Income Inequality in India

Inequality is a reflection of the kind of society we live in. Income inequality in India has negatively impacted poor citizens’ access to education and healthcare. They are denied the opportunity to participate in social, economic, and cultural transactions. It violates a basic democratic norm: the equal standing of citizens.

Joblessness and income inequality lead to socio-political instability, which will in turn reduce investment and hence growth. Significantly undermine individuals’ educational and occupational choices. People working in unorganized sectors are the worst sufferers of economic inequality. They are characterized by low wages; long working hours; lack of basic services such as first aid, drinking water and sanitation.

Solution is more inclusive growth. Incorporate the right to equality into political thinking, into our values, and into political vocabularies. More tax progressivity is a very handy tool to limit rising income inequality at the top. The government must increase its expenditure on health from 1 per cent to 3 per cent of GDP and on education from 3 per cent to 6 per cent of GDP. Oxfam said it is time to build a human economy that benefits everyone, not just the privileged few.

Need to establish a system of inheritance tax and increase the wealth tax. Oxfam said, Governments must support companies that benefit their workers and society rather than just their shareholders. Job creation in the modern sectors of the economy. There is need to tackle bias against caste and gender by recognising the value and dignity of all work (including unpaid work) and all workers. Making public and corporate private activity more transparent and accountable to the people. Policymakers should focus on making technology cheaper and deepening its penetration.

Way Forward

In advanced economies like USA and France, the gap between the rich and poor is at its highest level. After 1978 China experienced a sharp income growth as well as a sharp rise in inequality. However it halted in 2000s. Today, inequality in China is currently lower than in India (top 1% income share at 14% versus 22% in India). Russia moved from extreme equality to extreme inequality after moving to market economy. Today Russia has similar level of inequality as in India.

Implications

Income inequality refers to income distributed in an uneven manner among a population. The causes of income inequality can vary significantly by region, gender, education and social status. Income inequality (as measured by the Gini coefficient, which is 0 when everybody has the same income and 1 when one person has all the income) negatively affects growth and its sustainability.

According to a research, income inequality in India is at its highest level since 1922. According to a research, at present in India, top 1% earners constitute 22% of income. Women form 60 per cent of the lowest paid wage labour. According to Global Wage Report 2016-17 of the International Labour Organisation, India has huge gender pay gap and gender wage disparity.

The LPG reforms were very favourable to top income earners and capital owners. Tax progressivity was progressively reduced. Top tax rates, which were very high in the 1970s (up to 98%), decreased to 30% in the 1980s and after. Privatizations removed government-set pay scales. Growth at the bottom of the distribution was notably lower than average growth rates since the 1980s. Agriculture remains a key sector and land reform has been only very partial. In the absence of wealth redistribution by the government, rising income inequality will aggravate inequality.

As women are not recognised as farmers and do not own land, they have limited access to government schemes and credit. India has a high number of multi-generational billionaires and many transfer wealth to their heirs. Income inequality is “likely to exacerbate” due to the “governments inability to create jobs”.

Emphasis on reduction of the fiscal deficit leads to low spending on social welfare schemes.
China fears regime change in North Korea, which would bring reunification with the South. That would put the Korean Peninsula completely under US influence. US soldiers would be stationed directly on China's border, something the leadership in Beijing wants to avoid. Chinese businesses will be hurt more by the sanctions on North Korea.

The sanctions have done nothing to keep North Korea from advancing its nuclear and missile programmes. U.S. relations with China have soured in recent times. The recent sanctions by China are not entirely isolating North Korea because China made no mention of crude oil, which makes up the bulk of Chinese energy supplies to North Korea.

The sanctions are too complicated to implement, and private businesses independently aid North Korea. Isolation and sanctions against North Korea has made Kim regime more paranoid on the west. Recent death of an American student Otto Warmbier is an example of this.

All relevant parties must be cautious in their words and actions, and do things that help to alleviate tensions and enhance mutual trust. The sanctions must impact deeply on the Kim dynasty and not on the innocent people. Negotiations between U.S. and North Korea to achieve a freeze on North Korea's nuclear development. Removal of THAAD missile from South Korea will ease the situation for both North Korea and China.

The United Nations should try to aware North Korea of its humanitarian needs towards its citizens. It should help North Korea to enhance its economy and maximize its trade to gain its trust.

Incentivise trade agreements with neighbouring countries to reduce its negative balance of trade, opening up its economy, increased people-to-people contacts, cultural contacts, etc.

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Why is China hesitating to put more pressure on North Korea?

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Why China wants stable North Korea

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China's Role in Dealing With North Korea

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Introduction

China is North Korea's biggest trade partner and has the most leverage on Kim Jong-un's regime. It has helped sustain Kim Jong-un's regime, and has historically opposed harsh international sanctions on North Korea in the hope of avoiding regime collapse and a refugee influx.

However, China has ordered North Korea-owned businesses on its soil to close, cutting foreign revenue for North Korea under U.N. sanctions imposed over its nuclear and missile programmes.

China shares its northeast border with North Korea.

China accounts for at least 85 percent of North Korea's trade despite North Korea's provocations and subsequent sanctions.

China has long supported North Korea because it serves as a buffer from US troops stationed in South Korea.

North Korea's Nuclear test

North Korea has conducted six underground nuclear tests so far. Recently North Korea carried out its largest nuclear test and China lodged an official protest.

North Korea's nuclear programme is becoming increasingly problematic for China's desire to maintain regional stability.

If Kim Jong Un's regime were to collapse, China would face a massive influx of refugees.

Beijing fears that a military conflict could result in China being massively contaminated by nuclear fallout.

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Way Forward

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China's Role

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No country is thought to have more influence over North Korea than China.

China has the most leverage over North Korea because of the decades-long relationship and economic relationship.

Beijing's cooperation is essential to the success of sanctions aimed at stopping the North Korea's pursuit of weapons technology.
India’s strength in English is a natural advantage today.

India took major steps in nurturing higher education and scientific temperament, setting up the IITs, the IIMs, and promoting some fine universities.

India today is the 14th most popular destination in preference for higher education.

If we can build on these strengths and create private universities to flourish, India can become a destination for students from around the world.

The government is seeking to establish 20 world-class “institutions of eminence” around the country.

These institutions will be governed by new regulations which will ensure their complete academic, administrative and financial autonomy.

If these institutions develop and deliver on these lines, it marks the beginning of a new chapter in India’s nation-building exercise.

For knowledge to translate into a wealthy society, we need to create a conducive knowledge ecosystem. Institutions of higher education help in creating such an ecosystem.

The most crucial change is required in the governance of our institutions.

Universities must be open, questioning, trusting, experimenting, inspirational, direction setting, and enabling people to believe that nothing is impossible.

Universities are always places of the future—the future is shaped in its crucibles, classrooms and conversations.

The government should back universities to allow short-term diplomas and Nano-Degrees so that Digital India, Skill India and Make in India, get a boost.

Governments and their bureaucracies will have to free up institutions to allow them to make their own decisions.

For any development in higher education to bear fruit, it will have to be supported by the strengthening of primary education. China succeeded in this.

Every three years a public college or university should have an independent audit and be accountable to the legislature.

The new technology of distance learning should be fully utilized in upgrading the teaching and knowledge standards.

The 4th Industrial Revolution technologies are blurring lines between the physical and digital. Big Data and digital technology will be game changers.

Funding can be sourced from Special cess, CSR, alumina fund, easy loans from banks, progressive fee structure etc.

Link major R&D centres of country with government colleges in all states, to encourage inclusion of students in research initiatives in the country.

Setting up Higher Education Commission (HEC) as recommended by Yashpal Committee to promote interaction across different departments and universities.

Ensure ease in movement of personnel between universities and industry.

Education is the basis of social and economic change in any country.

India’s higher education system is the third largest in the world, next to the United States and China.

There is still a lot of potential for further development in the education system specially its role in economic development of nation.

On account of financial hardship

Social compulsions for early marriage for girls

Majority of young people from poor families drop out of school at or before completing secondary education.

For socially disadvantaged groups discrimination at workplace and occupational segregation lower the rate of return from higher education

Intensive entry examination

Coaching classes (or private tuition) with high fees is often out of reach for poor students.

Higher Education in India

New ‘institutions of eminence’

Reasons for Lack of enrolment for Higher Education

Universities are still characterized by impractical learning, out-of-touch faculty, exorbitant fees (in private universities) and diminishing employment.

Universities suffer from slow processes, non-digital pedagogies, and theoretical rather than experiential learning.

Rote learning and standardised examinations

Uninspiring classrooms with extremely low engagement

Most Indian graduates are unemployable, NASSCOM estimates that only 20% of graduates of engineering colleges in India are employable in IT companies.

Research in both the sciences and the humanities is generally below par.

Even elite Indian universities do not make it to the very top of global listings.

Extreme faculty shortage: 30 to 50% of faculty positions are vacant in many institutions.

Deficiencies in the matters of library books, laboratory facilities, computer and broadband internet, classrooms and buildings, etc.

Politicians have entered into the business of higher education in a big way, turning colleges into lucrative degree-giving factories.

The rise of IT sector and engineering education in India has led students into linear path without giving them a chance to explore and discover their passions.

Way Forward

Dismal State of Higher Education

Education in India
Judicial Reforms in India

Introduction

- Need for speedy delivery of justice and unburdening higher courts.
- Making the judicial system accessible and effective for the poor, accountability of judges and transparency in court proceedings.
- Time limits for taking decisions are to be prescribed like Slovak republic where disposal of cases in less than 60 days.
- More judges, streamlining procedures using information technology and increase the judge-population ratio to reduce delays and cut costs.
- Just like automation powered by Artificial Intelligence is already helping doctors, it can also be leveraged to assist judges and lawyers.
- State and Union governments should work hand in hand to address the shortage of basic infrastructure such as courtrooms and essential facilities for judges.
- Constitute a Performance Commission with powers to take consequential action. Many U.S. States have such commissions, which examine complaints about the conduct of judges.
- Set up specialized commercial fast-track courts to expedite the enforcement of judicial orders.

Present Issues

- The judiciary should be made responsible to present its own financial needs in a professional and competent manner, documenting its requirements.
- There should be a mechanism to regulate frivolous litigations. An efficient litigation policy will help a lot.
- Civil court fees structure must be suitably modified and it must be made mandatory for state governments to spend the entire fees so collected on building judicial infrastructure.
- Appointment of ad hoc or additional judges to clear pending cases.
- Creation of a transparent, full-time independent judicial complaints commission to investigate complaints against judges.
- Alternative dispute resolution mechanism, Lok Adalats etc should be explored on a greater scale to reduce the burden of the judiciary at all levels.
- Equal role for judiciary, executive in appointment of judges.
- Post of Chief Justice should not be transferable.
- Judges must deliver judgments within a reasonable time.

Recommendations

- These changes must be brought on urgent basis as justice delayed is justice compromised.

Law Commission

- The justice system is the principal instrumentality in satisfying the undertakings in the Constitution.
- The average citizen has greater trust and confidence in the judiciary.
- Speedy justice is a prerequisite for maintaining the rule of law and delivering good governance.
- Therefore, judicial reforms should be made the prime development agenda.

Delay in Justice

- Low Performance of India on ease of doing business because of lag in ‘enforcement of contract’ largely due to the inefficient judicial system.
- The National Judicial Data Grid shows there are 2.54 crore cases pending in subordinate courts.
- The system is unable to keep pace with new cases being instituted in our diverse economy.
- Barring the metros and state capitals, most of the subordinate courts lack basic infrastructure for judges, court staff and litigants.
- Judicial procedure is very complex and costly putting the poor at a distance from justice.

Judicial overreach

- Six High Courts in the country are without regular Chief Justices for the past several months.
- Judicial ineffectiveness is to a great extent responsible for the increase in crimes like rape, murder, looting, cheating and so on.
- Supreme Court had quashed the government’s attempt to form National Judicial Appointments Commission (NJAC) to expedite the appointment process.
- The logjam between Judiciary and Executive can only result in distress for the public.

Financing of the judicial system has not been adequate.

- An increase in crimes against women and increase in the reporting of criminal activities, have contributed to rise in the workload of the judiciary.
- Thus reforms both at lower and higher levels of judiciary are urgently required to keep the pillars of democracy stronger and powerful.
There is a loss of interest income to the banks to the tune of around Rs 1,50,000 crore.

Country’s largest lender SBI accounts for over 27% of the total amount owed to public sector banks by wilful defaulters. There is no specific law against wilful defaulters, as RBI takes action as per SARFAESI act. This creates environment of varying norms that raises the wilful defaulters.

Rising wilful defaults in PSBs hurt investor confidence

Wilful default must be recognised early and followed by quick action

Restricting additional facilities to such defaulters from banks and financial institutions

Parliamentary Standing Committee on Finance recommended that each bank must make names of “wilful defaulters” public.

Wilful default of bank loans should be declared as a criminal offence and criminal action initiated against defaulters.

Jail term may be linked to size of default.

In cases of classic business failures that have no wrongdoing and hit by the slowdown in the global economy, the resolution process needs to be strengthened through debt restructuring.

An efficient credit rating agency to give clarity about nature of borrowers.

Internal audits, controls and procedures are a way of minimising these wilful defaults.

Implementation of insolvency and bankruptcy code in letter and spirit.

Hedging of very large investments which are at risk

Recovery laws need to be drastically amended and setting up special tribunals for high value cases.

Law enforcement machinery must acquire modern financial forensic skills to recover the ill-gotten money

Centre and RBI must take steps to strengthen public sector banks

Concerns / Challenges

A wilful default as defined by RBI

Introduction

The unit has defaulted in meeting its payment/repayment obligations to the lender when it has the capacity to honour these commitments.

The funds are not utilised for the specific purpose for which finance was availed but have been diverted for other purposes.

Those that have disposed of or removed movable fixed assets or immovable property given for the purpose of securing a term loan.

Banks are witnessing a surge in wilful defaults, or refusal of repayment obligations by borrowers

The data shows that wilful defaults by borrowers from banks cross Rs 1 lakh crore as of March 2017.

Businesses failure, the reasons could be external or internal.

Gaps in Internal audits, controls and procedures

It is seen in large groups that the balance sheet of a relatively stronger entity has been used to fund growth of smaller entities. These kind of lending are not repaid, making that group a willful defaulter.

Wrong investment decision

Bank’s failure in identifying such defaulters at early stage of loan repayment

Chakravyuha Challenge as stated in Economic Survey 2015-16 where inefficient firms find it difficult to exit.

Way Forward

Reasons

Prospects

Insights
Global Hunger Crisis

Introduction

- The concurrence of conflict and climate-related natural disasters is likely to increase with climate change.
- Over the past decade, conflicts have risen dramatically in number and become more complex and intractable in nature.
- People living in countries affected by crisis are nearly two and a half times more likely to be undernourished than those living elsewhere according to a study.
- Malnutrition had slowed the growth of 156 million children under the age of five, which impact on long-term health and educational attainment.
- Sustainable agriculture is paramount to eradicate extreme poverty and hunger.
- Agriculture and food systems must be supported by a sound cooperation between science and policy.
- Involving women is essential as they are the backbone in agriculture and comprise 45% of the agricultural labour force in developing countries.
- The study by the International Union of Forest Research Organizations (IUFRO), says that forests can improve nutrition level and meet the “Zero Hunger Challenge” by 2025.
- Tree foods are often rich in vitamins, proteins and other vital nutrients and can help in providing a diverse diet.
- FAO emphasises on biotechnologies that can help bring high yields, improve nutrition quality and add value to the productivity of crops, livestock, fish and crops.
- Smallholder farmers need improved access to agricultural biotechnologies to ensure nutrition security as they are vulnerable and resource-poor individuals.
- Institutionalise family farming and small farmers need to get organised.
- A crucial anti-famine strategy is investing in science to provide early warnings.
- "Social protection" such as weather-indexed insurance, emergency food aid and buffer stock management must be provided to vulnerable people before famine shocks, civil conflict, bad harvests, transport disruption or drought, occur.
- Securing peaceful and inclusive societies is a necessary condition to end conflicts.

Reasons

- A new UN report warns that global hunger is on the rise again which can defeat the Sustainable Development Goal 2 of achieving zero hunger by 2030.
- After declining for over a decade, hunger increased in 2016 and now affects 815 million people worldwide (11% percent of the global population).
- The United Nations has called this the worst humanitarian emergency since World War II, with 20 million people at risk of starvation in just four African and Middle Eastern countries.
- The UN report titled The State of Food Security and Nutrition in the World 2017 blames increasing conflicts and violence in several parts of the world.
- Conflicts have disrupted the means of livelihood for people and farmers.
- Rural women have less access to resources and income, which makes them more vulnerable.
- Climate-related shocks, droughts and floods.
- Consecutive years of poor rains and harvests have decimated crops across South Sudan, Somalia, Ethiopia, and Kenya.
- Multiple forms of malnutrition are threatening the health of millions of people worldwide.
- What keeps people hungry is often not the lack of food, but the lack of access to that food and control over its production.
- Economic slowdown in recent years made food hard to access for poor people.
- The food security situation has deteriorated in parts of sub-Saharan Africa and South-Eastern and Western Asia.
- Africa continues to suffer as a result of violence and famine.
- The highest number of undernourished people lives in Asia.
- Many countries in the Asia-pacific region face the triple burden of malnutrition, micronutrient deficiencies and obesity.
- Hidden hunger, defined as deficiency of micronutrients, is affecting 2 billion people globally.

Way Forward

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- Securing peaceful and inclusive societies is a necessary condition to end conflicts.
The implementation of the GST so far appears to have had an adverse impact with manufacturing sector uncertain in the short term. This may further delay the revival of investment activity, which is already hampered by stressed balance sheets of banks and corporates. Many businesses are struggling to adapt to the new reality of doing business in India. The difficult business environment and slow-moving judicial system will make the transition to a more market-driven financial system difficult. Bank credit growth, at 5.1%, has slipped to its lowest in 2016-17, as public sector banks with heavy bad loans struggled to lend money for sound business proposals. By the end of September, the cumulative rainfall was deficient by around 5 per cent, with 17 per cent of the geographical area of the country receiving deficient rainfall.

Adequate food stocks and effective supply management by the Government may keep food inflation more benign. Resolution of stressed corporate exposures in bank balance sheets. Recapitalising public sector banks to ensure that credit flows to the productive sectors are not impeded and growth impulses not restrained. A concerted drive to close the severe infrastructure gap. Restarting stalled investment projects, particularly in the public sector.

Ensuring faster rollout of the affordable housing program with time-bound single-window clearances. Rationalisation of excessively high stamp duties by States. Faster transmission of the monetary policy and deepening financial markets are significant.

The MPC was of the view that structural reforms introduced in the recent period will likely be growth augmenting over the medium - to long-term by improving the business environment, enhancing transparency and increasing formalisation of the economy. By holding policy rates, the RBI shifts focus to the government to give a fillip to growth.

Why RBI maintained status quo?

CPI inflation has risen by around two percentage points since the MPC’s last meeting in August. Escalation of global geo-political uncertainty like North Korea crisis and abrogation of nuclear deal by US with Iran. Heightened volatility in financial markets due to the U.S. Fed’s plans of balance sheet unwinding. This will suck the liquidity in the economy. Risk of normalisation by the European Central Bank. This will lead to withdrawal of FPI from the emerging markets.

The monetary policy committee of the RBI has cut its GDP forecast, down to 6.7% this year as against 7.3% per cent projected earlier in August. GDP growth had fallen to 5.7% in the first quarter and has been coming down continuously over the past five quarters. The loss of momentum in Q1 of 2017-18 and the weaker-than-anticipated kharif crop output and the impact this may have on food price are early setbacks.

Farm loan waivers by States may undermine the quality of public spending, thereby exerting pressure on prices. States’ implementation of the salary and allowances award similar to that by the Centre could push up headline inflation. Global geopolitical pressures on oil prices, rebound in vegetable prices and rural wages have been increasing steadily.

The central bank is confident that growth will pick up in the third and fourth quarters and signs of this are already visible in the latest Purchasing Managers’ Index data. Efforts aimed at raising tax compliance and increasing formalisation of the economy will raise the growth outlook in the years ahead.
Digitisation prevents possibilities of corruption and leakages.

- Lead to substantial savings in the food subsidy bill.
- Savings in the subsidy bill can contribute to check fiscal deficit and allow the state to do a lot more for its citizens.

Digitised Ration Card database with AADHAAR-seeded would enable identification and deletion of ghost beneficiaries

- Grievance redressal portal and toll-free number in place in all states/UTs.

Wide inter-state variations exist in both seeding and use of electronic Point of Sale (e-PoS) devices at Fair Price Shop (FPS).

- Critics argue that the use of e-PoS devices may not be viable due to network and connectivity issues.
- Risk of exclusion error due to either incorrect mapping of ration card to Aadhaar details or deactivation of Aadhaar numbers for a multitude of reasons.

- Beneficiaries could lose their entitlements because of authentication failures due to poor quality of fingerprints.
- Lack of awareness among beneficiaries about their rights under National Food Security Act.
- Inaccurate identification of beneficiary households

- As of 2016, as many as 21.6 million 'bogus' ration cards were detected in the PDS.
- Beneficiaries often do not receive their full entitlement due to the wilful diversion of grains by FPS owners or non-availability of grains.

- Improving internet penetration in rural areas (through Bharat Net programme), electricity availability, POS sale machines and launching comprehensive awareness drive are needed.
- States must implement DBT in urban centres as per recommendations of Shanta Kumar committee.

The digitization of PDS will ensure that, at every step from field to fork, the government would track the movement of foodgrains so that they reached the right beneficiaries.

- A key component of this initiative is the digitisation of the beneficiary database and linking ration cards to Aadhaar numbers.
- The project also calls for automation of the supply chain, SMS alerts to beneficiaries, etc.
- The aim is to bring in efficiency and transparency in the public distribution supply that is prone to leakages and misuse.

- At least 11 States have not taken the elementary step of digitising fair price shops
- Nine other States, including Uttar Pradesh, have hardly made any progress.
- Out of 5.26 lakh ration shops, only 51% have been digitised in three years.

- North Eastern states have cited connectivity issues for their inability to commence the process of digitisation.
- In Bihar, less than 1% of ration shops are digitised: the figure is 1% for Tripura, Delhi and Uttarakhand.

- PDS has suffered exclusion and inclusion errors.
- Leakages and illegal sale of food grains in open market.
- Lack of grievance redressal mechanism and transparency was defeating the very purpose of PDS.

- Children aged 5 die every day because of their poor diets. Hence it is necessary to ensure that food reaches to the beneficiary.
- The success stories of Madhya Pradesh and Chhattisgarh about implementing IT measures to streamline the TPDS set an example for digitisation of PDS.
- The accessibility and availability of food constitute important part in alleviating poverty.
- Efficient allocation of resources will minimise loss to government and public exchequers.

- Digitization is the path towards Minimum government and maximum governance.
Green Energy in India

**Introduction**
- India launched the world’s largest renewable energy expansion programme and aims to achieve 175 GW capacity of renewable energy by 2022.
- The country is taking national actions plans to abide by its duty under the Paris Agreement.
- Projects like electrifying Rural India is also focused on using clean energy.

**Concerns / Challenges**
- Lack of employees trained with the skills needed to construct and operate solar plants.
- Land availability, power evacuation infrastructure, and Renewable Purchase Obligation (RPO) compliance are other major challenges in meeting solar targets.
- Security and maintenance of nuclear facilities.
- Integration of renewable plants with existing energy infrastructure.
- Solar panel waste disposal.
- Falling tariffs affect the cost competitiveness of pre-existing Renewable Energy projects according to rating agency ICRA.

**Way Forward**
- Along with the capacity addition, the country needed to build smarter grids for integrating renewables.
- Create storage capacity so that the system is not disrupted and assets are not stranded.
- Developing the infrastructure needed to increase connectivity to remote renewable energy sites.
- The Indian government should continue developing and integrating renewable capacity with its neighbours.
- International examples show that effective net-metering implementation can increase rooftop solar adoption by as much as 50%.

**Opportunities**
- Renewable energy offers an opportunity to build a new low-carbon energy world.
- Renewable energy is the only way to meet energy demand of 1.32 billion people in the country.
- There are reasonable potential to develop offshore wind projects along the Tamil Nadu and Gujarat coasts.
- Energy consumption results in 77 percent of India’s greenhouse gas emissions.

**Need to promote Green Energy**
- Pollution in cities is already at critical levels.
- Raising population out of poverty and the subsequent rural-urban migration will substantially increase India’s carbon emissions in the years to come.
- Volatility concerns regarding dependence on oil imports from West Asia.
- India’s rapid growth is largely dependent on its energy supply.

- India is placed in the second spot in the “Renewable energy country attractiveness index” by EY.
- Rooftop solar industry is most labour-intensive.
- Over 300,000 Indians could find jobs in the wind and solar industry over the next five years if the country works towards its 2022 target.

- **Renewables 2017 Report**
- Solar photo voltaic (PV) and wind together would represent 90% of India’s capacity growth in the coming years.
- India, China and the United States will account for two-thirds of global renewable expansion by 2022, the report said.
Japan is a “super-ageing” society, with the population getting older faster. As populations age, there will be fewer health care workers to care for a larger group of patients. The country is producing robots for people with dementia - to provide companionship, improve safety in the home, and help with therapy. People with daily conversations are able to enjoy a more stable mind and improve cognitive functions. Robots can help with physical caregiving tasks and monitor behaviour and symptoms. As India’s population ages, the nation will face a shrinking pool of working-age people to support the elderly population. Once they retire, elderly people often feel loss of status, worthlessness and loneliness. Declining family support and severely limited old-age income security. Replacing human caregiving with technology can deprive people of social interaction and worsen the problems of loneliness and isolation. Consent and privacy issues arise if a person is unable to turn off monitoring and data tracking features. High cost of robots makes it unaffordable to middle and lower income groups. Technology developers are sometimes criticised for a mismatch between their enthusiasm for robots and the preferences of older people. They can commit mistakes because of hardware or software faults. If not corrected, these mistakes can lead to grave consequences and massive loss.

Over the coming decades globally labour forces will age substantially. Population ageing will result in a decline in the potential labour force causing a negative labour supply. Widening use of robots may be a welcome solution to the consequences of global ageing. Technological intervention can improve the lives of elderly who has lesser physical strength to work. Increasing adoption of technologies (for instance, robots) perform tasks previously undertaken by labour. As working population shrinks rapidly, technology can compensate for the loss. Technology improves productivity by allowing countries to do the same work using a smaller workforce, thus overcoming the effects of ageing. Technology can effectively improve healthcare quality, delivery and results. Technology can support the possible mobility for old person.

For people living with memory loss, robots can remind them about things they often forget, like prompting them to take medication, eat meals etc. Robots can also provide companionship and entertainment. They help reduce negative behavioural and psychological symptoms. They can also support human caregivers by providing watchful eyes and helping hands. Robots do not experience stress and burnout and there are other practical benefits, too. They assist older people with disabilities to remain independent and to monitor their safety and social connectedness.
PM Modi set the new trend to entertain foreign dignitaries to visit state capital rather than in New Delhi.

President Xi Jinping of China and Prime Minister Shinzo Abe of Japan visited Gujarat and pledged support for projects like smart cities and the bullet train in the State.

It was unthinkable earlier for Prime Ministers to establish major projects in their own States without considering the merits of competing venues.

Pandit Nehru wrote letters to the Chief Ministers, explaining certain aspects of foreign policy, but did not solicit their views.

As regional parties began to exert influence at the national level, States began to dictate terms even in foreign policy.

The Chief Minister of West Bengal stopped signing an agreement on sharing of Teesta waters with Bangladesh.

Political parties in Tamil Nadu insisted that India should support the U.S. resolution against Sri Lanka in the Human Rights Council, and also stopped the Prime Minister from attending a Commonwealth Heads of Government Meeting (CHOGM).

Kerala had insisted that the Italian marines who killed two fishermen should be tried in India and punished here, causing a rift in India’s relations with the European Union.

In all these cases, the larger interests of India on the global scene were sacrificed.

States must be involved more in foreign affairs, as the moves made so far are tentative and half-hearted.

Ministry of External Affairs should have offices in key States.

Think tanks should be established in States to facilitate policy options and provide inputs to the States and the Centre.

The Sharjah success can be replicated only if a new architecture is devised to involve the States in issues identified as crucial to them.

The States must also develop expertise on foreign affairs to be able to take responsible decisions in their interaction with foreign lands.

States should be involved in dialogues with countries where there is a significant diaspora, and where state governments have significant economic interests.

As northeast is a key stakeholder in India’s ties with Southeast Asia, it is important to ensure political and economic stability if the region is to emerge as a gateway to the east.

As states play a key role in India’s links with the outside world, it is important that both New Delhi and state governments do not allow any political differences.

India must learn from the successes of countries like China, which have successfully harnessed their provinces.

Indian states historically have not been closely involved in the country’s foreign policy.

Today there is increasing importance of state governments both in domestic as well as foreign policy.

PM Narendra Modi had visited Japan, China and Singapore when he was the chief minister and secured the best deals for the state within the overall policy of the Central government.

In his earlier stint as Andhra Pradesh Chief Minister, Chandrababu Naidu negotiated with foreign governments to make Hyderabad an IT capital, prompting even presidents and prime ministers to visit the city.

Pass Experiences

In tune with competitive federalism, visit of the Sharjah ruler to Kerala had discussions with the chief minister which gave tangible results.

They hold discussions on trade and commercial cooperation and presented a road map on joint projects between Kerala and Sharjah.

Kerala submitted a proposal to establish a cultural complex, an education hub, and a family city for Malayalis in Sharjah.

The ruler agreed to release 149 Indian prisoners from Sharjah jails.

The two sides agreed to cement ties between Kerala and Sharjah.

States in Indian Diplomacy

State’s Role

Way Forward

International Practices

Team India shall not be limited to the Prime Minister-led team in Delhi, but must also include Chief Ministers and other functionaries as equal partners.

States must play an important role in not only implementing foreign policy, but also in formulating it.

The Ministry of External Affairs now has a States division, which assist them in building bridges with the countries in which they have proximity or the presence of diaspora from that State.

IFS officers have been asked to choose a State each to understand its special requirements and to advise them.

High-profile MEA events like the Pravasi Bharatiya Divas are held in different parts of India.

States have begun to host large scale investor summits.

Countries like the U.S. and China encourage their State governments to take economic delegations to foreign countries and establish their own trading offices abroad.

Secret for China’s success has been the proactive role by provinces in drawing foreign investment.

China’s enhanced people-to-people linkages with countries like the United States and Australia through sister province and sister city agreements.
For emerging nations, engaging in global value chains is key to their economic development.

According to UN, there appears to be a positive correlation between participation in GVC and GDP per capita growth rates.

GVCs are most beneficial for countries that contribute in the higher value-added segments of a production chain.

GVC participation leads to job creation in developing countries, provided it occurs with high-skill based value addition.

India needs to improve connectivity infrastructure and industrial laws to raise its ranking in world trade.

Policy initiatives must target all parts of the GVC life-cycle from conceptualisation, development of a prototype, to manufacturing, to after-sales service.

Set up a National Trade Network (NTN) to enable all export-import related compliance online.

NTN will allow exporters to file all documents online at one place; there will be no need to deal with customs, shipping companies, sea and air ports, and banks separately.

Automate port and customs operations and allow green channel clearances (clearance of goods without routine examination of goods) for most consignments.

Match the turnaround time of the ships with the global best parameters. This will ensure quicker transactions and allow better use of infrastructure.

Indian firms need to upgrade production processes and product quality to meet the requirements of GVCs.

India needs to create an institution to develop standards, set up globally accredited testing laboratories, and sign Mutual Recognition Agreements (MRA) with partner countries.

We need to identify sectors with higher value addition as well as low entry barriers in global markets, to achieve quicker export success.

These steps will reduce the cost and time of exporting and increase competitiveness.

In the medium term, it will decrease India’s dependence on the import of electronic and telecom goods and increase overall exports from India.

The GVC model breaks the product life-cycle into many tasks. Participating countries complete each task sequentially.

Inputs and products manufactured in GVCs account for two-thirds of world trade.

The iPhone is a good example to understand how GVCs work.

The US prepares the iPhone design and prototypes, while Taiwan and South Korea produce critical inputs such as integrated circuits and processors.

Final assembly takes place in China from where the iPhones are marketed all over the world.

Poor trade infrastructure increases cost and time of export operations which prohibit the country from participating in GVCs.

70 per cent of India’s export earnings come from the small basket products.

The small basket contains products that account for 30 per cent of world trade. The large basket holds the remaining 70 per cent.

The small basket items include small diamonds, jewellery, rice, buffalo meat, shrimps, petroleum, cotton, yarn etc.

The small size of the global basket limits the potential for future growth.

Also, most products face intense competition from low-cost countries such as Bangladesh and Vietnam.

Electronics, telecom, and high-end engineering products are important large basket items.

India has a weak global export share in these commodities.

India has an insignificant presence in large basket products that have become important in world trade.

Most large basket products are critical products whose parts are manufactured in several countries.

China, Japan, South Korea, Thailand and Malaysia have become part of GVCs through the quality trade infrastructure route.

India could not as it does not meet the benchmarks for efficient entry/exit at the most ports/customs.

Even compared to many Asian countries, India’s transport time is high.
The “resolution seeks to ensure transparency and yet maintain confidentiality in the Collegium system.”

The resolution of the collegium to willingly expose themselves to public scrutiny bears the hallmark of democracy.

The collegium’s nod to transparency will reinforce people’s faith in the judiciary.

It will reduce the chances of the collegium taking arbitrary decisions.

There is a view that personal favouritism has played a role in appointments in the past. Now the collegium can fight that perception.

In the long run such transparency will ensure that only the best candidates apply for judicial positions.

The collegium’s move towards transparency comes a week after it faced severe criticism for a proposal to shift justice Jayant Patel out of Karnataka high court to Allahabad.

By making public the reasons for non-appointment of a candidate, his or her reputation may come under a cloud.

This could create doubts about the person’s competence for the current position which he or she holds.

The procedure preceding the appointment must also be fair and transparent.

The court should place the inputs which guided its decision-making in public domain too.

There must be clear-cut criteria and minimum eligibility levels for judges appointment.

The Centre must finalise the long-delayed Memorandum of Procedure and help fill vacancies in high courts expeditiously.

A screening system, along with a permanent secretariat for the collegium, would be ideal for the task.

The introduction of transparency should be backed by a continuous process of addressing perceived shortcomings.

Same degree of transparency could now be attached to all key constitutional posts.

Under our constitutional scheme, the Supreme Court occupies a unique position.

The Supreme Court collegium has begun posting all decisions on judicial appointments and transfers on its website to ensure transparency.

The collegium consists of five senior-most judges, including the chief justice of India, which selects judges for appointments to high courts and the Supreme Court.

This is the second important step by the SC since the collegium had made public the assets of all judges.

Collegium system for appointment and transfer of judges was devised in 1990s.

Senior lawyers, the Supreme Court Bar Association and the Gujarat High Court Bar Association made criticism of the Collegium.

Criticism from within the Collegium itself for secrecy and lack of transparency in judges appointment.

Government tried to strike a balance between the powers of the SC and the civil society through NJAC, but the SC quashed it down.

The Memorandum of Procedure (MOP) was contemplated, but it is yet to be finalised between the SC and the Centre.

Under these circumstances transparency in judicial appointments holds lot of significance.

“With great power comes great responsibility.” And “accountability”.

The Supreme Court had been under pressure from the government and the public for long to do so.

Until now, the collegium’s decisions have been taken without any disclosure to the public, a practice that was criticised by members of the legal fraternity for being opaque and arbitrary.

The virtues of transparency in modern constitutional governance outweigh the compulsions of secrecy.

The present disclosure norm is a commendable beginning.

All information will be available under the new tab “Collegium Resolutions” on the official portal of the top court.

Details posted will also indicate the reasons for the recommendation or rejection of a name for appointment, transfer or elevation.
Though Bhutan stands to gain more disputed territory and also solve the border issue with China, it has not done so from 1984 onwards, so as to protect India’s security interests.

Bhutan will be more dependent on India because India is the sole buyer of its hydroelectric resources.

If all the hydroelectricity projects come on stream in the next 15 years, Bhutan will actually become quite rich like a petroleum exporting country.

Bhutan does not have diplomatic ties with China, something Beijing has been trying to rectify in the past few years.

The impression among some Bhutanese people is that India comes in the way of Bhutan as an independent state, especially in the foreign policy arena.

They feel that India has prevented them from normalising diplomatic ties and negotiating a border settlement with China.

The next election in Bhutan in October 2018 could well be fought on pro- and anti-India slogans.

Bhutan’s trade deficit is set to worsen as India’s GST makes its exports to Bhutan cheaper and imports from Bhutan more expensive.

India’s plan for regional connectivity seems to have hit with Bhutan unable to get the parliamentary ratification to implement the BBIN project.

All these concerns and anxieties need to be recognised, respected and addressed appropriately.

India must be careful not to seem bossy, and end up souring up its relationship with Bhutan as was done in the case of Nepal.

The Doklam crisis can be taken as a wake-up call and be used as an opportunity rather than as a continuing threat with China.

Much more active and closer contact with the Bhutanese King needs to be maintained.

Steps should be taken to invite him for some national, regional or cultural events so that close and strong relations between the two countries could be sustained.

India needs to give more attention in inviting Bhutanese youth to study in India at all levels.

Media, particularly social media, needs to be harnessed to reach out to Bhutanese policymakers and common people to give them the confidence that India will stand by them for their economic and cultural development.

India should further cement its ties with Bhutan by paying more attention to it so that China is not able to drive a wedge between the two.

Diplomatic relations between India and Bhutan were established in 1968 with the appointment of a resident representative of India in Thimphu.

The basic framework of India-Bhutan bilateral relations is the Treaty of Friendship and Cooperation signed in 1949 which was revised in February 2007.

The Doklam impasse saw a more confident and resolute relationship emerge between India and Bhutan.

Bhutan was the first country to be visited by Prime Minister Narendra after assuming office.

The unique relations between India and Bhutan are characterized by deep understanding and mutual trust.

Bhutan has special ties with India and is closer to New Delhi.

2018 will be the 50th year of the establishment of diplomatic relations between the two countries.

The support Bhutan provides to India at various international forums, including the UN.

Bhutan along with India has not joined China’s One Belt One Road (OBOR) summit.

There are a number of institutional mechanisms in areas such as security, border management, trade, transit, economic, hydro-power, and water resources.

Hydropower projects in Bhutan are an example of win-win cooperation, providing clean electricity to India and generating export revenue for Bhutan.

India is both the financier and sole buyer of the electricity that will be generated.

India is Bhutan’s largest trading partner.

There is a Secretary-level mechanism on border management and security related matters.

There is a Joint Group of Experts (JGE) on flood management between India and Bhutan to recommend appropriate measures to both Governments.

A large number of Bhutanese students are studying in India.

India is Bhutan’s largest aid donor in its five-year plans.

The Doka La standoff highlighted New Delhi’s defence commitment towards Bhutan.

Indian troops stationed in Bhutan under a special security arrangement intervened to keep Chinese troops at bay.

Under the 2007 India-Bhutan Friendship Treaty, the two sides agreed to cooperate closely with each other on issues relating to their national interests.

Neither Government shall allow the use of its territory for activities harmful to the national security and interest of the other.

The Indian Military Training Team (IMTRAT), plays a critical role in training Bhutanese security personnel.
Price stabilization measures should be a mix of government intervention and developing market-based mechanisms to protect against price risks.

The government should raise procurement of pulses under the MSP scheme to make it effective. MSPs help smoothen prices and act as price signals when procurement is effective. This reduces the farmer’s risk.

MSPs help smoothen prices and act as price signals when procurement is effective. This reduces the farmer’s risk.

The procurement infrastructure needs to improve and focus on raising awareness of government agencies procuring crops.

The price stabilization fund could be used to improve procurement infrastructure.

Buffer stocks can be created during years of excess production and used in times of shortfall.

Deficiency price payment in case of price fall to compensate farmers and also to save the states from the problems of storage and transportation.

The government has prohibited exports of pulses, except gram and organic pulses, since June 2006.

Flexibility in export policy, in terms of permitting exports of the restricted pulses during times of excess production, will help provide some cushion.

There is a need to develop an irrigation buffer.

Promoting water-conserving irrigation techniques such as drip irrigation can help.

The government should reduce the transportation costs of farmers by linking them to markets with better roads.

To incentivize private sector participation, ad-hoc restrictions on stocks should be avoided.

The government can use future market signals to fix MSP values and make appropriate interventions before crises occur.

Developing futures markets will require infrastructure improvements such as grading and storage facilities, and electronically linked warehouses.

The farmers can then make their decisions on the basis of expected prices and not past prices.

Ensure that mechanisms to check unfair price speculation are in place.

Effective MSPs and production

A nimble trade policy

Measures for Price Stabilization

Developing an irrigation buffer

Stabilizing the prices of Pulses

Introduction

Price Cyclicality

Present Status

Consumers worry about high prices of pulses and producers about low prices.

Pulses have seen an average annual inflation rate of 12%—the highest among food crops—in the past 12 years.

Inflation peaks whenever there is a production shortfall.

Farmers’ behaviour, where sowing decisions are based on the prices observed in the previous period, and accordingly over- or under-produce crops, triggering price cyclicality.

A bumper crop in fiscal 2017 accompanied by six million tonnes of imports and exports and stocking restrictions, led to oversupply and price collapse.

Lower prices will impact winter sowing

Gram is an exception whose production responds more to global price trends than domestic.

Historically only wheat and rice have benefited from effective procurement under MSP.

In pulses although MSPs are announced, procurement has been relatively weak and often pulses are sold below the MSP and even below the cost of production.

Most farmers sell their products locally below MSP due to lack of transportation and the long distances to mandis.

Only a fifth of the area under pulses has irrigation support. This exposes production to the vagaries of the monsoon and amplifies the price cyclicality.

Millers of pulses are keeping a low inventory due to uncertainties around the goods and services tax (GST)

Several parts of Madhya Pradesh saw large-scale agitation from farmers due to sudden and sharp drop in prices of pulses.

The govt is planning to sell pulse reserves in the open market and to some states and organizations to avoid its stockpiles rotting in warehouses.

The states are seeking to buy the grain at a subsidized rate so they can distribute it to the poor under their social welfare programmes.
Diseases drain our economy in two ways—loss of productivity and expenditure for healthcare.

Nearly 70% of healthcare delivery is through private players which are largely unregulated.

Experts have expressed concerns over NITI Aayog’s idea for further privatisation of healthcare services instead for improvements in the public health infrastructure.

According to the report of the Central Medical Services Society (CMSS), the timely supply of drugs, vaccines and contraceptives remained a major concern at the state level.

With excesses in some places and shortages at others across the country, thereby affecting programme effectiveness

Inadequate supply chain infrastructure and quality control.

There is no public procurement law in India. It is governed by a set of guidelines.

Non-communicable diseases are becoming epidemics—they are not easily prevented, except by huge changes in behaviour.

NSSO data shows that the proportion of patients using public facilities has increased only marginally in rural areas despite rural public health facilities financed by the National Rural Health Mission (NRHM).

The lack of quality and assured healthcare in the country is emerging as a major concern, especially among India’s youth.

India loses more children under age 5 each year than any other country.

A prevention and early detection system is a must if costs of the whole system for the country are to be contained.

Increasing the number of drugs under price control.

The government must consider bringing more medical devices under price control with the aim of making healthcare more accessible.

The health ministry could also look at standardising the cost of certain treatments, so the prices don’t vary across hospitals.

Progressively raising public health expenditure to 2.5% of GDP.

Public procurement policy experts say that there is a dire need to have procurement specialists in government hospitals.

Introduce e-tendering and direct payment into the bank account of the vendor or service provider of medical equipments to maintain transparency.

Enactment of public health Acts to provide the basic legislative underpinning for public health action.

India’s employment guarantee schemes could use lessons from the US’ Depression-era public works programme.

In areas affected by malaria, this labour was used for large-scale drainage and other works to control malaria, with technical inputs from public health personnel.

The Swachh Bharat campaign could also use such technical expertise to maximize its impact in reducing exposure to diseases.

Democracies are for the welfare of all people.

India must reinstate a functional public health infrastructure without any further loss of time.
Collaboration between academic researchers, industry and government is weak in India. Low funding to research as percentage of GDP, with very few Indians taking to formal learning and research. New technologies like robotics, and increasing stress on resources like energy and water, are emerging as threats. For example, a robotic tailor could take away jobs in the garment sector which currently provides huge employment opportunities. Large numbers of Indian students go for tertiary education abroad and many stay abroad leading to India's brain drain. High percentage of illiteracy and informal economy in India makes large population to be left out in reaping the benefits of Knowledge based Economy. Lack of Innovation and Research and Development in India. The number of Nobel prizes won by India despite huge population is an evidence to this. India will need supportive laws, improved infrastructure, removal of barriers to trade and investment, up-skilling of labour force, higher spending in R&D and innovative financing. India plans to spend over Rs. 10,000 crore to build 20 world-class higher education institutions. However, for knowledge to translate into a wealthy society, we need to do more. We need to create a conducive knowledge ecosystem, which is currently missing from our national plans. Institutions of higher education help in creating such an ecosystem, and improve a nation's productivity and wealth. Institutions can provide access to knowledge capital, an atmosphere of inquiry, and an experimental environment where those ideas can be tested. Given that the success rate of ideas is rather low, ideas need to be tested constantly. We need collaboration between academic researchers, industry, and government. For translating research into technology, include project work at all levels in higher education institutions. Ensure ease in movement of personnel between universities and industry. We need a culture of research and innovation with strong intellectual property rights. Developing new institutions of higher learning in Big data and Artificial Intelligence. Launching suitable incentives to promote IT applications for the domestic economy, including local language content and application. If we wish to become a knowledge economy, we should revamp our profoundly inadequate, inefficient and inequitable early health and education systems.

The knowledge based economies use ICT, innovation and research, higher education and specialised skills to create, disseminate, and apply knowledge for growth. Today, knowledge-intensive and high-technology industries contribute the most to long-term growth. U.S. accounts for 33% of global output of knowledge-intensive services, China 10%, but India only 2%. The creation of a knowledge ecosystem will make a society wealthier. A shift to innovation-based growth would help avoid the middle-income trap and also address rising income inequalities. To boost agriculture productivity and providing technology for the aid of farmers. For production of high quality goods at low cost for boosting exports. In order to sustain the growth level over a longer run, the need for technology and knowledge driven economy is imperative. India has the potential to become a leading knowledge based economy with its youth population and growing information technology. India being a labour abundant country along with strong ICT base, can pluck the fruits on manufacturing led growth. India’s has strong services sector which contribute around 60 per cent to India’s GDP. ISRO, considered a leading space organisation globally, is one of the best and most competitive in the multi-billion-dollar space launch market. India is becoming a hub for ‘Medical Tourist’. India tops global remittances in 2016 according to World Bank.
The theory is useful for companies and marketers looking to increase sales by making small changes to alter the buying habits of consumers.

Behavioural economics can be used in policy-making to influence behaviours.

Swachh Bharat will succeed truly if behaviours change. For which mindsets must change.

Experiments conducted in some states show that application of behavioural economics successfully changed the sanitation mindset.

Improve tax returns through small changes to reminder messages.

They can have a powerful impact on our biggest societal challenges.

Behavioural science can lead to a substantial reduction in the levels of unnecessary antibiotic prescriptions.

Behavioural economics will have an impact even on macroeconomics, thereby influencing on issues like monetary and fiscal policies.

It has the potential to solve many real-life problems like saving for retirement and inducing organ donation.

Changing citizen behaviour in areas as diverse as cleanliness, use of digital money and education of the girl child.

Taking behavioural biases into account in tackling poverty.

It relies on individual choice instead of overt state intervention.

Behavioural economics allows for irrational actions.

Discoveries about the past from behavioural experiments do not easily generalise to the future - the social context for one generation is often different from another.

The diversity of the country means that what works in one state may not work in another.

Behavioural economists should take on economic problems that have begged solutions for long. Any success on this front will establish the applicability of behavioural economics to tough challenges.

Behavioural economics should be taught in many more educational institutions.

Behavioural economists have shown that people prefer avoiding losses compared with making gains. Swachh Bharat messages could be focused on the risks rather than the gains.

Behavioural economics is the effects of psychological and emotional factors on the economic decisions of individuals and institutions.

The study of behavioural economics includes how market decisions are made and the mechanisms that drive public choice.

Example: Often perfectly rational people tend to behave irrationally, by simply reducing the price from ₹1,000 to ₹999.99 which increases sales.

In another case, people get attracted to higher discount rates rather than the markup price in different shops.

Behavioural economist Richard Thaler, is the winner of the Nobel Prize in Economics this year.

Behavioural economics blends insights of psychology and economics, and provides some valuable insights that individuals are not behaving in their own best interests.

It's kind of the opposite to the rational decision makers that are usually described in economic theory.

It provides a framework to understand when and how people make errors.

Lessons from behavioural economics can be used to create environments that nudge people toward wiser decisions and healthier lives.

This could be savings or pension schemes that have penalties for early withdrawal; or making it harder to reach the shelves with unhealthy food in school canteens or grocery stores; or membership schemes in the gym where customers agree to pay more if they miss their scheduled workouts.

An experimental study showed that by providing three options: no savings account, a normal savings account, and a commitment savings account that locked up the money until a certain date - the farmers picked the third option.

This led to greater purchase of agricultural inputs in the next period, and higher earnings after the next harvest.

UK, US, Singapore and Australia have setup behavioural economics unit which serve as policy toolbox.
India is one among 10 select countries with whom EU has strategic partnership, launched in 2004.

EU constitutes India’s largest trading partner, accounting for more than 100 billion euros, in a balanced trade relationship.

India and EU relations have a strong potential to prosper into a strong partnership

The European Investment Bank has opened an office in New Delhi and has committed 1.5 billion euros for the current year.

The Lucknow and Bengaluru metro projects and many solar ventures are supported by the Bank.

There are strong bonds between the peoples of Europe and India, developed through tourism, education exchanges and civil society cooperation

France, a leading member of the EU, is an important strategic partner, with high technology cooperation in defence, space, and civil nuclear.

EU invited India to participate as an observer at the next EU- African Union Summit.

The EU has also been an important destination for cross-border investments and overseas acquisitions for Indian companies.

Indian negotiators feel that the Europeans are less flexible and whereas Europeans think that India is not open to lifting trade barriers and giving market access.

Brexit induced uncertainty in EU, and the global flux on trade norms introduced by the Trump presidency in the US.

Stalled negotiations for concluding the Free Trade Agreement (FTA), or Broad Based Trade and Investment Agreement (BTIA).

Exchange of scientists and researchers.

The EU has capacities to deal with issues like global governance, climate change and the 2030 agenda for sustainable development. India must utilise this through bilateral dialogues and consultations.

Working on FTA and realising concrete results in other areas can make the India-EU partnership truly strategic.

Deepen the strategic relations and go ahead with the long-term view on global and regional challenges, and a rule-based international order.

India and European Union are celebrating 55 years of diplomatic relations.

India and EU are natural partners, the bond is built on shared beliefs and the strength of law outweighs the law of the strong.

EU’s partnership with India lies on the foundation of the values of “freedom, democracy and a credible, rules-based global order”.

The India-European Union 14th Summit held in New Delhi focused on closer cooperation on counter terrorism actions.

Joint statements were also issued on combating terrorism, partnership for smart cities and sustainable urbanisation, and clean energy and climate change.

On Iran, both supported staying with the Joint Comprehensive Plan of Action, since Iran has maintained its commitment.

The EU reiterated its commitment towards $100 billion climate funding for developing countries.

The joint call for stronger cooperation to target Pakistan-based terror groups is being seen as a win for New Delhi.

On the North Korean nuclear tests it indirectly attacked China and Pakistan for providing support.

The summit has given the two sides a much clearer political strategic direction.

Terrorism has become a common focus and gained currency as Europe has been subjected to repeated terrorist attacks recently.

Shared core values of democracy, pluralism, human rights etc.

Both are “committed to a sustainable, democratic, prosperous and peaceful Afghanistan”.

Both EU and India sought that Beijing should follow the UN Convention on the Law of the Sea (UNCLOS) for resolving all maritime territorial disputes.

The EU and India also work together on green technologies.

Cybersecurity is another area where the EU and India are developing closer exchanges to protect economies and the functioning of democracies.

To meet the challenge of China’s growing presence, EU also recognised India’s interest and role in Africa.

Both have a common position on China’s “One Belt and One Road”. Connectivity must be based on universally recognised international norms, good governance, rule of law, openness, transparency and equality.
China’s infrastructure development in the Horn preceded the launch of the Belt and Road Initiative.

One of the more visible infrastructure projects in the region has been the 750 km-long rail link between landlocked Ethiopia and Djibouti.

China’s geopolitical interest in the Horn has come into focus with the deployment of naval units to combat piracy in the Gulf of Aden.

China is raising its strategic profile in the region.

Beijing has secured the rights to a base in Djibouti that can host up to 10,000 soldiers until 2026.

Djibouti could become another of China’s “string of pearls” of military alliances and assets ringing India, including Bangladesh, Myanmar and Sri Lanka.

India does not have an embassy in Djibouti. Now is time to re-engage the region strategically.

Defence diplomacy is an important imperative for India across the Indian Ocean littoral.

Need to engage both India and Djibouti on regional and international issues of mutual concern.

Join hands with the international community in eradicating the menace of terrorism.

Work closely to intensify cooperation in the United Nations and other multilateral fora in order to address current global challenges.

There is a need for early ratification of Djibouti’s membership of the ISA to tap its solar energy potential.

Need for promoting greater cultural exchanges.

Introduction

That President Ram Nath Kovind’s first visit abroad is to Djibouti and Ethiopia suggests geopolitical significance of Horn of Africa to India.

The four states constituting the Horn—Somalia, Ethiopia, Eritrea and Djibouti—along with Yemen across the Red Sea have been described as one of the world’s pivotal regions.

The President’s visit laid the foundations for a comprehensive engagement with Djibouti and the Horn of Africa.

Africa is critical to India’s security, especially the Horn of Africa region, because of its proximity with India.

Africa and Indian Ocean Region are central to the foreign policy of India.

India has traditionally engaged with African nations through its soft power initiatives.

In 2008, India organized the first India-Africa Forum Summit with the aim of recasting its ties with the continent.

New Delhi has followed up its initiative with two more such summits—in 2011 in Addis Ababa and in New Delhi in 2015.

In the last three years, there have been 16 visits to Africa by the Indian President, vice-president and the Prime Minister.

India is amongst the top trade, investment and development partner of Ethiopia.

Ethiopia continues to be the largest recipient of India’s concessional Lines of Credit in Africa.

Djibouti supported during Operation Rahat for evacuating Indians from war-torn Yemen in 2015.

Geopolitical Significance of Horn of Africa to India

Djibouti’s location at the confluence of the Red Sea with the Indian Ocean and the crossroads connecting Africa, the Middle East and Asia have made it a very attractive piece of geopolitical real estate.

At the Africa summit in Delhi during 2015, most participating leaders wanted an expansion of security and defence cooperation with India.

China’s strategic advances in the Horn have helped put Djibouti back on India’s political radar.

India’s role in maintaining peace and stability in the Horn of Africa region so as to eradicate the menace of terrorism.

Greater role for India in Djibouti’s economic development, with a focus on small and medium scale industries.

International Solar Alliance (ISA) acts as a common platform to work closely to deepen bilateral and regional cooperation.

The declining US interest in Africa presented New Delhi an opportunity to deepen its engagement with the continent even more.

Opportunities

Way Forward
About 30-35% of the annual crop yield in India gets wasted because of pests. Nematodes, consisting of roundworms, threadworms and eelworms, are causing loss of crops to the tune of almost 60 million tonnes. The farmers are still not fully aware about these potential crop-destroyers. Large-scale crop-loss has an adverse effect on the agricultural biosafety which is "paramount to food security."

Detection of illegal sale of pesticides through hardware and paint shops. Pesticides cause headache and affect fertility and can also damage kidney and liver. The government has no policy when it comes to pesticides. The dealers of pesticides sector lack scientific knowledge about the pesticides. Difference between the prices of generic and branded pesticides can lead to contamination.

The Yavatmal farmers' deaths should be an eye-opener for the government. The state government should ban those companies promoting lethal pesticides for their business. Need to provide education or awareness about the precautions to be taken while spraying toxic pesticides. The corporates can use their CSR spending in educating the farmers about the right usage of pesticides.

Union Agriculture Ministry must launch an awareness campaign about the harmful effects of pesticides across the country. Knowledge about the science of the soil will help the sons of the soil. Regulating the sale of pesticides to ensure that they are cleared after safety checks. Provide and train farmers to adopt protective gears such as masks and gloves while spraying pesticides. Government must scrutinise recommendations of pesticide firms that prescribe formulae to farmers to enhance quality and quantity of crops. Creating a policy framework involving all the stakeholders for providing guidelines for the proper use of pesticides.

Rather than selling pesticides, the selling agency must provide the pest control services on the field which is followed in many developed countries. There is a need to improve upon application of pesticides. Use of pesticides per hectare of net sown area in Japan is 10 times of what it is in India. But the pesticide residue on food is not beyond the permissible limits.

The government must constitute pesticides development and regulation authority for regulation of the pesticide sector as recommended by Parliamentary Standing Committee on Agriculture. Developing resistant varieties, use of biopesticides and integrated pest management.
This has emerged as one of the many ideological stances the United States has taken under President Trump.

Actions such as the withdrawal from the Paris Agreement and the decertification of the Iran nuclear deal point to an increasingly isolationist U.S. attitude toward international affairs.

This shows whether the UN system has become irrelevant so that countries can come in and come out of the organisations.

It shows the powerful influence of Israel on American foreign policy.

UNESCO has taken a leading role in trying to protect vulnerable sites from terrorist attacks and rebuilding them, as it was the case in Mali.

Arts, education, science and culture are among the best ways to fight fundamentalism and extremism.

They make space for peaceful contestation, promoting inclusion and protecting youth from radicalization.

Protect cultural sites and traditions, and works to improve education for girls.

For the past three years, terrorists have specifically targeted cultural property as a means to make political statements and reach out to their targeted audiences.

ISIS has attacked cultural sites such as Palmyra and Nimrud to exercise dominance over collective heritage.

ISIS has sold looted antiquities from Iraq and Syria and raised millions of dollars to finance its activities.

At a time where extremists are targeting cultural property to destroy religions, states and nations, it is imperative that protecting cultural heritage is inseparable from protecting human lives, preserving states and fostering peace.

The architecture of UN system has been of 1940s, whereas the world is changing and new balances have come up.

There is a need for “fundamental reform” in the agency without alienating powerful members to make the organisation relevant to the present age.

There is a need to depoliticise the agenda of the organisation.

UNESCO must adhere to its purpose, its charter and the political issues must be settled in UNSC and UNGA.

In many countries the education curriculum and syllabus are promoting hatred among young minds. Therefore UNESCO must have an open dialogue, promote peace through textbooks, interactions and conferences.

U.S. announced its withdrawal from UNESCO accusing it of ‘anti-Israel bias’

The U.S. earlier had once withdrawn from the UNESCO, in 1984, accusing it of favouring the Soviet Union, and rejoined the U.N. body in 2002.

The U.S. withdrawal will take effect on December 31, 2018 and until then it will remain a full member of the body.

U.S. would seek to establish a permanent observer mission to UNESCO.

This reflects U.S. concerns with mounting arrears at UNESCO, the need for fundamental reform in the organisation, and continuing anti-Israel bias at UNESCO.

U.S desire to remain engaged with UNESCO as a non-member observer state in order to contribute U.S. views on protection of world heritage, press freedoms, and promoting scientific collaboration and education.

Earlier this year UNESCO designated the old city of Hebron a Palestinian world heritage site.

Israel deeply criticized this decision, as it ignores centuries of Jewish history there.

UNESCO had passed a resolution defining Israel as an “occupying power” in Jerusalem, criticizing Israel’s archaeological digs around the city.

In light of these decisions by UNESCO, the United States withdrew.

U.S. laws bar funding to any U.N. agency that recognises the Palestinian state.

This is a loss to UNESCO. This is a loss to the United Nations family and this is a loss for multilateralism.

This will impact U.S. power over international affairs.

United States withdrawal will not make the Palestinian issue disappear.

Opting out of the global system of states is a self defeating practice that will only diminish U.S. power over the long term.

If U.S. withdraws, then China takes the space.

Other countries in the west might also withdraw in the future and stop making the payments they are obligated to.

The programmes organised by UNESCO are very few that mainly consists of conferences or advocacy and the real programmes are not there.

There is lot of criticism about UNESCO in every executive committee meeting about bloated bureaucracy and excessive spending.

The organisation has become politicised.

Other countries like Japan too have had issues with UNESCO.

UNESCO is always struggling to get members pay their dues on time.
Introduction

- Municipalities are the closest governance system to citizens directly impacting their lives.
- They are responsible for improving the quality of life in our cities.
- India is one of the few countries to have a separate ministry for housing and urban poverty alleviation and for urban development.

Present Issues

- Absence of coordination among public organisations undertaking various civic and infrastructure-related functions in cities.
- Lack of an adaptive and flexible planning process in response to the economic forces that drive demand for land and land use.
- The experience of metropolitan planning committees (MPCs) has been disappointing because of lack of autonomy, executive power, finances and functionaries.
- Fragmentation of the urban portfolio across ministries at the centre. Private vehicles and radio taxis falls under the purview of the ministry of road transport and highways, while waterways comes under the ministry of shipping.
- Mayor holds largely a ceremomional position, while the powers are vested in the municipal commissioner.
- Institutional defragmentation, whereby multiple agencies often have overlapping roles, are run by officials who are not accountable to citizens.
- Unchecked proliferation of slums, steady deterioration of city infrastructure and failure of municipal corporations to live up to the challenges — like urban flooding in Mumbai, dengue in Delhi and cratered roads in Bengaluru.
- India has one planner per four lakh citizens as against 48 in the United States and 148 in the United Kingdom.
- Poor urban planning can cost a country 3% of its GDP.
- Heavy rain and flooding in cities like Mumbai have brought the city to a halt and also cost lives.
- Such disasters of urban flooding are bound to come owing to the kind of haphazard development projects carried out by builders in many cities.
- Common problems that impact the functioning of most Indian cities are multiple jurisdictions, weak revenue base and human resource capacity deficit.

Way Forward

- Coordination and cooperation among all public authorities concerned needs to take place not just in response to a crisis but as a regular and routine feature of the governance set-up.
- This requires a single coordinating agency.
- The agency needs to have representatives from other public organisations and domain experts from outside the public sphere.
- It needs to be accountable to citizens for the functions in the region.
- Successful transport planning and other functions managed at the metropolitan level in London and New York could be useful case studies.
- Necessary checks and accountability mechanisms of public officials must be put in place.
- Reform the 74th Constitutional Amendment to empower city governments and move to a system of a directly elected mayor.
- Establish a National Urban Finance Corporation of India to fund urban infrastructure projects.
- Set up the regulatory architecture required to facilitate efficient and effective urban services delivery.
- Revitalize the role of the State Finance Commissions to bolster municipal finances.
- Deepen citizen engagement in cities to drive change across localities.
- Partnership between government, community and NGO can lead to transparency in urban governance.
- Introduction of a report card system for rating the service dispensing efficiency of public utilities in the cities.
- Constitute a metropolitan planning committee anchored by municipal elected representatives for formulating city's metropolitan plan to address the deficiencies in city planning.
- Strengthening taxation base, better developed mechanism for devolution of funds for ULBs from state.
- Urban Planning, which creates growth at micro-level and impedes rural-to-urban migration.
The opportunity cost of reserves holding is high for the RBI. The appreciation of the rupee is likely to have an adverse impact on India’s exports, more specifically on the ‘invisibles’. Excess liquidity would create challenges for the RBI to manage its monetary policy. Mopping up liquidity through a sale of government securities will affect the central bank’s earnings and will have fiscal implications.

There is a tendency to keep forex reserves equal to the value of six months of imports. Foreign exchange reserves are required to finance only the current account deficits, and not imports as a whole. By this yardstick, the foreign exchange reserves with the RBI are huge.

If we take current account deficit at 7.5% of GDP, then there is a need of about $85 billion of foreign exchange reserves. At the end of March, foreign exchange reserves were equal to 78.4% of India’s total external debt. This is a very large proportion.

The proposal to cut down foreign exchange reserves had been put forward earlier by the Planning Commission in 2004-05. Given the lack of space on the monetary and fiscal front to support economic growth, part of the forex reserves can be used to support GDP. If the funds are used to finance infrastructure projects, the returns will be much higher. India can buy an inexpensive credit line from IMF or elsewhere which gives India the right to borrow if a crisis situation arise in future.

Re-capitalisation of public sector banks, investment in overseas financial markets or repayment of costly external debt. RBI should devise methods to calculate the optimum level of forex reserves that India should maintain taking in view the short-term and long-term exigencies.

Foreign exchange (forex) reserves with the Reserve Bank of India (RBI) had recently crossed the $400-billion mark. The pace of reserve accretion has been one of the strongest within Asia in the past 12 months. The rise in foreign exchange reserves comes as yield-hungry global investors take advantage of high real rates of interest and a strong rupee.

The Gross FDI inflows to India increased significantly in 2016-17. As per the Economic Survey 2016-17 demonetisation had an impact on the credit takeoff. The average gross bank credit to industry contracted by 0.2 per cent in 2016-17.

CAD narrowed down progressively to 0.7% of GDP in 2016-17 from 1.1% of GDP in 2016-16. India’s exports turned positive at 12.3% in 2016-17 after an interregnum of two years. India’s balance of payments (BoP) situation improved in 2016-17. This was largely as a result of low trade and CAD and rising capital inflows.

The ability to absorb shocks from external sources and the volatility in the global economy will increase. The ‘excess reserves’ can be utilized for undertaking currency swaps and extending lines of credit. Contribution to the multilateral bodies like the International Monetary Fund (IMF) will help India in deepening soft power.

The surge in forex reserves will lead to an appreciation of the value of the rupee which will help India in reducing the import bill. The special drawing rights with the International Monetary Fund (IMF) will go up. The ratio of external debt to GDP fell.

RBI accumulated reserves at an accelerated pace between 2008 and early 2009, which helped India deal with the consequences of the 2008 global financial crisis. Rising reserves will reduce the currency risk for foreign investors.
The Iran deal, despite its shortcomings, was a shining example of the capacity of world powers to come together and sort out a complex issue diplomatically. It assumed greater significance given the recent wars and chaos in West Asia.

The Iran deal, and other diplomatic achievements, is necessary to convince countries like North Korea, that it is possible to create security without acquiring nuclear weapons. Iran deal is important in ensuring the international nuclear non-proliferation regime and regional peace and stability.

The damage Trump's decision has done to the agreement and to American diplomacy in general is huge. Instead, by going after Iran even though it complies with the agreement, the U.S. is damaging its own reputation. The reset of Iran and US relations which was possible because of Obama's approach is now in doubt.

By undermining the Iran nuclear deal, Donald Trump is undermining the global non-proliferation regime and international institutions. It would be a great setback for rules-based multilateral mechanisms.

Iran, Russia and European leaders have condemned President Trump's decision. It reflects the growing isolation of the United States and could make it harder to resolve the growing tensions on the Korean Peninsula.

More sanctions could be imposed on Iran. India and Iran relations are on downward trend in recent times. Oil supplies are reduced to India and Iran is not in favour of allotting gas fields to India in recent times. Mostly India's relations with the US might be the reason for this.

But India is in a better position having been forced to diversify its crude supplying base. It may impact on Chabahar port project if US impose more sanctions on Iran.

It will impact India's balance in the complex West Asia region. If U.S. is serious about non-proliferation, it should use the Iran deal to resolve other complex international conflicts.

U.S. President Donald Trump has decertified the Iran nuclear deal, describing it as against U.S. national security interests. Under American law, the administration has to certify that Iran is technically in compliance with the deal, every 90 days. Now the U.S is refusing to certify the nuclear deal.

All other signatories, as well as the UN, insist that Iran is fully complying. The deal is a success as it prevented a country with potential nuclear capabilities from developing weapons. But Trump, call it the "worst agreement in American diplomatic history."

Trump appears to be going by the advice of two key American allies in the region, Israel and Saudi Arabia. EU and China may not give much credence to Trump's decision because EU has got extensive business relations with Iran and Iran is critical for China's OBOR project.

Iran nuclear deal is "one of the worst and most one-sided transactions the United States has ever entered into". The Iranian regime supports terrorism and exports violence across West Asia. We must not allow Iran to obtain nuclear weapons. Iran has not lived up to the spirit of their agreement.

The Joint Comprehensive Plan of Action (JCPOA), is at odds with International Atomic Energy Agency (IAEA) and the other five signatories to the deal. He accused Iran of supporting Al Qaeda, Taliban, Hamas and Hezbollah.

He also blamed Iran for the civil wars in Syria and Yemen.
Tamil Nadu and Maharashtra have maintained a Public Health Directorate staffed by a trained cadre of public health managers.

Tamil Nadu has a discernible difference in the way health delivery is done there vis-a-vis Uttar Pradesh.

In U.P., even in a tertiary hospital, simple record keeping of oxygen cylinders is not followed.

Recently, Odisha has notified the establishment of a public health cadre in the hope of ensuring vast improvements in the delivery of health care.

Such a service at the all-India level is still to translate itself into reality.

Exclusive department of public health at the levels of the Ministry and the States will help in implementation of public health management cadre.

Doctors recruited under this cadre may be trained in public health management on the lines of the civil service.

Doctors can be compulsorily posted for two-three years at public health facilities.

Such a system is followed in Thailand, where every doctor is required to work in the district hospitals for three years before moving on to their area of specialisation.

Director General in the Health Ministry from this cadre with similar arrangements at the State level will improve planning and provide much-needed public health leadership.

Financial support for establishing the cadre must be provided by the Central government under the Health Ministry's budget.

Freeing up of bureaucrats and their utilisation in other much needed places.

Health management has vital technical dimensions that have to be appropriately married to general management principles.

The AIHC must be contextualised by making health a concurrent subject (as was done in the case of education)

Restructure the administrative ministries into two distinct departments – one devoted to public health and the other to medical education.

Introduction

Instituting an All India Health Cadre (AIHC), much like IAS, is the much needed and long awaited institutional reform in the health sector.

AIHC will be a positive deviation from traditional public healthcare system.

In 1969 the Mudaliar Committee advocated a dedicated personnel for Public health management.

It observed that “personnel dealing with problems of health and welfare should have wide outlook and experience of administration at the state level”.

In 1973, the Kartar Singh Committee said that “doctors with no formal training in surveillance systems, data management, leadership and communication skills etc are ill-equipped to work in public facilities”.

The medical education that a doctor receives has hardly any relevance to the conditions in which they would be required to work.

In 2011, a High Level Expert Group on Universal Health Coverage recommended creation of an All India Public Health Service Cadre.

The 12th Five Year Plan and the National Health Policy, 2017 also advocated establishing a public health management cadre to improve the quality of health services.

The case for a Public Health Cadre

To have a dedicated, professionally trained personnel to address the specific and complex needs of the Indian health-care delivery system.

The health system is grappling with issues such as a lack of financial management, technical expertise, logistics management, and social determinants of health and leadership.

Doctors with clinical qualifications and even with vast experience are unable to address all these challenges.

In the absence of a public health cadre in most States, a district medical officer, required to implement public health programmes, could be a radiologist or an orthopaedic doctor with scanty knowledge of public health management.

At the Ministry level, the highest post may be held by a person with no formal training in the principles of public health.

With a public health cadre in place, we will have personnel who can apply the principles of public health management to avoid mistakes like the tragedy in Uttar Pradesh as well as deliver quality services.

This will improve the efficiency and effectiveness of the Indian health system.

The poor will benefit as this will reduce their out-of-pocket expenditure and dependence on private health care.

This will also save resources of specialists by deploying them in areas where they are definitely needed.

Way Forward

Why have such a cadre?

Background
According to the “Soft Power 30” report, India did not rank even in the top 30 in terms of soft power.

Prime international destinations such as the Taj Mahal do not have international facilities.

The much-talked about Buddhist circuit still suffers from want of travel and infrastructure.

Both India’s film industry and the government have done little to leverage Bollywood and other regional cinema industries globally.

India is still having difficulties in changing its neighbours’ behaviours by using soft power.

The soft power has not helped India deal with terrorism and radicalism.

Despite India’s growing soft power, many countries are not supporting India’s permanent membership in UNSC.

It has not helped India in WTO negotiations and not fetched FTA with EU.

It has not stopped China opposing India’s membership to NSG.

According to Harvard political scientist, who coined the term, soft power is the ability of a country to persuade others to do what it wants without resorting to force or coercion.

Soft power lies in a country’s attractiveness and comes from three resources: its culture, its political values, and its foreign policies.

India boasts an amazing variety and wealth of soft power resources.

Analysts say soft power has the potential “to multiply the efforts of Indian diplomacy and in this regard should be pursued as an important objective”.

India’s spiritualism, yoga, movies and television, classical and popular dance and music, its principles of non-violence, democratic institutions, plural society, and cuisine have all attracted people across the world.

India is a civilisation which has offered refuge to cultural and religious freedoms to Jews, Parsees, Christens and Muslims.

The imprint of Indian civilization is the strongest throughout the world.

India is a country in which all major religions like Hinduism, Islam, Christianity and Sikhsim – co-exists which has been the strength of India’s soft power.

India is dipping into its soft power resources in its diplomatic engagements abroad.

International Day of Yoga reflects yoga’s immense popularity worldwide, underscoring its richness as a soft power resource.

Indian Diaspora is seen as ambassadors of carriers of our soft power.

To project New Delhi’s soft power across world capitals, the MEA has embarked on a program to build diplomatic missions and cultural centres using the country’s diverse styles of architecture.

Buddhism is an important bridge between not just India and South East Asia and East Asia, but also with South Asia.

India’s successful Aadhaar programme which can help countries do similar things and India’s IT capability are huge source of soft power.

India’s attempts to use its soft power to revive historical links with the region appear to be bearing fruit.

Recent successful Indo-ASEAN artists camp in Udaipur as well as Indo-ASEAN music festival in Delhi was a bridge between the youth of India and ASEAN.

Younger generation in India and Southeast Asia are speaking more to each other through cultural space – music, arts, games and education.

India’s goodwill in Southeast Asia is based on its benign approach, similar to its role in Africa, West Asia and Central Asia.

While yoga is gaining popularity in the ASEAN region, the Buddhist links and Buddhist circuit in India are acting as a bridge to connect the two regions.

India’s soft power is reflected in Buddhism, yoga, revival of Nalanda University, Indian cultural centres (Jakarta, Bali, Bangkok), and joint restoration of monuments (Cambodia, Vietnam, Laos).

Unlike China, India is not pursuing an aggressive foreign policy sidestepping local sentiments.

China has a businesslike approach and Southeast Asia is key to China’s OBOR project, with little space for soft power.

China’s Minzu University is offering its first master’s degree in Yoga, which signal that soft power is being deployed to reactivate China-India ties in the aftermath of the Doklam standoff.
The Uday Kotak panel on corporate governance has sought more active role and greater autonomy for independent directors and more transparency in their appointment and separation.

At least half of the board of a listed entity must be constituted of independent directors.

There should be minimum of six independent directors on the board of every listed entity, with at least one woman independent director.

Companies must list the competencies of every director present on the board.

Split the roles of Chairman, MD and CEO of the listed firms which would enable better and effective supervision of the management.

Keep relatives out from occupying the place of independent directors.

These reforms must strengthen India's corporate governance and increase international investment prospects.

When IDs fail in their duty or when conflicts arise between the IDs and the management/founders/promoters, shares of the company will be badly affected.

Therefore, the credible IDs in the company boards is in the interest of the shareholders.

A committee of IDs should meet regularly, and bring to the board instances of violations of law and ethics in corporate affairs.

Any payment and benefit to IDs should be strictly in accordance with the law. It must be transparent and the information should be available to the public.

Shareholder activism must improve. Currently, most shareholders are silent spectators to happenings in corporations.

The corporation should emerge as a social institution, with the directors having duties and responsibilities towards society, observing not only the letter of the law but also the spirit of ethics.

An independent director (ID) is defined as a director on a company's Board other than a managing director, whole-time director or a nominee director.

They are required to take an autonomous view of the on-goings in a company while overseeing its management.

An ID should not be a promoter or related to promoter of the company, its subsidiary or associates.

An ID must not have been an employee of the company in the preceding financial years or in the current year.

An ID should also not have had any pecuniary relationship with the company in the two preceding financial years or in the current year.

The ID is envisaged as a watchdog on the Board to ensure good governance.

SEBI brought in the concept of IDs through clause 49 of the Listing Agreement, 2000, which deals with corporate governance norms for listed companies.

IDs act as the connecting link between the management of the company and its many diverse stakeholders.

They are required to play mediator to the conflicting interests that arise in these relationships.

Recent instances such as the Tata-Mistry spat or the Infosys Board shake-up show that more needs to be done.

IDs are designed to act as trustees of shareholders, especially minority shareholders.

They are expected to take an outsider's view and ensure checks and balances in areas such as strategy, performance, key appointments, remuneration, etc.

The presence of Independent directors on the Board of a Company would improve corporate governance.

Higher corporate governance standards make investors more comfortable.

Enhanced governance may positively impact credit rating of the company, helping lower its borrowing costs.

This is important for public companies or companies with a significant public interest.

IDs would be able to bring an element of objectivity to Board process in the general interests of the company.
Programmes that will benefit the home-based worker are Make in India, Skill India, Digital India, Smart Cities, Pradhan Mantri Awas Yojna, Pradhan Mantri Mudra Yojana, Jan Dhan Yojana and the Draft Labour Code on Social Security.

Because they are often isolated and scattered, home-based workers are difficult to organize.

When home-based workers organize and have collective voice, their ability to bargain increases.

The Self-Employed Women’s Association (SEWA) has been instrumental in achieving higher wages and better working conditions for home-based workers in many industries.

The government must address the issues of occupational safety and health being faced by the over 37.4 million home-based workers in the country.

There is a need for a National Policy to Safeguard the Rights of India’s Home-Based Workers.

They have to be seen as economic agents of change.

Provide the self-employed home-based workers with credit, markets and technology.

Need for fair wages, transparency in contracts and regulation of contractors for sub-contracted workers.

There is a need for a dispute resolution mechanism.

Since home is the workplace for home-based workers, the government must provide affordable and secure housing.

Access to basic affordable civic amenities is essential as the lack of these services cuts into their work hours and also affects their health, which impacts their productivity and incomes.

Issues of occupational health and safety also need to be addressed.

State must provide ample protection for women workers and secure their livelihoods.

The policy for home-based workers must ensure the involvement and participation of multiple government departments/ministries.

Poverty reduction and women empowerment initiatives should specially target home-based workers, because majority of home-based workers are women.

International development agencies and regional inter-governmental bodies must recognize the importance of home-based workers.

Home-based workers are part of the informal economy.

They are those who are involved in the production of goods or services directly for the market or an employer for remuneration.

The work is produced from either their home or at factory or an office.

They can be self-employed workers or sub-contracted workers.

To cut costs and maximize profits, firms outsource production to home-based workers.

Women suffer violence at the hands of middlemen. More often, cases of abuse and violence go unregistered because of fear of loss of work.

Poor wages, bad working conditions and negligible social protection collectively make life difficult for the home-based workers.

Those producing goods for global value chains receive a marginal percentage of the final profits.

Given that the home is their workplace, even the absence of basic amenities, like water and electricity, severely affects their productivity and quality of life.

Lack of credit facilities and skill up-gradation opportunities.

The Unorganized Workers Social Security Act includes home-based workers as a section of the informal sector but the Act remains poorly implemented.

A policy to address their needs and provide them with recognition and security.

To get the government to recognize home-based workers as ‘workers’ who contribute financially to their families, their community and their country.

Need for social security measures, including life insurance, healthcare and disability benefits for all home-based workers while also focusing on women.

To help women secure their livelihood and savings while improving their income opportunities.

To provide basic human rights and adopt declarations to improve their working and living conditions.
Bharatmala is the second-largest roads project after the 50,000-km National Highways Development Project and aims to improve connectivity in border and other areas.

The roads that would be built under Bharatmala will include state highways, national highways, and some state roads across the country. This will include economic corridor development aimed at faster movement of cargo.

The economic corridors would ensure that time taken for transporting goods from manufacturing sectors is reduced. Improved road connectivity in northeast and other border states will facilitate international trade.

The Bharatmala project will also benefit the freight and logistics industry. It is also expected to give a huge impetus to the development of rural roads.

It will bring down the logistics cost and make ‘Make-in-India’ more competitive and attractive to investors.

This ambitious project will create new industrial corridors and urban centres.

Indiscriminate lending earlier by banks led to a high level of NPAs. NPAs have increased from Rs 2.75 lakh crore in March 2015 to Rs 7.33 lakh crore as on June 2017.

Last few quarters have seen GDP growth slip due to major structural reforms such as demonetisation and goods and services tax (GST).

Many PSBs are facing pressure on account of credit costs and have limited room to lend due to paucity of capital.

There are concerns whether the banks would be willing to lend to the same corporate houses that have failed to service their old debt over the past 5 years.

RBI must pro-actively seek to boost investment and consumer demand through easing of the repo rate. Recapitalisation must be accompanied by reforms to enable PSBs play a key role in the financial system and give a strong push to MSME sector.

Strong banks are the need of the hour. The strengthening of public sector banks to manage these funds is in the larger interests of the economy. The government’s push for the infrastructure sector is good but it will have to ensure lower interest rates and land availability for those projects.

The government is infusing Rs 2.11 lakh crore capital in PSU banks and Rs 7 lakh crore worth highway projects, including Bharatmala to boost economy and help revive private sector investment.

It would be funded through budgetary provisions, sale of recapitalisation bonds and banks diluting the government’s equity share.

This will provide a mega turnaround point for Indian economy which was tackling issues out of the GST and demonetisation.

The move is vital for the slowing economy in the face of the “twin-balance sheet problem” afflicting corporate India and public sector banks.

As for the Bharatmala, the infrastructure-related industries like cement, steel, would get a boost.

It would also generate jobs at informal levels of the economy and generate demand at the bottom of the pyramid.

The focus on roads that connect economic centres will help ensure investments are focused on economic returns.

The infrastructure will create more wealth for the nation.

The decision to invest in PSU bank recapitalisation would result in increased lending, especially to the MSMEs.

Bank recapitalisation is likely to kickstart the credit cycle and facilitate private investments.

Capital requirement for public sector banks to meet Basel III requirements will be met by the government’s relief package.

The move is likely to be fiscal-deficit neutral. The spending would be “below the line” as per IMF norms and not add to the fiscal deficit.

Banks will now have enough money to take care of their stressed loans.

Share sale of state-owned banks to be attractive after recapitalisation.
Home-Based Workers in India

Introduction

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To provide basic human rights and adopt declarations to improve their working and living conditions.
239th Law Commission Report noted, delays in the investigation and prosecution of criminal cases erodes faith in the rule of law and the criminal justice system.

Extended pre-trial detention causes a mental trauma of incarceration and has a socio-economic impact on the accused person's family.

The pendency of a criminal case directly affects the liberty, free movement, and interaction in society, even if the accused is not in prison.

Speedy trial has been held to be an integral part of the fundamental right to life and liberty enshrined in Article 21.

Delays in the administration of justice affect not only the rights of the accused, but also the rights of the victims.

Justice delayed, is thus justice denied.

The first requirement of a republic must be to maintain law and order and provide relatively swift justice to its citizenry.

There is a need for an independent directorate of prosecutions in every state under the state home department.

Appointments of prosecutors from district level upwards should have checks and balances.

Insulating the police from political interference, with fixed tenures to prevent frequent transfers.

Devolving some routine police functions to district and even panchayat level. States like Assam and Kerala have launched community policing.

Need to develop expertise in Evidence-based policing by majority in the IPS.

Using modern tools of forensic science to solve criminal cases. Keshav Kumar, a 1988 batch IPS officer of the Gujarat cadre has done outstanding work using forensic science to solve criminal cases.

Malimath Committee in 2003 recommended incorporation of some aspects of an inquisitorial system to make the system more efficient.

Criminal Justice refers to the agencies of government charged with enforcing law, adjudicating crime, and correcting criminal conduct.

In the criminal justice system, these distinct agencies operate together both under the rule of law and as the principal means of maintaining the rule of law within society.

India's broken criminal justice system was exemplified by the long running trial of the Talwars, whom the Allahabad high court recently acquitted of murdering their daughter nearly a decade ago.

The case saw investigations with contradictory conclusions, incompetence in preserving basic evidence, crucial documents not being filed in court, and staggering delays.

Allahabad high court observed that the lower court judge was "mindful of the basic tenets of law".

This shows a grim picture of the state of affairs.

It's high time the government undertook a serious reform in the criminal justice system.

Millions of cases do not dominate the news.

Long overdue for investigation and prosecution.

Statistics show that our fight against crime is inadequate.

The decade from 2005 to 2015 saw a 28% increase in complaints of cognizable offences.

Vast shortage of police, judges, etc.

Against a UN norm of 222 police personnel per lakh of population, India's actual strength is an abysmal 137.

There are just 18 judges per million population, despite a three-decades old Law Commission recommendation to increase it to 50.

Enormous shortfalls in the number of police chowkis, weapons, and forensic science laboratories (FSLs).

Nearly a million items sent for forensic examination in India, remain unattended for a year or more.

Interminable court delays, ineffective prosecutions, and outdated police service rules.

Discontinuation of fast track courts.

Secretive collegium system where it remains the world's only self-appointing judiciary.

India's conviction rate of 47%—compared to more than 85% in countries like France, Japan and the US.

Huge backlog of cases in District courts, High courts and Supreme court.
Promotion of bilateral Industrial R&D and Innovation cooperation between both countries in fields of science and technology by supporting joint projects for innovative processes or services.

Focus areas of mutual interest such as agriculture, water, energy and digital technologies.

NITI Aayog launched Mentor India Campaign, to engage leaders for guiding and mentoring students at Atal Tinkering Labs.

NITI Aayog is looking for leaders who can spend one to two hours every week in such labs to enable students learn, experience and practice future skills.

More than 900 Atal Tinkering Labs have been established across the country as a part of the Atal Innovation Mission.

NITI Aayog’s Atal Innovation Mission programme is to promote innovation and entrepreneurship in the country.

The objective is to provide an innovation promotion platform involving academics, researchers and entrepreneurs.

Promote a network of world-class innovation hubs, Start-up businesses and other selfemployment activities.

This will add India-centric parameters those truly reflect the Indian innovation ecosystem.

Establishment of an Entrepreneurship Development Centre in Rwanda duly financed by India.

Mainstream the idea of innovation in the functioning of the Union and state governments.

India must curb intellectual property rights violations in order to become an innovation hub.

Government must create an enabling environment to safeguard the intellectual property of individuals, private and public companies that develop new products and ideas.

Restore the credibility of India’s regulatory institutions and put innovations on a safe and reliable path.

Regulatory bodies need to clear applications for innovative products quickly, lest they are introduced by pirates secretive.

Improve the quality of education across all levels. A technology policy that incentivises genuine R&D is required.

Ease of entry and exit of firms, competition, a vibrant financial sector, a culture of entrepreneurship and an end to failure-shaming would help.

Indians must develop a culture of confidence in their own original ideas without waiting for validation by a foreign investor.

Social hierarchy that sees intellectual merit only in some castes must go.

We need innovations, not just for solving the country’s complex problems, but also for creating more equitable and inclusive society.

The government in partnership with industry and academics should identify areas where India seeks to innovate and create solutions for India and the world.

A cohesive national strategy for innovation must be articulated.

For organizations to succeed, they must understand and invest in IP.

For nations to succeed, governments and policymakers must encourage and create a climate favourable for invention, creativity and innovation.

India’s position in Innovation

India Innovation Index

India-Rwanda innovation growth programme

Why India needs Innovation

Innovations in agriculture is needed to feed 1.3 billion people

Innovation and IP stimulate productivity, push economic growth

Start-ups are the engines of exponential growth, manifesting the power of innovation

Innovation and IP-saviness are key to making nations competitive.

Generate opportunities to earn from multiple sources, for instance, through licensing or sale of IP rights

Transforming India into an Innovation Hub

Government Programmes

Mentor India Campaign

India Innovation Mission

India-Israel Industrial R&D and Technological Innovation Fund (I4F)

India is placed 60th among 127 countries according to the Global Innovation Index of 2017 — an index prepared by Cornell University, INSEAD and the World Intellectual Property Organisation.

In a recently released International intellectual property (IP) index that studied 45 countries, India ranked at 43rd position.

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The America we see today is a nation that has built its economy on the back of innovation

Japan, South Korea, China and Taiwan have also demonstrated how innovation leads to an increase in GDP.

IP-intensive industries contribute more than 34.8% to US GDP

Apple’s game-changing innovations and its products are protected by a multitude of patents that allows it to monetise the innovations.

The progress of Atal Innovation Mission has been slow.

There are hardly any innovative ideas which could be scaled up to the national level.

Poor record on IP protection is holding India back from being a leading nation when it comes to innovations.

The scale of pirating has become so large that it poses a major challenge to the government.

One more challenge is keeping pace with the latest in technology

Both the public and private sectors in India invest less than 1% of the country’s GDP in research and development (R&D).

Indian students are far outranked in global science and reading tests conducted by the OECD and no Indian university ranks in the top 50 in global rankings.

Conclusion

Way Forward

International Examples

Concerns / Challenges

Innovation is the application of new ideas to solve problems, which are sometimes specific to a region or a context.

Innovation is life. When there is no innovation, there is stagnation.

The factors that contribute to an ecosystem of innovation are strong scientific and technological base, as well as investment from both public and private sectors.
The Arabian Sea is witnessing acidification of its surface waters, a consequence of excessive carbon dioxide in the atmosphere.

The ocean acidification in northern Bay of Bengal is mainly due to pollutants mixing with seawater from the Indo-Gangetic plains.

During winter, air blowing from land to the sea carries all pollutants with the wind and deposits in the ocean during transit.

Study shows rapidly decreasing presence of marine phytoplankton in the western Indian Ocean.

A report warns that the Indian Ocean may be reduced to an ecological desert, given the levels of ocean warming.

The ocean acidification in the Arabian Sea and Bay of Bengal will devastate one of the most pristine, most fertile regions, the Indian Ocean.

Reducing global greenhouse gas emissions (mitigation) is the ultimate solution to ocean acidification.

Improvements in water quality: Monitoring and regulating localised sources of acidification from runoff and pollutants such as fertilisers.

Development of sustainable fisheries management practices: Regulating catches to reduce overfishing.

Sustainable management of habitats: Increasing coastal protection, reducing sediment loading and applying marine spatial planning.

Substantial research on Climate engineering to know the feasibility and impacts of its approaches.

Educate or sensitize the common citizens on the risks posed by the climate change and ocean acidification.

Reducing the consumption of carbon-oriented energy sources.

Ocean acidification is an emerging global problem.

Around a third to a half of the CO2 released by human activities is absorbed into the oceans which has a direct, chemical effect on seawater, which we call ocean acidification.

Ocean acidification is happening because as CO2 from fossil fuels dissolves in seawater, it produces carbonic acid and this lowers the pH of the water.

Ocean acidification is progressing rapidly around the world, new research has found.

Plastic pollution, overfishing, global warming and increased acidification from burning fossil fuels means oceans are increasingly hostile to marine life.

Ocean acidification will affect corals. This will, in turn, affect one million species that have made corals their homes.

Coral reefs will erode faster than they can rebuild. When shelled organisms are at risk, the entire food web may also be at risk.

Some algae and seagrass may benefit from higher CO2 concentrations, as they may increase their photosynthetic and growth rates.

Most marine species seem to be more vulnerable in their early life stages.

Changes through acidification will be made worse by climate change, pollution, coastal development, over-fishing and agricultural fertilisers.

These changes will affect the many services the ocean provides to us.

Ocean acidification has the potential to affect food security.

By 2100, the global annual costs of mollusc loss from ocean acidification could be over US$100.

Marine ecosystems such as coral reefs which protect shorelines from the destructive action of storm surges and cyclones will be affected.

Ocean acidification is affecting the coastal estuaries and waterways.

This industry could be severely affected by the impacts of ocean acidification on marine ecosystems.

Acidification could damage the Arctic tourism economy and affect the way of life of indigenous peoples.

The capacity of the ocean to absorb CO2 decreases as ocean acidification increases.

More acidic oceans are less effective in moderating climate change.
Studies do not capture wide range of economic impacts on the environment due to non-availability of data.

Identifying and quantifying the ecosystem services for the purpose of damage assessment is a difficult task in the absence of relevant data.

Though economically highly valuable, ecosystem services are not traded in the markets and, therefore, their true values are not reflected.

Increased output and demand increases the value of GDP, but the corresponding environmental damage cost is not adjusted in the GDP estimation.

If we try to increase income and employment in traditional sectors, we lose them in other sectors that are dependent on the environment.

Water scarcity, high levels of pollution, extreme weather phenomena and the regular occurrence of floods and droughts could strain an economy fighting to grow.

Our policy should not be based on the ‘pollute-first, clean-up-later’ approach.

A large number of poor people are dependent on the environment for their day-to-day activities and therefore more focus on improved environmental quality can push income growth on a sustainable basis.

The EKC hypothesis is shown in an inverted U-shaped curve depicting the relationship between per capita income and environmental deterioration.

During the initial period of economic development, where per capita income is low, deterioration of environmental quality is caused by rapid industrialisation and urbanisation.

Once per capita income reaches a higher level, the trade-off between income growth and environmental quality will cease to exist.

With increased financial and technological capabilities, we can restore the environmental quality to desired levels.

In reality, the EKC is a near myth since an increase in per capita income does not bring desirable levels of improvement to the environment.

Empirical evidence across countries reveals that various attempts to increase per capita incomes cause more environmental deterioration.

A 2013 World Bank study highlighted that in India, a higher level of economic growth maintained in the past imposed Rs. 3.75 trillion worth of environmental damage cost.

Another study by the World Bank has found that India’s air pollution alone caused welfare loss equivalent to 7.69% of its GDP in 2013.

Development policies give more priority to income and employment generation, implementation of pollution control policies are very poor.

Ex- pollution control measures implemented in the bleaching and dying units in Tiruppur, Tamil Nadu, for more than 25 years did not achieve any pollution reduction.

It has caused significant irreversible damage to the health, agriculture and livestock sectors in that region.

At present, the price of a commodity covers only the private cost of production, not the damage cost.

This makes the commodity relatively cheaper leading to more demand and output, and more pollution and environmental damage cost.

Some of the cities in India have earned notoriety for being the most polluted in the world.

India has made a lot of progress in the last two decades, but we must sustain the growth engine to ensure increased incomes, improved livelihood and a better quality of life.

Economic growth has positive impacts like increase in wealth/reduction in poverty, improved standards of living, health, education and infrastructure and technology.

However there are negative effects like health challenges, increase in income inequality, increased pollution and a depletion of natural resources.

There is a drop in GDP growth rate from 7.4% in January-March 2016 to 5.7% in April-June 2017.

Economists concerned about sustainable development advocate low levels of economic growth since large expansions in national income may have negative environmental consequences such as pollution.

Large economic growth adversely affect the environmental quality and economic welfare of individuals and households.
Rajasthan’s ordinance shields the corrupt, threatens the media, the whistle-blowers and the public’s right to know.

This would create a cover for wrong doing by the government officials and encourage others to indulge in corruption.

This is the first time a section prescribing punishment for disclosure is being introduced in India.

Special protection to those in power, in instances of corruption, seems to go against Article 14 of the Constitution, conferring equal rights in front of the law.

It stops the media from disclosing the identity of any official in a corruption scandal which means such cases will never come to public attention.

It is a hit on free speech and expression, not just of the journalists but also citizens.

It is actively restoring a colonial-era directive that protects officials from legitimate scrutiny.

By placing official reputations above the need for accountability, it inverts the relationship between public servants and the public they are meant to serve.

The Lokpal Act must be operationalised.

It is time the Centre enforced a strong body of legislation that punishes the corrupt, protects the honest, and ensures time-bound public services and whistle-blower safety.

Centre should speed up amendments that redefine criminal misconduct among public servants at the same time protecting legitimate decisions.

There needs to be a balance between truth-seeking and institutional stability.

The Criminal Laws (Rajasthan Amendment) Ordinance, 2017, was promulgated recently.

Accordingly, prior sanction from an authority was required before an investigation into an offence committed by a public official could commence.


The media is also barred from publishing any details identifying an accused till the government gives its nod for investigation.

Ordinance is aimed to control false cases, so that honest and hard-working public servants can continue to work without any stress and slander.

Overzealous inspection and constant suspicion can cramp decision making.

The government shared data from 2013 until June 2017, and said that about 73 per cent cases were found to be false and the officials had to face slander and stress even though they were not guilty.

False cases take away time from the judiciary and the government.

The Supreme Court has twice struck down this blanket requirement of prior approval.

The Supreme Court had earlier struck down a statutory provision for prior government clearance for a CBI probe against officials of the rank of joint secretary and above.

The Supreme court in another case observed that such a provision destroys the objective of anti-corruption legislation and prevents independent investigation.
Central schemes could not be implemented and executed properly as officers come to the state for a short period and are not able to understand the tribal culture and sentiments.

Officers who spend a good amount of time in the state and better in terms of administration when transferred to other location of AGMUT, creates gaps in administrative understanding.

State governments have no control over the transfer, posting or disciplinary matters.

Frequent transfers of the higher police officers hamper institutional memory.

The joint cadre system is creating impediments for efficient and effective governance which must be rectified by the government.

The demand for separate cadre in respect of Arunachal Pradesh is necessary in present dynamic structures of administration.

The separate cadre under All India Services must simplify administration and make governance more coordinated and collaborative.

State Public Service Commission must be strengthened and capacity building of these officers must be done.

North Eastern region is sensitive owing to its location and ethnic structure and hence it is important to have a separate AIS cadre.

The Arunachal Pradesh assembly recently adopted a resolution to urge the Centre to form a separate cadre of All India Services for the north-eastern state, like most other states.

Presently, Arunachal Pradesh comes under the All India Services (AIS) grouping of Arunachal, Goa, Mizoram and other union territories (AGMUT).

Mizoram and Goa has time and again demanded a separate cadre.

To ensure that development percolates down to all parts of the state in the real sense.

Central government officials under AGMUT are there for a short period and therefore do not have “institutional memory” to be able to concentrate on the exact development and administrative needs of the states.

The state has so far not been able to rise to its full potential.

To bring parity with other states in India.

In the interest of development of the state, it is felt that a dedicated bureaucracy will bring continuity in administration.

An officer serving in a specific cadre can prove to be more effective and efficient.

Even smaller states like Manipur, Tripura, Sikkim have their own separate cadre and have benefitted greatly.

A large and diverse cadre like AGMUT can at times become messy and create more problems of transfer and postings rather than simplifying the administration.

Separate cadre will have a dedicated team of officers who will be serving to the state in the best possible manner rather than trying to get transferred outside the state.

Makes officers familiar with local culture, customs and sentiments.