forest Report (ISFR):** More than 36% of India's forest cover was prone to frequent fires. About 4% of the forest cover was 'extremely prone' to fire, and another 6% was 'very highly' fire prone.
- **Globally**, about 3% of the total forest area, or about 98 million hectares of forest, were affected by fires in the year 2015, mostly in the tropical regions.
- **Most prone region:**
  - Severe fires occur in dry deciduous forests, with forests in Northeast India, Odisha, Maharashtra, Jharkhand, Chhattisgarh, and Uttarakhand being the most vulnerable.
  - Recent incidents of forest fires have been reported from Mizoram, Manipur, Assam, Meghalaya, and Maharashtra.
- **Impact of Weather Conditions:**
  - Above-normal temperatures and dry biomass availability since winter have contributed to the early onset of forest fires.

LIVEMINT Front Page

REDISTRIBUTION OF WEALTH

(Syllabus: GS Paper 3 – Economy)



Redistribution: Can it benefit India's poor?

BY N. Madhavan

Theoretically, redistribution of wealth is a good way to bring down economic inequality. But implementing it is fraught with challenges. As debate on the topic rages, *Mint* looks at the concept, the pros and cons of implementing it, and the outcomes of past attempts.

The Scale of Inequality

Share (%) of top 10% in country's total wealth

Share of total wealth (in %)

South Africa 85.6
Brazil 79.7
USA 70.7
India 64.6
Germany 57.6
UK 57

mint
Data is for the year 2022
Source: The World Inequality Lab

1 What is redistribution of wealth?

It is a process by which income and wealth are transferred from the rich to the poor through steps such as taxes, land reforms and welfare measures. This is done to bridge economic inequality in the system. This subject typically comes to the fore when inequality widens significantly as is the case today. A study by the Organization of Economic Co-operation and Development has revealed that the wealthiest 10% of households hold 52% of the total wealth while the least wealthy 60% hold just 12% across 38 member countries. Economists such as Thomas Piketty have called for greater redistribution of wealth.

2 Why is it a hot topic today?

The Congress election manifesto promises a nationwide socioeconomic and caste census to strengthen affirmative action for bridging inequality. While this statement in itself is benign, speeches of its leaders have hinted at a greater redistribution of wealth. Rahul Gandhi has talked of "historic assignment to distribute wealth of India, jobs and other welfare schemes" post census. Sam Pitroda has cited inheritance tax as a tool to redistribute wealth. The Bharatiya Janata Party has portrayed this idea as an attempt by the Congress party to grab people's wealth and redistribute it, especially to minorities.

3 Is redistribution a new concept?

No—it's already in play. Those earning more pay higher tax. The tax revenue is used to fund welfare measures, subsidies and direct cash transfers to the needy. State governments levy property tax. In the past, India had estate duty (a form of inheritance tax), wealth tax and gift tax. They were abolished as the cost of administering them was more than revenue generated.

4 Is there a need for more redistribution?

The wealth gap has widened in India in the recent years. According to a study published by The World Inequality Lab, the richest 1% of Indians now own as much as 40% of the country's wealth. Researchers say that this gap will not close on its own and needs specific policy interventions such as a super tax on billionaires and millionaires. They also say, their income apart, wealth of the rich must also be taxed. According to them, this is needed as wealthy people are not paying their fair share of taxes.

5 What do critics of the idea say?

Redistribution of wealth, they argue, will smother innovation and hit productivity, eventually causing the economy to slow. Inequality is inevitable in a growing economy as holders of capital reap the maximum benefit. Wealth creators contribute to economic prosperity and should not be penalized. Also, inequality is not a major concern as long as people's lives improve. Zimbabwe and Venezuela tried large scale redistribution and failed. India once had income tax rates of 97.75% plus wealth tax but failed to end poverty, they say.

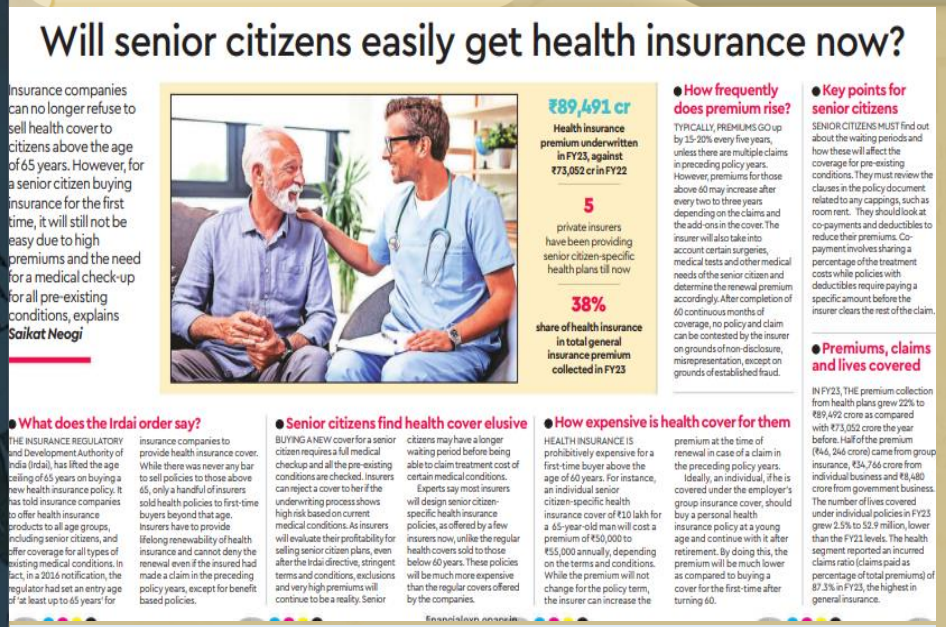
Context: Recently, the opposition party's election manifesto pledged a nationwide socioeconomic and caste census to bolster affirmative action for addressing inequality, yet speeches from its leaders suggest a potential inclination towards greater wealth redistribution.

Redistribution of Wealth

- **Definition:** Redistribution of wealth refers to the process of transferring income and assets from the affluent to the less affluent segments of society.
- **Methods**: This process is facilitated through various mechanisms such as taxation, land reforms, and welfare programs.
- **Purpose:** The primary objective of wealth redistribution is to mitigate economic inequality within a society.
- **Significance**: In recent times, the issue of wealth redistribution has gained prominence due to widening income gaps.
- **Global Perspective**: Studies, such as those by the Organization for Economic Co-operation and Development (OECD), highlight stark wealth disparities across countries.
- **Statistics:** For instance, the wealthiest 10% of households control a disproportionate share of total wealth compared to the majority of the population.
- **Economic Advocacy**: Notable economists like Thomas Piketty advocate for more robust wealth redistribution policies to address these disparities.
- **Need**
    - **Wealth Disparity**: The wealth gap has widened in India in the recent years.
    - **Statistics**: According to a study published by The World Inequality Lab, the richest 1% of Indians now own as much as 40% of the country's wealth.
    - **Proposed Solutions**: Policy proposals include implementing a super tax on billionaires and millionaires, along with taxing the wealth of the rich, not just their income.
    - **Fair Share of Taxes**: Experts stress the necessity of ensuring wealthy individuals contribute their fair share of taxes, highlighting the current inequities in the tax system.

HEALTH INSURANCE FOR SENIOR CITIZEN

(Syllabus: GS Paper 2 – Health and Vulnerable Sections)



Will senior citizens easily get health insurance now?

Insurance companies can no longer refuse to sell health cover to citizens above the age of 65 years. However, for a senior citizen buying insurance for the first time, it will still not be easy due to high premiums and the need for a medical check-up for all pre-existing conditions, explains *Saikat Neogi*

₹89,491 cr
Health insurance premium underwritten in FY23, against ₹73,052 cr in FY22

5
private insurers have been providing senior citizen-specific health plans till now

38%
share of health insurance in total general insurance premium collected in FY23

How frequently does premium rise?

TYPICALLY, PREMIUMS GO up by 15-20% every five years, unless there are multiple claims in preceding policy years. However, premiums for those above 60 may increase after every two to three years depending on the claims and the add-ons in the cover. The insurer will also take into account certain surgeries, medical tests and other medical needs of the senior citizen and determine the renewal premium accordingly. After completion of 60 continuous months of coverage, no policy and claim can be contested by the insurer on grounds of non-disclosure, misrepresentation, except on grounds of established fraud.

Key points for senior citizens

SENIOR CITIZENS MUST find out about the waiting periods and how these will affect the coverage for pre-existing conditions. They must review the clauses in the policy document related to any cappings, such as room rent. They should look at co-payments and deductibles to reduce their premiums. Co-payment involves sharing a percentage of the treatment costs while policies with deductibles require paying a specific amount before the insurer clears the rest of the claim.

Premiums, claims and lives covered

IN FY23, THE premium collection from health plans grew 22% to ₹89,492 crore as compared with ₹73,052 crore the year before. Half of the premium (₹46, 246 crore) came from group insurance, ₹34,766 crore from individual business and ₹8,480 crore from government business. The number of lives covered under individual policies in FY23 grew 2.5% to 52.9 million, lower than the FY21 levels. The health segment reported an incurred claims ratio (claims paid as percentage of total premiums) of 87.3% in FY23, the highest in general insurance.

What does the Irdai order say?

THE INSURANCE REGULATORY and Development Authority of India (Irdai), has lifted the age ceiling of 65 years on buying a new health insurance policy. It has told insurance companies to offer health insurance products to all age groups, including senior citizens, and offer coverage for all types of existing medical conditions. In fact, in a 2016 notification, the regulator had set an entry age of 'at least up to 65 years' for insurance companies to provide health insurance cover. While there was never any bar to sell policies to those above 65, only a handful of insurers sold health policies to first-time buyers beyond that age. Insurers have to provide lifelong renewability of health insurance and cannot deny the renewal even if the insured had made a claim in the preceding policy years, except for benefit based policies.

Senior citizens find health cover elusive

BUYING A NEW cover for a senior citizen requires a full medical checkup and all the pre-existing conditions are checked. Insurers can reject a cover to her if the underwriting process shows high risk based on current medical conditions. As insurers will evaluate their profitability for selling senior citizen plans, even after the Irdai directive, stringent terms and conditions, exclusions and very high premiums will continue to be a reality. Senior citizens may have a longer waiting period before being able to claim treatment cost of certain medical conditions.

Experts say most insurers will design senior citizen-specific health insurance policies, as offered by a few insurers now, unlike the regular health covers sold to those below 60 years. These policies will be much more expensive than the regular covers offered by the companies.

How expensive is health cover for them

HEALTH INSURANCE IS prohibitively expensive for a first-time buyer above the age of 60 years. For instance, an individual senior citizen-specific health insurance cover of ₹10 lakh for a 65-year-old man will cost a premium of ₹50,000 to ₹55,000 annually, depending on the terms and conditions. While the premium will not change for the policy term, the insurer can increase the premium at the time of renewal in case of a claim in the preceding policy years.

Ideally, an individual, if he is covered under the employer's group insurance cover, should buy a personal health insurance policy at a young age and continue with it after retirement. By doing this, the premium will be much lower as compared to buying a cover for the first-time after turning 60.

Context: The Insurance Regulatory and Development Authority of India (IRDAI), has lifted the age ceiling of 65 years on buying a new health insurance policy.

Insurance Regulatory and Development Authority of India (IRDAI)

- **About**: IRDAI is an autonomous and statutory body responsible for managing and regulating the insurance and reinsurance industry in India.
- **Establishment**: Under an Act of Parliament in 1999, IRDAI operates independently to oversee the functioning of insurers and protect the interests of policyholders.
- **Headquarter**: In Hyderabad.

Health Insurance for Senior Citizen

- **Directive to Insurers**: IRDAI has mandated insurers to create specialized insurance products catering to diverse demographics like seniors, students, children, and maternity.
  - Insurers must design products tailored for specific groups to enhance inclusivity and accessibility.
- **Previous Age Limit for Health Coverage**: IRDAI had set a maximum age limit of 65 years for purchasing health insurance policies.
  - **Tougher Conditions**: Beyond 65, stricter conditions applied, including mandatory health check-ups and exclusion of pre-existing ailments.
  - **Rationale**: Age restriction was based on increased susceptibility to illnesses with age, impacting coverage options for those over 50.
- **Coverage for Pre-Existing Medical Conditions**: Insurers are obligated to cover individuals with pre-existing medical conditions like cancer, heart, or kidney failure, and AIDS.
- **Renewal**: IRDAI has prohibited insurers from refusing to renew policies based on ground that the insured had made one or more claims in the preceding policy years,
  - Except for policies that terminate after the payment of the benefit covered under the policy, such as a critical illness policy.
- **Waiting Period:** Health insurers cannot deny coverage for your pre-existing condition once you have completed the three-year waiting period on health insurance policies.

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