

**INSIGHTSONINDIA**



**INSIGHTSIAS**  
SIMPLIFYING  
IAS EXAM PREPARATION

**INSIGHTS into EDITORIAL**

**&**

**LSTV, RSTV Synopsis**

**AUGUST 2017**

[www.insightsonindia.com](http://www.insightsonindia.com)

[www.insightsias.com](http://www.insightsias.com)

## Table of Contents

<b>INSIGHTS into EDITORIAL</b>	<b>2</b>
01/08 : Cryptocurrencies and the Regulators Dilemma	2
02/08 : At The Half-way Mark – Swachh Bharat Mission (SBM)	3
04/08 : Behind India’s unease with a global child abduction law	5
05/08 : Nitrogen Overload	6
07/08 : Let’s talk about a supplemental income	8
09/08 : A gathering crisis: the need for groundwater regulation	10
11/09 : Doklam, China’s Strategic Calculus and India’s Policy Options	12
12/08 : In South Asia, be the Un-China	14
14/08 : Maharashtra’s Law on Social Boycott	16
16/08 : India moves to revive TAPI gas pipeline	18
17/08 : ‘Why can’t the government provide a higher income for farmers?’	19
18/08 : Prime Minister’s schedule of foreign visits	22
19/08 : ‘Cause for caution, not gloom’	24
20/08 : Getting Charged up	27
21/08 : Safeguarding the interests of farmers	29
22/08 : Rebooting India-Nepal ties	31
23/08 : Undoing injustice: On instant triple talaq verdict	32
24/08 : A BIT of critique	34
25/08 : Citizen vs State: On right to privacy verdict	37
26/08 : Lessons not learnt: On swine flu	38
27/08 : Thinking outside the manufacturing box	41
28/08 : From plate to plough: Tall tales for farmers	42
29/08 : Can India and China use BRICS to build a house?	44
30/08 : Unease of doing business	45
31/08 : BRICS off the wall	46
<b>Rajya Sabha TV: Synopsis</b>	<b>49</b>
Policy Watch Episode: ONGC-HPCL Merger	49
The Big Picture: Eradication of poverty: What steps need to be taken to achieve this goal?	50
Policy Watch Episode: Govt sops for stressed Telcos	51
Policy Watch Episode: Government Mulls Foodgrains Subsidy	51

## INSIGHTS into EDITORIAL

### 01/08 : Cryptocurrencies and the Regulators Dilemma

#### Summary:

Widely seen as a disruption for the traditional banking and financial institutions, cryptocurrencies have gained significant traction over the last half a decade, at the same time creating a regulatory nightmare for banking regulators across the globe. At present, there are around 969 cryptocurrencies in existence across the globe, with a total market capitalisation close to 116 Billion USD.

#### What you need to know about the cryptocurrencies?

Founded as a peer-to-peer electronic payment system, cryptocurrencies enable transfer of money between parties, without going through a banking system. These digital payment systems are based on cryptographic proof of the chain of transactions, deriving their name, Cryptocurrency. These employ cryptographic algorithms and functions to ensure anonymity (privacy) of the users (who are identified by an alphanumeric public key), security of the transactions and integrity of the payment systems. “Decentralised Digital Currency” or “Virtual Currency” is also interchangeably used for a cryptocurrency.

#### How are they used?

Cryptocurrency is fundamentally a decentralised digital currency transferred directly between peers and the transactions are confirmed in a public ledger, accessible to all the users. The process of maintaining this ledger and validating the transactions, better known as mining, is carried out in a decentralised manner. The underlying principle of the authenticity of the present to historical transactions is cryptographic proof, instead of trust; different from how it happens in the case of traditional banking systems.

#### Cryptocurrencies are gaining popularity for the following reasons:

**Privacy Protection:** The use of pseudonyms conceals the identities, information and details of the parties to the transaction – prerequisites for privacy enthusiasts.

**Cost-effectiveness:** They have single valuation globally, and the transaction fee is extremely low, being as low as 1% of the transaction amount. Cryptocurrencies eliminate third party clearing houses or gateways, cutting down the costs and time delay. All the transactions over cryptocurrency platforms, whether domestic or international, are equal.

**Lower Entry Barriers:** Possessing a bank account or a debit/credit card for international usage requires documented proofs for income, address or identification. Banks or financial institutions might have their own set of eligibility criteria for these facilities. Cryptocurrencies lower these entry barriers, they are free to join, high on usability and the users do not require any disclosure or proof for income, address or identity.

**Alternative to Banking Systems and Fiat Currencies:** Governments have a tight control and regulation over banking systems, international money transfers and their national currencies or monetary policies. Cryptocurrencies offer the user a reliable and secure means of exchange of money outside the direct control of national or private banking systems.

**Open Source Methodology and Public Participation:** A majority of the cryptocurrencies are based on open source methodology, their software source code is publicly available for review, further development, enhancement and scrutiny. The ecosystem of cryptocurrencies is primarily participation based, as software development, bug reporting and fixing, testing etc. are driven by the wider user base, rather than a closed set of individuals or an institution.

**Immunity to Government led Financial Retribution:** Governments have the authority and means to freeze or seize a bank account, but it is infeasible to do so in the case of cryptocurrencies. For citizens in repressive countries, where governments can easily freeze or seize the bank accounts, cryptocurrencies are immune to any such seizure by the state.

#### Associated concerns:

- Despite these numerous advantages and user friendly processes, cryptocurrencies have their own set of associated risks in the form of volatility in valuation, lack of liquidity, security and many more.

- Cryptocurrencies are being denounced in many countries because of their use in grey and black markets. There are two sets of interconnected risks; one being to the growth and expansion of these platforms in the uncertain policy environment, and the other being the risks these platforms pose to the users and the security of the state.
- They also have the potential use for Illicit Trade and Criminal Activities and can be used for Terror Financing.
- They also have the Potential for Tax Evasion.

#### Regulation of these currencies:

The acceptability of cryptocurrencies as a legal instrument currently varies from country to country; while some are in the process of formulating laws and measures, others are yet to respond to this disruptive change. The burgeoning use of cryptocurrencies in terror financing, ransomwares, illicit drugs or arms trade and cybercrime has also raised red flags among the security and law enforcement agencies. They may well have the potential to displace the existing financial systems which enable electronic flow of money across different political boundaries.

The Reserve Bank of India has been keeping a tab on the increasing use of cryptocurrencies and it had issued an advisory in this regard in 2013, cautioning users, holders and traders of virtual currencies to its potential financial, legal and security related risks. The Ministry of Finance also held a public consultation on regulating virtual currencies in May 2017.

#### What can be done?

If authorised as an electronic payment system or designated a legal instrument, cryptocurrencies will fall under the purview of the RBI; capital gains and business transactions will be liable to tax, and foreign payments are also going to fall under the auspices of Foreign Exchange Management Act. Regulated cryptocurrencies will enshrine robust consumer protection provisions. In terms of benefits, this could be a force multiplier in India's quest for financial inclusion, parallel to the electronic payment modalities such a digital wallets and Adhaar Enabled Payment System. It could further reduce the cost associated with remittances, which brings annual earnings of close to 62 billion USD to India. It would also attract future business entrepreneurs, leading to innovation, generation of job and wealth creation in the due process of payments processing, e-commerce and taxation.

#### Conclusion:

The future and further success of cryptocurrencies depends upon the way regulatory frameworks are devised. Different countries have approached this innovation in different ways, and therefore the regulatory environment remains uncertain. The government will have to take considered steps, given the risks from possible use of cryptocurrencies in terror financing, money laundering and tax evasion.

## 02/08 : At The Half-way Mark – Swachh Bharat Mission (SBM)

#### Summary:

India is midway into **the Swachh Bharat Mission (SBM)**. Since its inception on October 2, 2014, the ministries of Urban Development and Drinking Water and Sanitation have been spearheading the programme, with implementation happening at the state level. The Swachh Bharat Mission was launched two years ago on the birth anniversary of Mahatma Gandhi. The mission was divided into two parts — urban and rural.



#### Performance of the scheme:

The SBM has witnessed several notable achievements in reducing open defecation thanks to the focus on behaviour change, need-based capacity building and constant measuring of outcomes.

- The last three years have seen an increase from 42% to 65.02% in national sanitation coverage.
- Five states, 149 districts and 2.08 lakh villages have already been declared Open Defecation Free (ODF).
- Nearly 22% of the cities and towns have been declared ODF; 50% of the urban wards have achieved 100% door-to-door solid waste collection; and over 20,000 Swachhagrahi volunteers are working across urban local bodies, and over a lakh are working in rural India.

- The number of schools with separate toilet facilities for girls has increased from 0.4 million (37%) to almost one million (91%).

### What's missing?

- **Disposal of human waste:** The programme does not target on fixing the existing missing links. For instance, safe disposal of human waste in urban India is worse than in rural India. Be it sewage treatment or management of faecal sludge from stand alone toilets, the required infrastructure either does not exist or if created, has seldom delivered.
- **Involvement of community:** The policy and approach behind it ignores a fundamental pre-requisite to ensure sustainable results through Community Led Total Sanitation (CLTS). SBM seeks to simply adopt tools without bothering to provide an environment which enables CLTS to succeed. This conveys that toilets are being sought, not the collective behavior change essential to secure sanitation as a public good.
- **Continued usage:** The real focus of the implementation is on showing toilets and the expenditure to be reported on toilet-based subsidies. As a result, usage on community scale becomes its immediate casualty.
- **Verification:** The current verification system which seeks the uploading of toilet photos (for beneficiary payments to be reimbursed) reinforces this focus on toilets instead of behavior change. So the presence of toilets becomes the measurable proxy for sanitation, which the Centre uses to disburse funds and states find easiest to deliver.
- **Awareness:** Most of the money is going towards latrine construction, and very little towards information, education, and communication (IEC), the headline for behaviour-change activities. The fraction of spending on IEC has actually fallen since the SBM started, from 3% of total expenditure in 2014-2015 to 1% in 2015-2016. This is troublesome given the reasons open defecation persists in rural India.
- **Implementation:** Not only is the SBM viewed as the Centre's programme, even the mantle for its implementation has been donned by the concerned central Ministry. It is setting its sights on district level achievement and engaging with district administrators directly. States end up feeling little responsibility for delivering outcomes and are accountable only for doing what the Centre asks them to.

### What needs to be done?

The clear message from past experience (both in India and abroad) is to avoid toilet subsidies since they detract from behavior change. But in our subsidy imbued political economy, the legacy of toilet subsidies is not only seen as necessary but that which should be enhanced every few years. Explicit withdrawal of such a subsidy would immediately invite an anti-poor label for the government.

- *The ideal solution is to leave sanitation to the states and local bodies and not have a central programme at all.* After the increase in untied devolution following the recommendations of the 14th Finance Commission, states have enough funds to spend on any function they prioritise. However, this would run counter to a situation in which the Centre needs to show that it is driving the sanitation agenda.
- *The next best option is a Central programme which does two things.* First, the Centre should not prescribe how toilet funds are spent and let states choose their own approach. Second, it should focus on outcomes and thus, reward states which perform better. This will incentivise them to adopt policies that deliver better sanitation and not just toilets which become derelict or at best are partially used.
- *The Centre must facilitate more the exercise of choice by states, examine the ODF district claims critically and disseminate information to them.* Annual surveys which reward genuine performance and not a mere toilet chase will also help.

### Way ahead:

Achieving ODF status alone is not sufficient for the success of SBM. Attention to the complete sanitation cycle is required, where toilets not only need to be built and used but the waste generated also needs to be collected and treated properly. The India Sanitation Coalition advocates safe and sustainable sanitation including design, implementation and practice. This is evident in the tag line BUMT (Build, Use, Maintain and Treat) to complete the entire sanitation chain.

Sanitation, in a diverse country like India, encompasses a number of factors which are important determinants for the success of the mission. It has a direct relationship to caste, creed, religion and gender. A successful sanitation programme needs to address such factors, which makes achievement of safe sanitation a very complex exercise. Additionally, India has a large number of disabled people whose needs require customised solutions.

#### Conclusion:

Achieving ODF is the collective responsibility of the entire nation, not just the government. We have now reached a stage where the need for BCC (Behaviour change communication) has been recognised. Turning a large and populous country like India around is not an easy task. However, in less than three years we see that India is already course correcting and with the momentum building, the pace of change going forward will be much faster.

## 04/08 : Behind India's unease with a global child abduction law

#### Summary:

Months after the Ministry of Women and Child Development called for a consultation on whether it should sign **the Hague Convention on the Civil Aspects of International Child Abduction**, it has invited suggestions from the public on the matter. While the Convention came into force in 1983, and over 90 countries are signatories to it, India is yet to sign it. As per the convention, if a child is removed from his or her place of habitual residence, then they must be returned.



#### Background:

The Centre has been deliberating on the matter, and the WCD Ministry had even held a national-level consultation in February this year. The consultation, chaired by Punjab and Haryana High Court judge Rajesh Bindal, remained inconclusive. In 2009, *the Law Commission, headed by former Supreme Court judge AR Lakshmanan, in its report recommended that the Centre accede to the Convention* as it will “in turn bring the prospects of achieving the return to India of children who have their home in India”. *The Centre had also drafted the Civil Aspects of International Child Abduction Bill in 2016 to this effect.*

#### About the Hague Convention on the Civil Aspects of International Child Abduction:

It is a multilateral treaty on custodial issues of children. The Convention seeks to **protect children from the harmful effects of abduction and retention across international boundaries by providing a procedure to ensure their prompt return.**

- The convention is intended to enhance the international recognition of rights of custody and access arising in place of habitual residence, and to ensure prompt return of the child who is wrongfully removed or retained from the place of habitual residence.
- It seeks to return children abducted or retained overseas by a parent to their country of habitual residence for the courts of that country to decide on matters of residence and contact.
- **The convention shall apply to any child, up to the age of 16 years who is a habitual resident of any of the contacting states.**

#### Why India should sign this convention?

India's accession to the Hague Convention would resolve the issue since it is based on the principle of reverting the situation to status quo ante. It is also based on the principle that the removed child ought to be promptly returned to his or her country of habitual residence to enable a court of that country to examine the merits of the custody dispute and thereupon award care and control in the child's best interest. This is because the courts of the country where the child had permanent or habitual residence are considered to best determine the child's interest.

#### Why are some people opposing this move?

It would be disastrous for many reasons for India to sign the Convention.

- **Meaning of abduction:** The Convention deals with what has come to be known as “international child abduction”. The Law Commission of India has recently addressed the issue, and the first and most important point made by the Commission is that the word “abduction” when used by a parent is misplaced as no parent can ‘abduct’ her own child.
- **Absence of domestic law:** Indian law does not automatically recognise foreign judgments. Now by signing the Hague Convention, we will be compelled to recognise a foreign judgment regardless of the justness of the decision on custody under Indian law or whether was delivered ex-parte.
- Several non-resident Indian women, estranged from their husbands are against this convention. Most of them have relocated from the countries they were staying in the West to India to escape abusive husbands. In case India signs the Convention, these women will have to let go of their children.

### Why a domestic law in this regard is necessary?

There are several legal issues confronting the issue of transnational inter-spousal child removal. When a child is abducted by his or her own parent to India, while custody issues are pending determination in the courts of his or her habitual permanent residence abroad, there is little that local law enforcement agencies can do to remedy the situation. **This is because there are no codified family laws or specific child custody laws under which these children can be returned to their homes in a foreign jurisdiction.** An aggrieved parent with a foreign court order requiring return of the child finds no slot in the Indian legal system, wherein a wholesome statutory remedy can be invoked for effective relief.

Regardless, the Indian legal system provides succour by invoking the habeas corpus writ. Bitter disputed custody battles requiring conventional evidence to be established fall under the outdated Guardians and Wards Act, 1890. Parents then have to seek resolution of rights of access, custody, guardianship and visitation as a last resort of the proof of their superior parental rights.

### Way ahead:

The aspects of ensuring the safety and well-being of the child through state intervention is of significance. Even if the Hague convention is not acceded to, India must consider negotiating bilaterally building on these provisions in the Hague convention.

### Conclusion:

The problem of child abduction is real, and India, with its diaspora spread over the globe, needs to work on the issues addressed by the Hague convention while ensuring that the remedy is compatible with the convention on the Rights of the Child.

## 05/08 : Nitrogen Overload

### Summary:

During the past century, the global consumption of nitrogen has seen a steady increase. *In 1980, developed countries accounted for 70% of the world's total nitrogen consumption. By 2010, it was the developing countries which accounted for 70% of the global nitrogen consumption.* India is no exception to this. **India is the second-highest consumer of nitrogen in the world after China.** According to the Food and Agriculture Organization, China's annual consumption of nitrogen is 44.97 million tonnes, while India consumes 16.48 million tonnes—four times more than Brazil's annual consumption of 4.25 million tonnes.

Indian Fertiliser Scenario 2014, an annual publication of the department of fertilisers under the Ministry of Chemicals and Fertilisers, states that the use of urea in the country has increased by more than 50% since 2000—the per hectare consumption of nitrogen is at least 100 kg in eight Indian states, including Bihar, Punjab, Haryana, Uttarakhand, Uttar Pradesh, undivided Andhra Pradesh, Tamil Nadu and Puducherry.

## Nitrogen Overload

When we cause nitrogen overload in an ecosystem, there are many drastic effects.

Dumping of raw sewage contains nitrogenous wastes, along with urban runoff.

When large amounts of nitrogen collect in a water body, eutrophication can result. This is an accumulation of excess nutrients which causes an algae bloom.

**What's the concern?**

The threats posed by nitrogen pollution are individually and collectively a huge problem for the global society today. **The increasing rate of nitrogen use by humans has led to an imbalance in the nitrogen content in the environment.**

- According to “Our Nutrient World”, a 2013 report of the United Nations Environment Programme (UNEP), human-induced nitrogen inputs or fertilisers and associated emissions from agriculture, fossil fuel burning, sewage and industrial waste have directly or indirectly far surpassed natural emissions, causing nitrogen pollution that has reached alarming levels.
- Another study shows that *the annual economic loss in the US due to energy wastage and damages to the environment and human health from nitrogen pollution is \$210 billion.* “Our Nutrient World” estimated that the global cost of damage from nitrogen could go up to US \$2,000 billion.

**Nitrogen as an essential nutrient:**

Nitrogen, which is a vital macronutrient for most plants, is the most abundant element in the atmosphere. **A little over 78% of dry air on Earth is nitrogen.** But **atmospheric nitrogen, or dinitrogen, is unreactive and cannot be utilised by plants directly.** Until the beginning of the 20th century, farmers depended on a natural process called nitrogen fixation for the conversion of atmospheric nitrogen into reactive nitrogen in the soil: nitrogen-fixing bacteria like rhizobia live symbiotically with leguminous plants, providing nitrogen to the plant and soil in the form of reactive compounds like ammonia and nitrate.

But the natural nitrogen cycle was inadequate to feed the growing population. Scientists *Fritz Haber and Carl Bosch solved this problem by producing ammonia by combining atmospheric nitrogen with hydrogen gas at high temperature and pressure—known as the Haber-Bosch process.* The Green Revolution, which was instrumental in establishing food security in the developing countries in the 1960s, was driven by artificial nitrogen-fixation. Today, about half of the world's population depends on this process for its nutrition.

**How Nitrogen turned into pollutant from nutrient?**

Nitrogen is an inert gas that's necessary for life. But we're changing it into forms that are harmful, overloading the environment with it, and throwing the natural nitrogen cycle out of whack. Nitrogen compounds running off farmland have led to water pollution problems around the world, while nitrogen emissions from industry, agriculture and vehicles make a big contribution to air pollution.

- Over 80% of the nitrogen in soil is not utilised by humans. While over four-fifths of the nitrogen is used to feed livestock, only about six per cent reaches humans in case of non-vegetarian diet, as compared to the 20% that reaches the plate of a vegetarian.
- Nitrogen becomes a pollutant when it escapes into the environment and reacts with other organic compounds. It is either released into the atmosphere, gets dissolved in water sources such as rivers, lakes or groundwater, or remains in the soil. While it might lead to favourable growth of species that can utilise this nutrient, nitrogen as a pollutant is often detrimental to the environment and health.
- According to the World Health Organization, nitrate-contaminated drinking water can cause reduced blood function, cancer and endemic goiters. Surplus inputs of nitrogen compounds have been found to cause soil acidification. The lowering pH, as a result of the acidification, can lead to nutrient disorders and increased toxicity in plants. It may also affect natural soil decomposition.

**Nitrogen pollution has a significant impact on the environment:**

- It creates of harmful algal blooms and dead zones in our waterways and oceans; the algae produce toxins which are harmful to human and aquatic organisms (and indirectly affects fisheries and biodiversity in coastal areas).
- Contamination of drinking water. 10 million people in Europe are potentially exposed to drinking water with nitrate concentrations above recommended levels. This can have an adverse effect on human health.
- Food Security: Excessive nitrogen fertiliser application contributes to soil nutrient depletion. As the world needs to feed an ever growing population loss of arable land is major global problem.
- The release of Nitrous Oxide is essentially a greenhouse gas which is harmful to the environment.

What needs to be done now?

A simpler method of reducing nitrogen application is precision farming where small quantities of nitrogen are administered routinely instead of large doses applied uniformly over the field. Similarly, tablets and coated forms of nitrogen, when applied at the root level, release nutrients slowly. Supplemented with organic fertilisers and combined with optimal timing of application, sowing and watering, these methods have shown marked improvement over traditional efficiencies of nitrogen.

Conclusion:

Nitrogen is central to India's food production, but its use in our agriculture system has put us in a Catch-22 situation. We cannot produce enough food to feed the nation without nitrogen, but at the same time we cannot keep introducing higher quantities of nitrogen because of its polluting effects. The challenge for the current century is to optimise the uses of nutrition while minimising the negative impacts. Nitrogen pollution is an issue of improper management rather than inability. The costs of abating nitrogen pollution would be much less than the benefits to health and environment. A 20% increase in the rate of efficiency would save an estimated 20 million tonnes of reactive nitrogen by 2020, which equates to an improvement in human health, biodiversity and climate worth US \$170 billion.

## 07/08 : Let's talk about a supplemental income

Summary:

A lot has been discussed about the Universal Basic Income (UBI) and its applicability to India. The primary objective is to enable every citizen to have a certain minimum income. The term 'universal' is meant to connote that the minimum or basic income will be provided to everyone irrespective of whatever their current income is.

In discussing the applicability of the concept of basic income to India, three questions arise. The *first is whether it should be 'universal' or 'restricted'*; the *second is what the level of minimum income is and how this is to be determined*; and the third is *about the financing mechanism for implementing such a scheme*.

Why the idea of UBI is good in the Indian context?

The idea of the UBI is more relevant for India than for the advanced economies which have been considering it so far since governments in India tend to 'mess up' when it comes to distinguishing the poor from the non-poor. As a result, the poor get very little of what is spent in their name. Also, it is argued that many of the subsidies benefit the rich more than the poor.

Whether support to vulnerable sections should be in the form of goods and services or as cash?

**Cash gives the discretion to beneficiaries to spend it any way they like.** But it is assumed they would be wise in their discretion. On the other hand, **the provision of services or goods directly to beneficiaries may be directed to achieve certain objectives in terms of nutrition or health or education.** In the provision of services, the concern is about leakages and quality of service. Some countries have adopted a middle path of conditional transfers, which means that transfers in the form of cash are subject to the condition that they are spent on meeting defined needs.

As far as India is concerned, there are a whole lot of services provided by the state, and it would be impossible to knock them off and substitute them with general income support. Therefore, income support should be thought as a supplement to services already provided even though a hard look at some of the provisions is absolutely essential. Poor quality of services from government-run institutions has become a matter of concern.

Should UBI be universal or restricted?

Coming to the concept of the UBI, it is necessary to first decide whether income supplements should be 'universal' or limited to certain easily identifiable groups. Most calculations involving the provision of income to one and all are beyond the capabilities of the present Central government Budget unless the basic income is fixed at too low a level. It is extremely difficult to cut so-called implied subsidies or hidden subsidies in order to fund resources, as some proponents argue. These supports range from subsidised bus fares to subsidised power tariff. The attempt must be to think in terms of reducing the number of beneficiaries using easily definable criteria. Elaborate exercises for identification will defeat the purpose. It is true that a universal scheme is easy to implement. Feasibility is the critical question. There is also the consideration of fairness. But strict targeting will run into complex problems of identification.

What should be the minimum increase?

Whether the scheme should be universal or restricted depends on the level of basic income that is proposed to be provided. If we were to treat the cut-off used to define poverty as the minimum income, then the total fiscal burden would be enormous. This apart, there is no consensus regarding what that cut-off should be.

More than 60% of the total poor lies between 75% of the poverty line and the poverty line. Therefore, what is needed is a supplement to fill the poverty gap. One alternative would be to determine the required income supplement from the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). **The total annual income supplement can be equivalent to 100 days of the wages prescribed under the MGNREGS. This is equivalent to ₹20,000 per year.** This amount can be treated as the income supplement.

Who the beneficiaries should be?

It is difficult to cover the entire population. Even providing one person per household with this income will mean ₹5 lakh crore per annum, which is 3.3% of GDP. What is feasible is a scheme which limits the total expenditure to around 1.5 to 2% of GDP, which is between ₹2 lakh crore and ₹3 lakh crore. A criterion needs to be evolved which can restrict the total cost to this amount. One way of doing it will be to limit it to all women above the age of 45. This is an easily identifiable criterion because Aadhaar cards feature the age of the person. However, this is only one alternative.

How to finance the scheme?

Some analysts have suggested that we can remove all exemptions in our tax system which would give us enough money. Apart from the difficulties in removing all exemptions, tax experts advocate removing exemptions so that the basic tax rate can be reduced. It is estimated that out of the ₹2 lakh crore which is needed, ₹1 lakh crore can come from the phasing out of some of the expenditures while the remainder must come from raising additional revenue.

Following steps may be considered by the government:

- Phase out the MGNREGS, which will realise close to ₹40,000 crore.
- Fertilizer subsidies are another item of expenditure which can be eliminated.
- Higher income groups can be requested to forego supplemental income. This will reduce the expenditure, as has been done successfully in the case of cooking gas.

Several challenges involved in implementing such a radical plan are as follows:

- One big challenge relates to the phasing out of food-related subsidies. Any plan to replace food related subsidies has to contend with the implications of such a move on food security of the country. Also, whether farmers will continue to produce enough foodgrains in the absence of price incentives remains a big question.
- UBI is also inevitably linked with government withdrawal from other channels of public service delivery. However, withdrawal of government support from public goods and necessities like health, education is not justifiable as the weaker section have varied needs which cannot be met simply by transferring money.
- It is also argued that unconditional cash transfers might raise wages due to the decline in the supply of casual labourers. There is also question of whether a shift towards it should be a substitute for all existing subsidies or whether it should complement the existing ones.
- The other big challenge relates to co-ordination between state and central governments. Any plan to phase out subsidies and tax exemptions (relating to the GST) will require an extraordinary degree of co-operation between the states and the Centre.
- Also, any pre-specified commitment by the government such as an inflation-indexed UBI worth Rs450 per person could generate fiscal stress during an economic downturn.

**Way ahead:**

UBI alone is not sufficient for the overall upliftment of poor. Two distinct sets of reforms are needed:

- Broad-based economic reforms that would strengthen entrepreneurship, remove barriers to job creation, and increase the returns to human capital investments by the poor.
- Specific reforms to allow the poor to gain better education and health.

**Conclusion:**

To conclude, introducing the UBI is unrealistic. In fact, the concept of a basic income must be turned essentially into a supplemental income. Such a scheme will be feasible provided we restrict the beneficiaries to groups which can be easily identified. This restriction essentially comes from fiscal compulsions. Regarding finances, it is not easy to remove all implicit subsidies. The design for financing the scheme has to be viewed in a more pragmatic way. Restricting the fiscal burden to 1.5 to 2% of GDP seems desirable and feasible. Half of this can come from phasing out some of the existing expenditures while the other half can come by raising fresh revenue. Lastly, the proposal here refers only to the income supplement that can be provided by the Central government. Similar efforts can be made by the respective State governments, if they so desire.

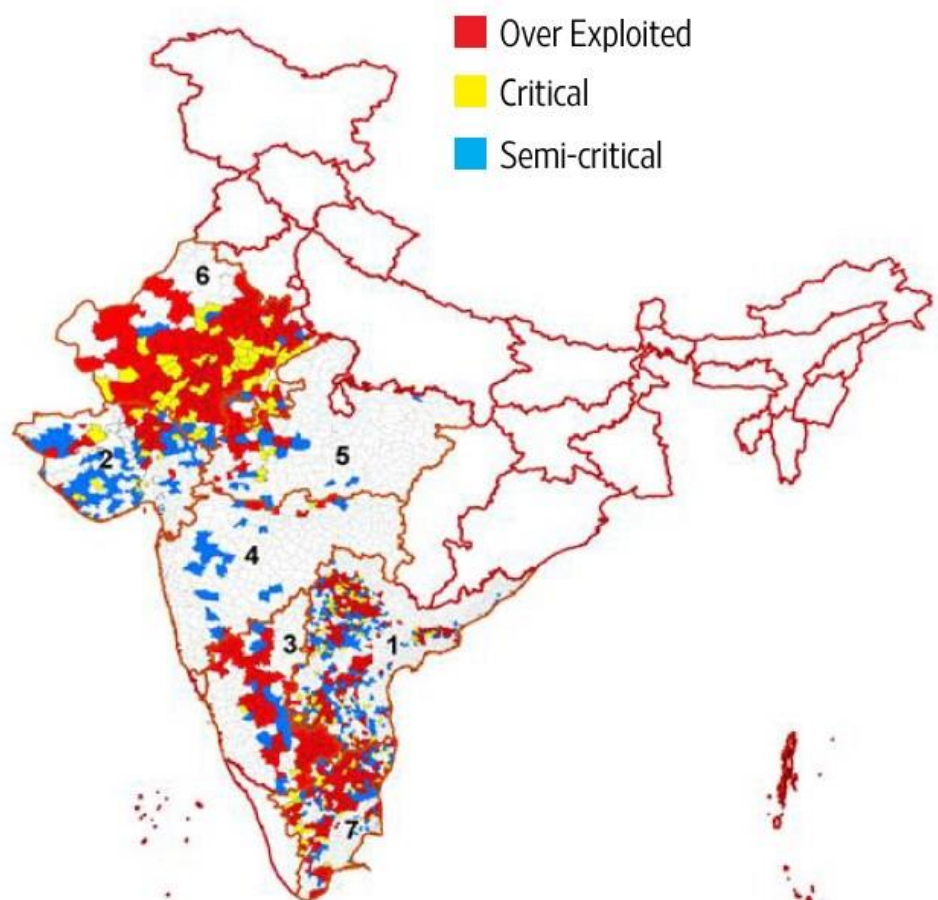
**09/08 : A gathering crisis: the need for groundwater regulation****Summary:**

India, with 2.5% of global landmass, has 4% of the world's freshwater resources. This has however come under increasing demographic stress since India is home to about 16% of world population and the distribution of freshwater is skewed spatially and temporally. Yet, while the crisis is often discussed, law and policy measures to address it remain insufficient.

Additionally, **groundwater management often takes the backseat**. This is partly due to the fact that the primary source of domestic water and irrigation is groundwater but the media and policymakers still and often focus on surface water. This needs to change as water tables have been falling rapidly in many parts of the country, indicating that use generally exceeds replenishment.

**Why there is an increased pressure on groundwater?**

- Main reason for excessive use of groundwater is the legal framework governing access to the resource. This was first introduced in the mid-19th century when judges decided that the easiest way to regulate this 'invisible' substance was to give landowners what amounts to a right to access groundwater found under their land, even if in the process they also used water found under their neighbours' land.
- Over the following decades, this led to a framework whereby landowners see groundwater as their own and as a resource they can exploit without considering the need to protect and replenish it since there are no immediate consequences for over-exploiting it.
- Therefore, access to a source of groundwater has progressively become a source of power and economic gain. The latter has become increasingly visible in recent decades with the propagation of mechanical pumps, which allows big landowners to sell water to others.

**GROUND WATER STRESSED BLOCKS OF INDIA**

1: Andhra Pradesh, 2: Gujarat, 3: Karnatka, 4: Maharashtra, 5: Madhya Pradesh, 6: Rajasthan and 7: Tamil Nadu

Source: IWMI

Attempts to regulate:

The Union government recognised the need to modernise the regulatory framework for accessing groundwater soon after massive expansion in mechanical pumping led to the realisation that recharge could not keep pace with use. The measures proposed were in keeping with the policy paradigm of the early 1970s when a model Bill was first introduced. It focussed on adding some State-level control over new, additional uses of groundwater but did not address the iniquitous regime giving landowners unlimited control over groundwater.

Why the Bill failed to prevent the excessive use of groundwater?

- **Gaps in implementation:** State-level measures proposed in the model Bill was only taken up by around a dozen States from the late 1990s onwards.
- **No change with times:** The States that now have groundwater legislation based on the model Bill conceptualised in 1970 have on the whole failed to manage to address the problem of falling water tables due to increasing use.
- **No focus at aquifer level:** There is no provision in the existing legal regime to protect and conserve groundwater at the aquifer level.
- **Top down approach:** Since the legal regime fails to give gram sabhas and panchayats a prevailing say in the regulation of what is essentially a local resource, the present framework remains mostly top-down and is incapable of addressing local situations adequately.

Need for regulation:

Over the past decade, the situation has become increasingly dire not only in States where water tables are falling but also **in those that are less affected by quantity concerns**. Indeed, **the quality of the water pumped is increasingly becoming cause for concern**; thus the worry is about **accessing a sufficient amount of groundwater that is not harmful to health**. The present legal regime has clearly failed to address the growing multiple crises of groundwater. This has been officially recognised since at least the beginning of this decade, first in the Planning Commission and more recently by the Ministry of Water Resources, River Development & Ganga Rejuvenation.

Proposed Groundwater Management Bill:

As a result, the Groundwater (Sustainable Management) Bill, 2017 to fill the existing gaps in groundwater management. This is based on current understandings of groundwater and its links with surface water and on the legal framework as it has evolved since the 19th century.

- The Groundwater Bill, 2017 consequently proposes a different regulatory framework from the century-old, outdated, inequitable and environmentally unfriendly legal regime in place. It is based on the recognition of the unitary nature of water, the need for decentralised control over groundwater and the necessity to protect it at aquifer level.
- The Bill is based on legal developments that have taken place in the past few decades. This includes the recognition that water is a public trust (in line with the oft-quoted statement that groundwater is a common pool resource), the recognition of the fundamental right to water and the introduction of protection principles, including the precautionary principle, that are currently absent from water legislation.
- The Bill also builds on the decentralisation mandate that is already enshrined in general legislation but has not been implemented effectively as far as groundwater is concerned and seeks to give regulatory control over groundwater to local users.

What else can be done to reduce the scarcity of water?

- The **river-linking** scheme to transfer water from surplus to deficit basins may address the spatial imbalance to some extent.
- **The pace of the run-off can be reduced** through inter-basin transfers, new storage reservoirs, desilting, reviving traditional water storage structures such as ponds, dissemination of groundwater recharge technologies, and water harvesting structures such as check dams, open draw wells and rooftop devices.
- **A time-bound plan to bring the entire cropped area under controlled irrigation**(sprinklers, underground pipes and other water conservation devices) should be undertaken.
- **Modern science and technology can be leveraged to artificially increase the rate of recharge of aquifers**, thereby enhancing the sustainable exploitation of deep aquifers.

- It is also imperative to have a **good database** updated in real time on the size and sustainable levels of exploitation of our freshwater resources. The beginning made through the National Hydrology Project needs to be extended and made more comprehensive, including through mapping of deep aquifers in the country and determining rates of recharge.
- **Also, extraction rates would need to be capped, calibrated** to recharge. In this regard, a major legislative change which puts water on par with other natural resources is required.
- Subsurface water resources belong to the property owner. Where private property sits on a deep aquifer, the owner is within his rights to drain the entire aquifer that may extend far beyond the boundaries of his property. This needs to change. Landowners should be free to tap the annually rechargeable phreatic water table through open wells on their property, but **deep aquifers need to be treated as a common resource**.
- **Policy coordination is also essential** to improve the management of the country's scarce water resources. Departmental fragmentation of water management needs to change, both in the centre and the states.

### **Conclusion:**

A new regulatory regime for the source of water that provides domestic water to around four-fifths of the population and the overwhelming majority of irrigation is urgently needed. The proposed new regime will benefit the resource, for instance through the introduction of groundwater security plans, and will benefit the overwhelming majority of people through local decision-making. Overall, the increasing crisis of groundwater and the failure of the existing legal regime make it imperative to entrust people directly dependent on the source of water the mandate to use it wisely and to protect it for their own benefit, as well as for future generations.

## **11/09 : Doklam, China's Strategic Calculus and India's Policy Options**

### **Summary:**

Since the beginning of June, Indian and Chinese troops have been facing off across a small meadow called Turning Point at the end of that very valley — an 89 square kilometre pasture called the Doklam plateau, which is claimed by China.

### **Where is the disputed region located?**

The trijunction is the point where the borders of India (Sikkim), Bhutan and China (Tibet) meet. The trijunction is disputed — India claims it is at Batang La, while China claims it is around 6.5 km to the south, at Gyumochen. Both claims are based on competing interpretations of the 1890 Calcutta Convention between Britain and China. As per the agreement between the Special Representatives of India and China in 2012, the two sides have to maintain the status quo until their competing claims are resolved in consultation with the third party, Bhutan.

### **China's hidden agenda:**

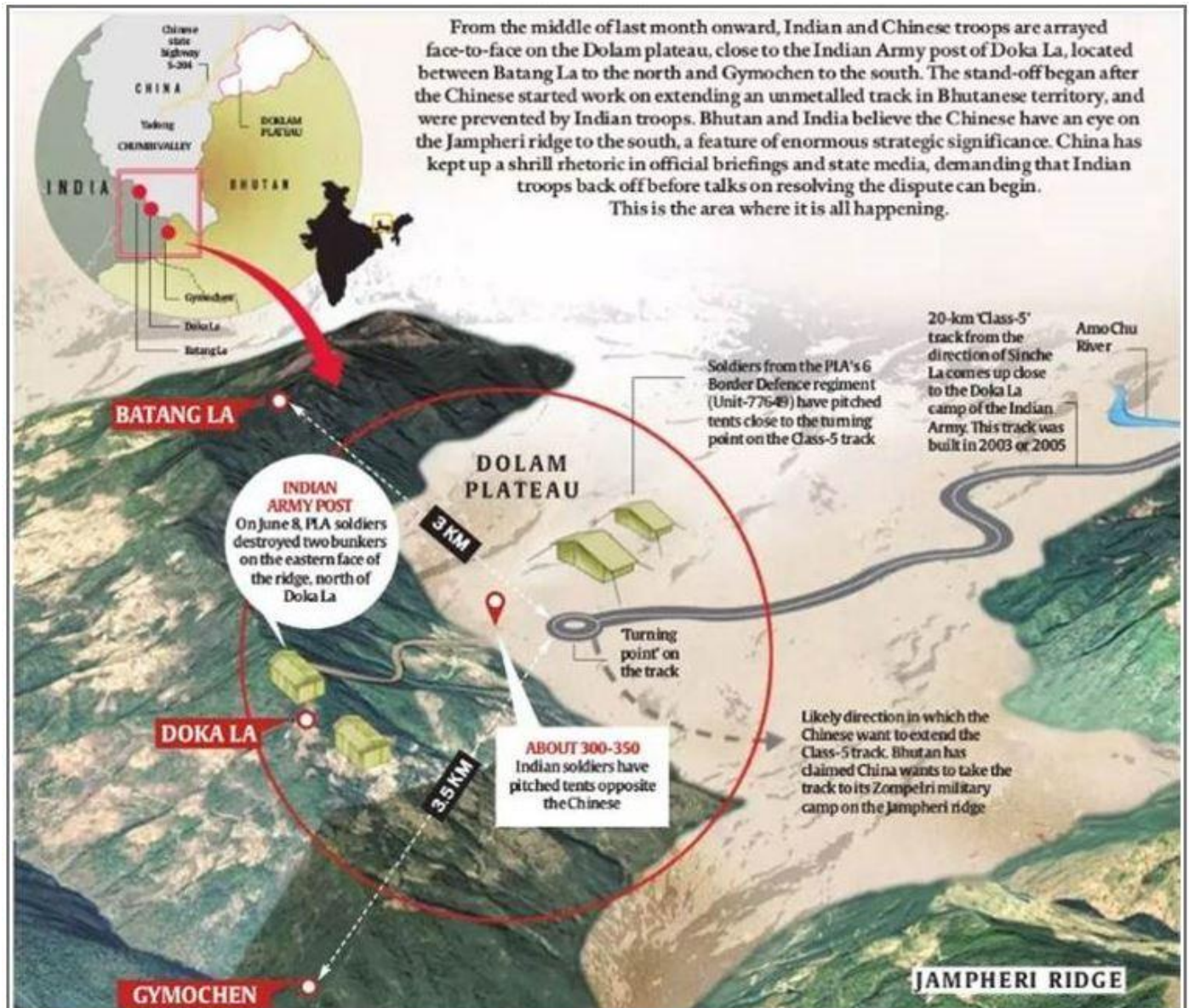
China's grand strategy encompasses **three concise objectives**: safeguarding sovereignty, maintaining stability, and sustaining economic progress. China's assertiveness around its periphery is attributable to its age old belief of a 'subdued neighbourhood' being an essential prerequisite for stability.

### **Immediate cause for the tension:**

In June this year, India accused China of constructing a road in the disputed territory towards Doklam plateau, an objection that the Royal Bhutanese Army has also raised. India intervened in the crisis supporting Bhutan's stand and asking China to halt its construction work.

- Subsequently, Chinese troops asked India to remove two bunkers that were set up in 2012 at Lalten in Doklam plateau. The two bunkers were reportedly positioned by the Indian Army as a backup option. Later, the two bunkers were destroyed by the two Chinese bulldozers on the night of June 6 after China stated that neither India nor Bhutan had any claim over the region.
- Soon, there was a standoff between troops of both countries with PLA and Indian Army sending immediate reinforcements to the region. At a flag meeting later, China asked Indian troops to withdraw from the Doklam region. In the aftermath of the standoff, China refused to allow the entry of Kailash Mansarovar pilgrims into its territory through the Nathu La Pass on the Sikkim border.

- China's action at Doklam is in consonance with its policy of intimidating smaller neighbours. Apparently, China did not anticipate India to step in. The Communist leadership is infuriated with India for abstaining from its signature projects. New Delhi's growing proximity to Washington and Tokyo has also irked Beijing.



### What is the significance of the Doklam plateau and the Chumbi valley?

The valley holds strategic significance for India, China as well as Bhutan. India sees it as a dagger pointed towards its so-called 'chicken's neck' sector in the Northeast and rapid Chinese road construction in Tibet could make things difficult for India. At the same time, Sikkim is one of the few sectors where India has an advantage.

- In the event of war, India's Brigade-sized military presence inside Bhutan, stationed at Ha, allows it to attack the Chumbi valley from two sides, potentially cutting off Chinese troops stationed facing Sikkim.
- But China's recent assertions in the area are portentous for Bhutan which has never faced territorial issues with the Dragon in the past. China, citing the 1890 China-Britain treaty, calls Doklam its own while Bhutan has disputed the fact saying the convention applies to the India-Bhutan border, not Bhutan and China.

### India's Policy Options:

In its efforts to engage China, India has followed a policy of appeasement. And its responses to China's misadventures have been in the form of crisis management. To effectively cope with the PRC's hostile attitude, India needs to evolve a pragmatic China policy centred on core national interests.

**What can India do?**

- Firstly, given the China's policy of asymmetric coercion, India has no option but to narrow the existing CNP gap between the two countries. Developing strategic partnerships, initiatives like 'Indo-Pacific Economic Corridor', 'Act East Policy' and counter balancing strategies are steps in the right direction.
- Secondly, national security policy needs clear articulation, based on a realistic threat assessment. Apex organizational structures require streamlining to telescope the decision making process. The current format of military modernization demands a holistic review.
- Thirdly, in an era of 'limited wars', a 'joint military doctrine' is a sine qua non and 'tri service theatre commands' are prerequisites for synergised application of the war waging potential. In the prevailing scenario, facing the China's Western Theatre Command are India's seven Army and Air Force commands, which is a serious lacuna. In short engagements, the timely application of requisite combat power at the point of decision is critical. This calls for creating essential infrastructure on highest priority.
- Lastly, the border management mechanism needs to be revamped. A single nodal agency is required to coordinate the functions of the various organs. Operational control astride the Line of Actual Control ought to rest with the Army. A well calibrated response mechanism must be put in place, with disputed vulnerable areas effectively dominated and troops fully prepared to meet any eventuality. Paramilitary Forces deployed for manning the borders require urgent upgrade to match the China's Border Regiments.

**Way ahead:**

Diplomatic engagement can open a way, but a solution that allows both sides to 'save face' is not immediately visible. The Chinese have ratcheted up rhetoric through official statements and in state-run media, and the space for a honourable disengagement appears to be shrinking. Though undesirable, an escalation of the conflict remains a possibility. However, both the countries have expressed that they will use official diplomatic channels to reach a solution.

**Conclusion:**

For now, the most likely outcome is that both sides will back away, giving diplomats and military strategists time to think through their options: India's decision to commit militarily in Bhutan has changed the game for all sides. But no one is walking away from this century-old game just yet. To deal with China on a level footing, the Indian leadership needs to make pragmatic assessments, possess the courage to accept home truths and display audacity for bold decisions.

**12/08 : In South Asia, be the Un-China****Summary**

In June, Indian forces crossed an established border between the state of Sikkim and the Tibet Autonomous Region in reaction to China building roads through territory claimed by both China and the Kingdom of Bhutan. Besides a longstanding commitment to guiding and defending Bhutan's interests, much has been made of India's larger domestic motivation in this conflict. **Chinese expansion in the area pushes the country ever closer to the Corridor or "Chicken's Neck,"** a narrow strip of land that serves as the only connection between Northeast India and the rest of the country.

Since then, both India and China have been locked in a standoff in the Doklam area of the Sikkim sector after Indian troops stopped the Chinese People's Liberation Army from building a road in the area.

**The entire neighbourhood is watching**

As the stand-off between the Indian and Chinese militaries enters its third month at Doklam, it is not just Bhutan that is keenly anticipating the potential fallout. The entire neighbourhood is watching.



There is obvious interest in how the situation plays out and the consequent change in the balance of power between India and China in South Asia.

India's other neighbours are likely to take away their own lessons about dealing with their respective "tri-junctions" both real and imagined, on land and in the sea.

Perhaps, it is for this reason that **governments in the region have refused to show their hand in the Doklam conflict.**

- **Nepal** will not get dragged into this or that side in the border dispute," Nepal's Deputy said ahead of a meeting with India's External Affairs Minister who had travelled to Kathmandu for the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) regional summit.
- A **Sri Lankan** Minister in Colombo contended that India and China are "both important" to Sri Lanka
- **Bhutan's** Foreign Ministry has stuck to its line, blaming China for violating agreements at Doklam, but not mentioning India. **Columnists in the country too are increasingly advocating that Bhutan distance itself from both Indian and Chinese positions.**

### Which way India's immediate neighbours are headed in the next few years?

A policy of 'equidistance' for our closest neighbours is a far cry from India's past primacy. It is a slow path each of the neighbours (minus Bhutan) has taken in the past few years.

- When the **Maldives** first turfed private infrastructure group GMR out of its contract to develop Male airport in 2012, few could have imagined the situation today with **Chinese companies having bagged contracts to most infrastructure projects.** This includes development of a key new island and its link to the capital Male and a 50-year lease to another island for a tourism project.
- Similarly, when the then Prime Minister of **Nepal** signed a transit trade treaty and agreement on infrastructure linkages with China in late 2015-2016, Ministry of External Affairs mandarins had brushed it off as a "bluff". Today, **China is building a railway to Nepal,** opening up **Lhasa-Kathmandu road links,** and has approved a soft loan of over \$200 million to construct an **airport at Pokhara.** According to the Investment Board Nepal, **Chinese investors contributed \$8.2 billion, more than 60% of the foreign direct investment** commitments made by the seven countries present.
- **Sri Lanka's Hambantota port** construction project went to the Chinese in 2007 only after India rejected it. Today, China doesn't just own 80% of the port; it has also won practically every infrastructure contract from Hambantota to Colombo. Chinese President's visit to Bangladesh last October was another such overture, **with \$24 billion committed in infrastructure and energy projects.** Earlier this year, the largely state-owned Chinese consortium, **Himalaya Energy,** won a bid for three gas fields in Bangladesh's north-east shoulder from the American company Chevron, which together account for more than half of the country's total gas output.

Even if Pakistan is not counted in this list, it is not hard to see which way India's immediate neighbours, which are each a part of China's Belt and Road Initiative (BRI), are headed in the next few years. More pointedly, once the investment flows in, it will be that much harder for them to stave off a more strategic presence which China is now more unabashed about.

### What must India do to bring its other neighbours back?

- **Restore SAARC Process:** India must regain its role as a prime mover of the South Asian Association for Regional Cooperation (SAARC), the organisation it abandoned a year ago over its problems with Pakistan in the wake of the Uri attack, winning support from other countries similarly affected by terrorism such as Bangladesh and Afghanistan. But a year later, the fact that there have been no steps taken to restore the SAARC process is unfortunate. This will hurt the South Asian construct and further loosen the bonds that tie all the countries together, thereby making it easier for China to make inroads. It should be remembered that despite China's repeated requests, SAARC was one club it never gained admittance to. Present government's promotion of alternate groupings such as
  - South Asia Subregional Economic Cooperation (**SASEC**),
  - **BIMSTEC**,
  - the Bangladesh, Bhutan, India, Nepal (**BBIN**) Initiative and
  - Security and Growth for All in the Region (**SAGAR**)

**None will come close to SAARC's comprehensive cogency.**

- **Avoid Picking Sides in the Politics of neighbours:** India must recognise that picking sides in the politics of its neighbours makes little difference to China's success there.
  - **In Sri Lanka**, the New government hasn't changed course when it comes to China, and despite India's protestations that it was saddled with debt by the Rajapaksa regime, it has made no moves to clear that debt while signing up for more.
  - The India's previous government made a similar mistake when President Mohamed Nasheed was ousted **in the Maldives**, only to find that subsequent governments did little to veer away from Chinese influence.
  - India made its concerns about the then Prime Minister Oli very clear, and was even accused of helping Pushpa Kamal Dahal 'Prachanda' to replace him in 2016, yet **Nepal's** eager embrace of Chinese infrastructure and trade to develop its difficult terrain has not eased.
  - **In Bangladesh** too, Prime Minister Sheikh Hasina, who has overseen the closest ties with New Delhi over the past decade, has also forged ahead on ties with China. Should her Awami League lose next year's election, the Bangladesh Nationalist Party will most certainly strengthen the shift towards China.

In **Bhutan's election**, also next year, it is necessary that India picks no side, for nothing could be worse than if the Doklam stand-off becomes an India-versus-China election issue.

- **Policy of Mutual Respect:** India must recognise that doing better with its neighbours is not about investing more or undue favours. It is about following a policy of mutual interests and of respect

**Way Forward:**

India is more culturally attuned to than China is. Each of India's neighbours shares more than a geographical context with India. They share history, language, tradition and even cuisine. With the exception of Pakistan, none of them sees itself as a rival to India, or India as inimical to its sovereignty.

When dealing with Beijing bilaterally, New Delhi must match China's aggression, and counter its moves with its own.

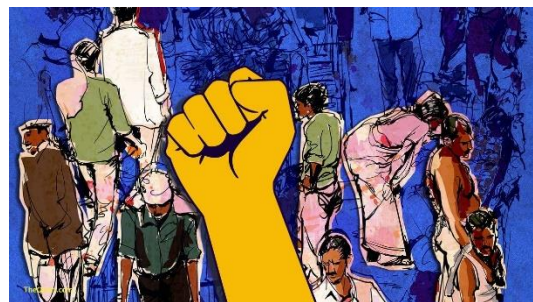
When dealing with China in South Asia, however, India must do exactly the opposite, and not allow itself to be outpaced.

**In short, India must "be the Un-China".****Conclusion:**

Maintaining regional peace is the responsibility of all the countries. India needs to rekindle the SAARC process in order to secure historical affinity with its neighbours.

**14/08 : Maharashtra's Law on Social Boycott****Summary:**

The **Maharashtra Prohibition of People from Social Boycott (Prevention, Prohibition and Redressal) Act, 2016**, received Presidential assent last month, paving the way for its implementation. The new law disallows social boycott in the name of caste, community, religion, rituals or customs. The law targets the pernicious practice of informal caste panchayats or dominant sections using ostracism as a means of enforcing social conformity.

**What is social boycott?**

It defines social boycott as *any intra-community act that creates impediments in the observance of social or religious customs, obstructs marriages or funerals by community rites, ostracises socially or commercially, denies access to public services or places of worship, incites severing of ties, segregates children, discriminates on the basis of "morality, social acceptance, political inclination, sexuality," etc; forces or obstructs the wearing of a particular dress or use of language or similar acts, culminating in social boycott.*

Highlights of the law:

- The Act lists over a dozen types of actions that may amount to ‘social boycott’, which has been made a criminal offence punishable with imprisonment up to three years or a fine of ₹1 lakh or both.
- The practices it prohibits range from preventing the performance of a social or religious custom, denial of the right to perform funerals or marriages, cutting off someone’s social or commercial ties to preventing access to educational or medical institutions or community halls and public facilities, or any form of social ostracism on any ground.
- The law recognises the human rights dimension to issues of social boycott, as well as the varied forms in which it occurs in a caste-based society.
- Its progressive sweep takes into account discrimination on the basis of morality, social acceptance, political inclination, sexuality, which it prohibits.
- It even makes it an offence to create cultural obstacles by forcing people to wear a particular type of clothing or use a particular language.

Why was it felt necessary to have such a law in Maharashtra?

The decision was a reaction to pressures from growing incidents of atrocities on individuals by jati panchayats or gavkhis wielding extra-judicial powers. The Act was required in the backdrop of prevailing atrocities inflicted on people in the name of tradition, caste and community. Prevailing laws are also frequently challenged in the court, or loopholes are used to escape punishment.

What’s missing in the new law?

- There is no denying the fact that the act strips off a range of powers exercised by caste panchayats. However, **the act’s sole focus on the phenomenon of social boycott**, which though important, is limiting as it is not the only lever on which the power of caste panchayats is hinged.
- The act’s definition of social boycott and the methods of operationalising it will lead it **to cover only the caste panchayats of the lower classes and castes which are easier to identify** and pin down as they come across as glaringly primeval, violent and repulsive to the modern sensibility.
- **Identifying caste panchayats by the nature of their crimes rather than the kind of power they exercise**, which can always be modified into a benign settlement with the law, **is a challenge** the act has receded from. This leads to a range of crimes under social boycott determining what caste panchayats are, rather than the other way round.
- The act has **no provision for special protection or compensation and rehabilitation of victims**.
- The **act neither deals with the question of inter-caste/inter-community/inter-religious marriages clearly, nor takes a position on collective caste panchayats** which are not intra-caste affairs.

Way ahead:

It is needless to say that caste panchayats exist in all castes whether in the name of gaavkhis and panchayats in the villages or in the more sophisticated and regularised forms of the mahasabhas, sanghas, mandals, guilds, or rakshak dals, of the upper castes in the cities. The latter exercise control over the larger community capital in the form of religious buildings, educational institutions and hospitals; whose leadership and membership requires caste puritanism; they also control employment avenues and imply covert methods of regulating social behaviour. From the tenor of the new law it is clear that these are not under the scanner. This also reinforces the point that though respite from the horrors of social boycott is necessary, this does not guarantee respite from the ghost of caste/community based panchayats. Nevertheless, this act is the first, and an important, step in pointing out the problems with parallel systems of justice dispensation that derive their authority from tradition, respect for “public” (mob) sentiment or the autonomy of community logic.

Conclusion:

It is not a proud moment for a country when special legislation is required to prohibit social discrimination, ostracism and practices repugnant to human dignity. Yet, given the prevailing circumstances, any legislative assault on abhorrent social practices ought to be welcomed. The law may serve as a template for similar legislation in other States.

## 16/08 : India moves to revive TAPI gas pipeline



### Summary:

India will host the next steering committee meeting of the proposed 1,814 kilometre-long Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. The decision came during the recently held sixth joint Inter-Governmental Committee (IGC) meeting on trade, economic, scientific and technological cooperation. After a slow start, the momentum on the pipeline's construction seems to be making some headway.

### Benefits of this project for India:

- Energy is a growing need, and even if India is able to source energy from other countries like Iran and further afield, both the proximity and abundance of Turkmenistan's reserves, that rank fourth in the world, will make it an attractive proposition.
- It will bring India much needed energy at competitive pricing, and could easily supply about 15% of India's projected needs by the time it is completed in the 2020s.
- This project also gives India an opportunity to secure its interest in Central Asia. TAPI's success will also ensure that India, Pakistan and Afghanistan find ways of cooperating on other issues as well.

### Benefits for other countries:

- Holding 4% of the gas reserves of the world, presently, Turkmenistan exports gas to only very few countries. But, with the TAPI pipeline, it will be able to diversify its exports to nations like India, Pakistan etc. Turkmenistan will also earn a lot of revenue by these exports.
- The potential extension of the pipeline to the Gwadar Port in Pakistan will also enable Pakistan to export gas to several countries, thereby increasing its share of revenue.
- Since the pipeline passes through Afghanistan, it will earn some revenue too in the name of transit fees.
- This project could easily supply a quarter of Pakistan's gas needs.
- It will also reopen a historic route that reconnects South Asia to Central Asia, in the way it was before the British Empire sealed it off.

### Challenges before the project:

**Security issues:** The TAPI project crosses Afghanistan and Pakistan, the former deeply unstable and of uncertain future, the latter plagued by terrorist incidents and infested with militant groups that may find a gas pipeline easy

pickings. Ensuring the security of those involved in the construction of the pipeline and then extending that security along its length once operational is going to be a challenge for all the signatories.

**Maintenance:** After its completion, maintenance in the presence of terrorist elements in Afghanistan and in the restive areas of Pakistan will also be a challenge.

**India- Pakistan tensions:** Another critical issue is the fraught relations of Pakistan with India and Afghanistan.

Way ahead:

The project, given its numerous challenges, would require a great deal of political sagacity from all sides. It will also entail constant interaction between all stakeholders to resolve tactical-level impediments during the construction and operationalisation phase. At the moment none of this seems to be working. The project's two largest stakeholders — India and Pakistan — have for the better part of the past year refrained from engaging in dialogue. It looks difficult for India to carry forward dialogue on projects of a commercial nature with Pakistan in the absence of any forward movement at the political level.

Conclusion:

Countries like India, Pakistan and Afghanistan are facing a severe energy crisis and badly need such a resource to give an impetus to their ailing economies. It is important for these countries to increase cooperation and take decisive action against the terrorists who are the main hurdle to any peace and development process. If utilized properly, the gas reserves can change the destiny of the people of these countries. It is a win-win situation for all stakeholder states and they must make up for lost time to explore this channel of prosperity.

## 17/08 : 'Why can't the government provide a higher income for farmers?'

**Background:**

The introduction of **high-yielding varieties of seeds after 1965** and the increased use of fertilizers and irrigation are known collectively as the **Green Revolution**, which provided the increase in production needed to make India self-sufficient in food grains, thus **improving agriculture in India**. Famines in India, once accepted as inevitable, have not returned since the introduction of Green Revolution crops.

The term "Green Revolution" is a general one that is applied to successful agricultural experiments in many Third World countries. It is not specific to India. But it was most successful in India.

**Punjab** was selected by the Indian government to be the first site to try the new crops of **Wheat from International Maize and Wheat Improvement Centre (CIMMYT), Mexico** because of its reliable water supply and a history of agricultural success. India soon adopted IR8 — a semi-dwarf rice variety developed by the **International Rice Research Institute (IRRI), Philippines** that could produce more grains of rice per plant when grown with certain fertilizers and irrigation.

As India marks 50 years of the Green Revolution this year, the architect of the movement, **M.S.Swaminathan, says sustainability is the greatest challenge facing Indian agriculture.**

**What is the greatest challenge of Indian Agriculture Today?**

There are two major challenges before Indian agriculture today:

**Ecological**

- The conservation of our basic agricultural assets such as land, water, and biodiversity is a major challenge.
- How to make agriculture sustainable is the challenge.
- Increasing productivity in perpetuity without ecological harm is the need of the hour.
- In Punjab, and in other Green Revolution States, **the water table** has gone down and become saline.
- The **growing population pressure**

**Economical**

- Need to devise ways to lower the cost of production and **reduce** the risks involved in agriculture such as pests, pathogens, and weeds.
- The expected return in agriculture is adverse to farmers. That's why they are unable to repay loans.

- Addressing the ecological challenge requires more technology while the economics requires more public policy interventions.
- Raise the current MSP

### **What are the ways to improve the incomes of farmers?**

#### **Existing issue:**

All kinds of excuses have been given by governments for not implementing these recommendations like food price inflation. Farm loan waivers are posing a bigger burden on the government exchequer compared to what higher pay for farm produce will incur. At the same time Government has a goal of doubling the farmers income by 2022.

Implementation of Swaminathan Commission Report is important to achieve to improve farmers income.

#### **Recommendation of M.S Swaminathan's Report:**

##### **1. Irrigation:**

- enable farmers to have sustained and equitable access to water
- Increase water supply through rainwater harvesting and recharge of the aquifer. ("Million Wells Recharge" programme)

##### **2. Agricultural Productivity**

- Substantial increase in public investment in agriculture related infrastructure particularly in irrigation, drainage, land development, water conservation, research development and road connectivity.
- A national network of advanced soil testing laboratories with facilities for detection of micronutrient deficiencies.

##### **3. Credit and Insurance**

- Expand the outreach of the formal credit system to reach the really poor and needy.
- Issue Kisan Credit Cards to women farmers, with joint *pattas* as collateral
- Expand crop insurance cover to cover the entire country and all crops, with reduced premiums
- Competitiveness of Farmers:
- Improvement in implementation of Minimum Support Price (MSP). Arrangements for MSP need to be put in place for crops other than paddy and wheat. Also, millets and other nutritious cereals should be permanently included in the PDS.
- MSP should be at least 50% more than the weighted average cost of production.

### **What needs to be done to address the crisis of farmer's suicides?**

In the last few years, a large number of farmers have committed suicide. Cases of suicides have been reported from states such as Andhra Pradesh, Karnataka, Maharashtra, Kerala, Punjab, Rajasthan, Orissa and Madhya Pradesh. The **National Commission on Farmers** has underlined the need to address the farmer suicide problem on a priority basis.

#### **Some of measures suggested include:**

- Provide **affordable health insurance** and **revitalize primary healthcare centres**. The National Rural Health Mission should be **extended to suicide hotspot locations** on priority basis.
- Set up **State level Farmers' Commission** with representation of farmers for ensuring dynamic government response to farmers' problems.
- **Restructure microfinance policies** to serve as Livelihood Finance, i.e. credit coupled with support services in the areas of technology, management and markets.
- Cover all crops by crop insurance with the village and not block as the unit for assessment.
- Provide for a **Social Security net** with provision for old age support and health insurance.
- Promote **aquifer recharge** and rain water conservation. **Decentralise water use planning** and every village should aim at Jal Swaraj with Gram Sabhas serving as Pani Panchayats.

- Ensure **availability of quality seed** and other inputs at affordable costs and at the right time and place.
- Recommend low risk and low cost technologies which can help to provide maximum income to
- Need for focused **Market Intervention Schemes (MIS)** in the case of life-saving crops such as cumin in arid areas. Have a Price Stabilisation Fund in place to protect the farmers from price fluctuations.
- Need **swift action on import duties** to protect farmers from **international price**.
- Set up **Village Knowledge Centres (VKCs)** or Gyan Chaupals in the farmers' distress hotspots. These can provide dynamic and demand driven information on all aspects of agricultural and non-farm livelihoods and also serve as guidance centres.
- Public awareness campaigns to make people identify early signs of suicidal behavior.

### How do we cope with these adverse effects of environmental degradation and loss of biodiversity?

**Evergreen Revolution** to increase in farm productivity but without ecological harm.

This will also include,

- **integrated pest management**
- **integrated nutrient supply**
- **Scientific water management** to avoid the kind of environmental damage witnessed during the Green Revolution
- mandatory rainwater harvesting
- Introduction of **fodder and grain legumes as rotation crops to be adopted** by wheat farmers in States like Punjab to ensure sustainability of farming.
- Government may declare fertile zones capable of sustaining two to three crops as **Special Agricultural Zones**
- Provide unique facilities to farmers here to ensure food security
- **Soil health managers** should be appointed to monitor and ameliorate the soil conditions in degraded zones and rectify defects like salinity, alkalinity, water logging.
- The idea of more crops per drop has been implemented well in **Israel**. We should adopt those practices here.
- **Post-harvest technologies** like threshing, storage, etc. will have to be given greater attention

### Can GM technology help address food security challenges?

There are many methods of plant breeding, of which molecular breeding is one. Genetic modification has both advantages and disadvantages. One has to measure the risks and benefits before arriving at a conclusion.

- First, we need an **efficient regulatory mechanism** for GM in India.
- We need an all-India coordinated research project on GMOs with a bio-safety coordinator.
- We need to devise a way to get the technology's benefit without its associated risks.

Barring the U.S., most countries have reservations about adopting GM technology. **Europe** has **banned** it on grounds of health and environmental safety. **Normal Mendelian breeding itself is sufficient in most cases**. Parliament has already suggested a law based on the Norwegian model where there are considerable restrictions on GMOs.

### What is the scope for organic farming when it comes to addressing food security?

Organic farming can have a good scope only under following conditions.

- Farmers must possess animals for organic manure.
- Farmers must have the capacity to control pests and diseases.
- Farmers should adopt agronomical methods of sowing such as rotation of crops. Even genetic resistance to pests and diseases can help organic farmers.

Adoption of the requisite **crop-livestock integration** by Sri Arobindo Ashram in Puducherry is a good model to follow.

### How do we address the challenges of Climate Change on Indian agriculture?

Both less rainfall and a higher mean temperature affect farming adversely. Currently we are witnessing drought, excess rainfall, sea-level rise.

There are both adaptation and mitigation measures to follow in this regard. Some of the recommendations include

- Setting up a multi-disciplinary monsoon management centre in each drought-affected district, to provide timely information to rural families on the methods of mitigating the effects of drought, and maximising the benefits of good growing conditions whenever the season is normal.
- Animal husbandry camps could be set up to make arrangements for saving cattle and other farm animals because usually animals tend to be neglected during such crises.
- Special provisions could also be made to enable women to manage household food security under conditions of agrarian distress.
- Should start breeding varieties characterised by high per day productivity than just per crop productivity. These will be able to provide higher yields in a shorter duration.

### **Conclusion**

India has done well in production, but not in consumption. What we are witnessing today is Grain Mountains on the one side and hungry millions on the other. The Food Security Act must be implemented properly to address the situation. We should also enlarge the food basket to include nutri-milletts.

## **18/08 : Prime Minister's schedule of foreign visits**

**Prime Minister's schedule of foreign visits has been extremely impressive, and he has managed to inject a degree of dynamism into a system accustomed to a more leisurely pace. Estimating outcomes from these visits is, however, more difficult. One can easily see the contrast in outcomes in his two most recent visits.**

### **1. U.S. tilts towards transactional rather than strategic aspects.**

The U.S. visit was a carefully calibrated one, concentrating mainly on counter-terrorism and the defence security partnership, avoiding contentious trade-related issues.

- The naming of the Hizbul Mujahedeen chief as a "specially designated global terrorist" and a new consultation mechanism on domestic and international terrorist designations listing proposals" were the high points of the counter-terrorism agenda.
- Reiteration of India's position as a major defence partner and confirmation of the sale of the Guardian Unmanned Aerial System to India reflected the deepening security and defence cooperation.
- An oblique reference made in the joint statement to China's Belt and Road Initiative (BRI) and reiteration of support for "freedom of navigation" in the Indo-Pacific.

### **2. De-hyphenating Israel from Palestine**

This being the first ever visit by an Indian Prime Minister to that country, the euphoria of the standalone visit, de-hyphenating Israel from Palestine, was understandable.

It also produced better dividends, including elevation of the India-Israel relationship to the level of a 'strategic partnership'.

The main focus of the visit was on

- Defence cooperation,
- Joint development of defence products and
- Transfer of technology.

Most of the agreements signed related to transfer of technology and innovative technology-related items and India expects to benefit substantially, considering that Israeli export rules are far more flexible than those of the U.S.

Both countries also expressed a strong commitment to combat terror.

The reality, however, is somewhat different.

- The two countries speak of terrorism; they speak of very different things. Iran and Hezbollah are the main targets for Israel, which has little interest in the Afghan Taliban or Pakistan's Lashkar-e-Taiba. For India, it is the latter that matters.

- The euphoria of the visit cannot, however, conceal China's importance for Israel.
- 1. China is a far bigger investor and trading partner of Israel than India.
- 2. On this occasion, India and Israel decided to set up a \$40 million Innovation Fund to allow Indian and Israeli enterprises to develop innovative technologies and products for commercial applications, but it is clearly dwarfed by the Israel-China comprehensive innovation partnership which has an outlay of \$300 million.
- 3. India and Israel also have differences over China's BRI: Israel is eager to participate in it, unlike India, and possibly views this as an opportunity to develop a project parallel to the Suez Canal.

### 3. **An assertive China, a hostile Pakistan**

Two countries where India's diplomacy, despite the impetus given to it, is currently facing heavy odds are China and Pakistan.

- China in Asia is already exercising some of the political and economic leverages that the U.S. previously possessed.
- China has a significant presence in East and Southeast Asia, is steadily enlarging its presence in South Asia, and is also beginning to expand into West Asia.
- For instance, China's influence in Iran today appears to be at an all-time high, whereas India's influence seems to be diminishing.
- India has differences with China over BRI and now standoff at Doklam plateau in Bhutan.

In the case of Pakistan,

The implosion of the state arising from its internal stresses and problems, together with the virtual standoff between India and Pakistan has enabled the Pakistani Deep State to further entrench itself.

- As Pakistan becomes still more deeply mired in problems, its dependence on China is growing.
- This is contributing to a strategic imbalance in the South Asian region.

### 4. **A divided ASEAN**

- A divided ASEAN again has provided China with an opportunity to demonstrate its economic and military muscle.
- Most countries in the region also demonstrate a desire to join China-based initiatives.

South Asia neighbours

Despite India's commanding presence in South Asia, China has been successful in winning quite a few friends among India's neighbours such as Bangladesh, Nepal, Sri Lanka and the Maldives.

### 5. **Russia-China-India triangle – then and now**

It is a moot point whether India and Indian diplomacy can do something to rectify matters in the above context, but for the present it confronts Indian diplomacy with one more serious dilemma.

- Notwithstanding India's efforts, the diplomatic scene vis-à-vis Russia also could be better. Russia is undergoing a strategic resurgence of sorts, sustained in good measure by the close relations recently established with China.
- Buoyed by developments in the Ukraine and Crimea, and the uncertainties surrounding U.S. commitment to NATO, the new Russia-China 'strategic congruence' is certain to impact Asia.

The problem for India and Indian diplomacy is that at this time India-Russia relations appear less robust than at any time in the past half century.

### 6. **India's 'Act East and Look West'**

Policies have given a new dimension to Indian diplomacy in both East and West Asia.

In West Asia:

- Despite its long time presence in the region, a 9-million strong diaspora, and the region being its principal source of oil, India is not a major player today.
- Both Russia and China have overtaken India in the affairs of the region.
- This is particularly true of Iran where the Russia-China-Iran relationship has greatly blossomed, almost marginalising India's influence.

- India's absence from West Asia, even as the region confronts a split down the line between the Arab and the non-Arab world is unfortunate

A series of confrontations between an increasingly powerful Shiite Iran and a weakening Saudi Arabia will impact India adversely and Indian diplomacy's inability to make its presence felt will matter.

The 'Act East' policy has produced better results:

Closer relations with countries in East and South East Asia, especially Japan and Vietnam, are a positive development.

However, in the Asia-Pacific, India has to contend with an increasingly assertive China.

### Conclusion

Our Prime minister's diplomatic styles have changed but it would seem that the substance has altered little. His recent visit to Israel was, no doubt, a resounding success, but Israel was already one of the very few countries which had shown a complete understanding of India's defence and security needs, even ignoring the sanctions imposed on India by some countries. Israel's supply of critical defence items during the Kargil conflict (of 1999) is an excellent example.

### Way Forward

What Indian diplomacy currently needs to do is to find a way to steer amid an assertive China, a hostile Pakistan, an uncertain South Asian and West Asian neighbourhood, and an unstable world. The strategic and security implications of these, individually and severally, need to be carefully validated and pursued. Indian diplomacy may possibly need to display still higher levels of sophistication to overcome the odds.

## 19/08 : 'Cause for caution, not gloom'

### Background:

The much debated Economic Survey II presents a mixed picture of the Indian economy. **It highlights some obvious strengths** but optimism about the medium-term is moderated by a gathering anxiety about near term deflationary impulses.

### How this year's Economic Survey is innovative in more ways than one?

- This is the first time that a second volume is being presented containing a **"backward looking review" and "historical data tables"**,
- It **subsumes the mid-term economic analysis** usually presented in December.
- Some key chapters included in this volume on agriculture, industry, infrastructure should normally have come in Volume I itself. These were displaced by the dominance of more preferred themes like Universal Basic Income, and "India on the Move".

### What are the fundamental changes undergone in the presentation and the format of the Economic Survey?

Over the years both the presentation and the format of the Economic Survey have under gone fundamental changes.

- In general, **the Economic Survey was a document presented on the eve of the Annual Financial Statement.**
- It was, by and large, **an analytical underpinning and precursor of the Budget.**
- There was a **meaningful connection between the Economic Survey and the Budget proposals.**

For some time, **this relationship has ceased**

- The Economic Surveys have come to increasingly reflect the predilections and preferences of its authors.
- This raises the question whether Economic Surveys are designed to trigger intellectual debate and become incubators of nascent ideas.

However, this **Economic Survey has transparency and candour.**

### What are some key Conclusion of Economic Survey?

#### 1. On the growth rate

- While adhering to the forecast in Volume 1 for real GDP **growth of 6.75%-7.5% this year**, it suggests that the balance of risk has shifted to the downward side of the range. This means a **sub-7% rate of growth.**

Just one day prior to the Economic Survey, the Finance Minister presented to Parliament the **Medium-Term Expenditure Framework statement in pursuance of the Fiscal Responsibility and Budget Management Act, 2003**. This was essentially a vertical expansion of the aggregates of expenditure in the fiscal framework presented with the Annual Financial Statement **to provide closer integration between Budget and FRBM Statements**.

- In this statement, some of the subsequent developments both on the revenue and expenditure side like the Goods and Services Tax (GST) and the Seventh Pay Commission have also been factored.
- This framework assumes that nominal GDP growth for the current (2017-18) and subsequent two years would be 11.75%, 12.3% and 12.3%, respectively. Assuming inflation to be in the acceptable range of about 4%, the expected growth would be **7% plus**.
- The **savings and investment ratio has declined in recent years**.
- To sustain the projected rates of growth, the **savings-investment ratio would need to be increased**, which is contingent on
  - continuation of structural reforms,
  - reducing public dissavings through privatisations such as Air India
  - Other measures to boost savings to earlier high figures in the mid-thirties.
- The demand boost inevitably comes from domestic consumption which accounted for about 96% of GDP growth in FY 2017. This is likely to continue.

The projections also implicitly accept the **fiscal deficit of 3.2%** in the current year and 3% for the subsequent two years.

## 2. Inflation targets

- The Economic Survey seeks to demonstrate that for sustained 14 quarters the actual inflation (WPI-CPI) has undershot the projections made by the Reserve Bank (RBI).
- It argues that India has moved to a low inflation trajectory, given **supply-side elasticity in agriculture and long-term softening of global oil prices** due to alternatives such as shale and increasing competitiveness of renewable fuels, particularly solar.
- Significant moderation in **CPI headlines inflation during** the last three years. CPI inflation fell to a series low of 1.5 per cent in June 2017 which is running well below the 4% target.

On monetary policy, the central bankers have all over made calculations (based on conservative assumptions) and undershot inflation targets. It is equally ironic that the data in the last two days suggest that

- both the consumer price index (CPI) and the whole-sale price index (WPI) have risen quickly in July primarily led by food inflation and
- The housing index reflecting the 7th Pay Commission recommendations, and so did the core index.
- Analysts now expect the underlying inflation to rest at the 4%

At any rate, monetary policy cannot be on a roller-coaster ride. Prudence would prompt

- adherence to the analysis of the Monetary Policy Committee and
- Judgment on interest rate calibration.
- Besides, multiplier benefits from low interest rate regimes are contingent on deeper structural reforms.

## 3. Exchange rate

Among the major economies running current account deficit, **India is the second largest foreign exchange reserve holder after Brazil** with reserves at US\$ 386.4 billion as on 7th July, 2017.

The average monthly exchange rate of the rupee against the US dollar after depreciating continuously from November 2016 to January 2017, has appreciated continuously from February to June 2017, while in the case of the Pound sterling, Euro and Japanese yen there have been monthly variations. **The rupee performed better than many other EME-currencies in 2016-17**.

- **Real effective interest rates have appreciated significantly**. Real effective exchange rate (REER) against a basket of 6 and 36 currencies, it appreciated by 2.7 per cent and 2.2 per cent, respectively in 2016-17.

**What is REER?**

The **real effective exchange rate (REER)** is the weighted average of a country's currency relative to an **index or basket of other major currencies, adjusted for the effects of inflation**. The weights are determined by **comparing the relative trade balance** of a country's currency against each country within the index. **This exchange rate is used to determine an individual country's currency value relative to the other major currencies** in the index, such as the U.S. dollar, Japanese yen and the euro.

- The RBI has the unenviable challenge of managing significant inward capital flows with exchange rates which do not penalise domestic industry through a premium on cheaper imports.
- However, export competitiveness needs interventions which go beyond dependence on the exchange rate by way of **improved logistics, infrastructure** and altering the mix of commodities and destinations to meet new demand preferences.

**4. Fiscal tightening by States**

**Fiscal tightening by States** due to

- Ujwal DISCOM Assurance Yojana (UDAY),
- farm loan waivers,
- declining profitability of some key sectors like power and telecom,
- the shadow of unresolved twin balance sheet problems and
- Transitional issues of the GST are contributory to deflationary pressures.

**Farm loan waivers**, by reducing the indebtedness of farmers, **enhance their income** with a positive impact on consumption and demand. The quantum of actual farm loan waivers inevitably turns out to be somewhat smaller than the initial estimate; but more importantly, their impact on State finances is spread over a typical three-year cycle.

Equally, **UDAY is designed to clean up the balance sheets of electricity boards** in the short run and is expected to improve management of electricity boards.

- Appropriate action on tariff fixation,
- regular billing cycles,
- Monitoring timely collection by distribution companies is an integral part of the UDAY package.

This would also benefit States' finances.

- In a complex federal polity, States in financial distress may need hand-holding.
- Cooperative federalism entails amelioration of the transient financial distress experienced by States.
- While these issues would need to be holistically addressed by the 15th Finance Commission, their recommendations are two years away.
- Short-term State-specific measures would need to be innovatively conceived.
  - The recent initiatives to improve the fertilizer mix **through extensive soil-testing** along with the **Pradhan Mantri Fasal Bima Yojana** will prove beneficial to stabilise farm incomes.
  - **better market linkages** for producers to prolong the shelf life of perishable commodities,
  - **Improving the sale of commodities** deserve priority action.

**Way Forward**

The Economic Survey II **cautions policymakers of a possible deflationary cycle**.

- Faster resolution of the twin balance sheets is critical to rekindling private investment.
- Equally, accelerating the pace of agricultural reforms, targeted capital expenditure, improving ease of doing business and the multiple infrastructure initiatives, particularly in roads and power, are integral to any coherent action.
- Similarly, stressed sectors like telecom and power need speedier resolution.

## Conclusion

**Macroeconomic stability has been a hard-won battle.** The centrepiece lies in **continued fiscal rectitude and inflation targeting.** No doubt, **macroeconomic stability must also spur growth** and the two objectives need constant recalibration. These lurking dangers and the cautionary note of the Economic Survey II are a valuable contribution.

## 20/08 : Getting Charged up

### Background:

Union Minister of State with Independent Charge for Power, Coal, New & Renewable Energy and Mines, recently announced that only electric vehicles (EVs) will be sold in India from 2030. But the current National Electric Mobility Mission Plan (NEMMP) has set a sales target of only 5-7 million EVs and hybrid electric vehicles annually by 2020. On the other hand, the Indian automobile market, which includes two-, three- and four-wheelers, is expected to clock an annual sales figure of around 23 million by 2030. Replacing these with EVs would require a significant push as far as vehicle-charging infrastructure and batteries are concerned.

### What is National Electric Mobility Mission Plan (NEMMP)?

The principal end **objectives** of the National Mission for Electric Mobility (NMEM) are

- National energy security,
- mitigation of the adverse impact of vehicles on the environment and
- Growth of domestic manufacturing capabilities.

The NEMMP 2020 is the mission document for the NMEM.

- The plan lays the targets and provides the joint Government – industry vision for realizing the huge potential that exists for full range of efficient and environmentally friendly electric vehicle (including hybrids) technologies by 2020.
- The NEMMP 2020 is a well-researched document and relies on in-depth primary data based study conducted jointly by the Government and the Industry.

### What is the opportunity for the domestic manufacturing industry and job creation?

The transition to Electric Vehicles would require a battery capacity of about 400 GWh (gigawatt hours) each year, equivalent to increasing the current global EV battery production by a factor of five, just to cater to the Indian EV market.

This gigantic demand for batteries is an ideal opportunity for the domestic manufacturing industry and job creation. However, **India has missed many such opportunities** to be integrated in the global value chain for solar cells and wafers and electronics manufacturing **due to a lack of suitable policy support.** This has led to an **ever-increasing import bill** for electronics products, currently the highest after oil and gold. **The annual EV battery market is expected to be around \$30-55 billion** and India cannot afford to fulfil the demand solely through imports.

### The resource endowment of minerals used for Lithium batteries:

Among different battery technologies available in the market, variants of lithium-ion batteries such as lithium-titanate, lithium-cobalt, and lithium-sulphure predominantly used in electric vehicles.

- Manufacturing lithium-ion batteries would require critical minerals such as cobalt, graphite, lithium and phosphate. Among them, lithium is of particular importance.
- Today it is primarily used in pharmaceuticals, ceramics and glass, metallurgy and lubrication industry, though in much smaller quantities.
- The resource endowment is limited to only nine countries and 95% of global lithium production comes from Argentina, Australia, Chile and China.

### NATIONAL ELECTRICAL MOBILITY MISSION PLAN (NEMMP) 2020

- **Boost Domestic manufacturing capabilities for EV's**
- **Mitigate adverse environmental impact from road transport**
- **Reduce noise and air pollution**
- **9<sup>th</sup> Jan 2013 – launched**
- **Goal is to produce 6 to 7 Million units of new electric vehicles**

Society of Manufactures of EV's



**Entire mineral supply chain to be overhauled in India:**

- The recent demand surge in the electric mobility market has already resulted in a twofold increase in lithium prices from \$4,390 per tonne (in 2013) to \$9,100 per tonne currently.
- It is estimated by the CEEW that India would require about 40,000 tonnes of lithium to manufacture EV batteries in 2030, considerably higher than the current annual global lithium production of 32,000 tonnes.
- To meet India's demands amid a global surge in electric vehicle demand, the entire mineral supply chain needs to be overhauled and expanded.

**China and U.S. in the lead:**

China and the U.S., which have ambitious electric mobility targets, are way ahead in the race to secure lithium supplies.

**China,**

- With the **second largest reserves of lithium**, is making strategic moves to control the majority of international lithium mining assets.
- **China's Tianqi Lithium** holds a majority share in the expansion of the Talison Lithium plant in **Australia**, which would make it the single largest producer of lithium globally upon completion.
- Also, its equity investors are **planning to buy stakes in Chile's** lithium mining companies.

**USA,**

- **S.-based** lithium mining companies have already secured mines in **Chile** and also hold significant shares in several upcoming mining projects in **Australia**.
- **Tesla**, which plans to manufacture **half a million EVs** annually by 2020, is investing in R&D to reduce supply risks.
- It has partnered with Pure Energy Minerals to extract high-purity metal from Nevada, using **radically different and cost-efficient production technology**.

**What is the imperative on India in the present trend lead by USA and China?**

Global investment trends suggest that China and the U.S. will control a large share of the lithium production capacity. **In order to avoid a scenario like the one that played during the oil crises of the 1970s and the price shocks of 1980s and 2000s,**

- It is imperative that **India secure mineral supplies for its domestic industry** by acquisition of overseas assets such as mineral reserves and the associated production.
- India has long-term trade relations with lithium-producing countries in Latin America through preferential trade agreements (PTAs). A recent extension of the **PTA with Chile** provides India **some tariff concessions for lithium carbonate imports**.
- India needs to further **diversify the supply risk** by including lithium in existing PTAs or establishing new PTAs with other lithium-producing countries.

However, the move will only enable and not ensure risk-free mineral supplies to India.

**What is the need of the Hour in India?**a) **Research and development**

- India must focus on creating a **vibrant battery research and development** ecosystem domestically.
- Currently, the domestic battery market is largely **dominated by lead-acid battery**
- Research should focus on **developing alternative technologies containing minerals with low supply risks**.

b) **Battery recycling**

- Battery recycling techniques need to be developed to recover associated minerals and materials.
- Recycling lithium batteries present in the waste stream will **significantly reduce the burden** in procuring fresh resources.

### c) Policy Formulation

- There is a need to formulate policies **incentivising domestic public and private** mining companies to invest in overseas lithium mining assets.

### Conclusion

'Fuel security' is a key driver in the push for electric vehicles. However, given India's limited hold on critical lithium reserves and concentration of production in the hands of a few, fuel security concerns could still be the same with 'white gold' lithium, replacing 'black gold'. Policies **that incentivise domestic manufacturing, address the need for virgin resources and recycling of used batteries, while constantly pushing R&D for substitutes and alternatives are vital to secure electric mobility.**

## 21/08 : Safeguarding the interests of farmers

### Background:

Transformational changes are taking place in India currently, improving the way we live. These changes are impacting all our lives in small or significant ways. It is gratifying to know that the citizens at large are happy with these changes. **The technology and policy are working together to remove discretion and opaqueness.**

The on-going discourse on the Public Distribution System (PDS), the procurement of grains/pulses from farmers, public storage in Food Corporation of India godowns, commitments made in the World Trade Organisation (WTO), Direct Benefit Transfer, etc. is interesting. It is also necessary to infuse facts into the discourse.

### What is the effect on the State exchequer on account of subsidy given under NFSA?

- Since the central issue price under the NFSA is much lower compared to the erstwhile Targeted Public Distribution System (for instance, in case of Tamil Nadu state) the burden on the State government has come down.
- On implementing the NFSA, the savings for the State exchequer on account of this subsidy, thanks to the **lower central issue price.**

### NFSA

The National Food Security Act, 2013 (also Right to Food Act) is an Act of the Parliament of India which aims to provide subsidized food grains to approximately two thirds of India's 1.2 billion people.

- The National Food Security Act, 2013 (NFSA 2013) converts into legal entitlements for existing food security programmes of the Government of India.
- It includes the Midday Meal Scheme, Integrated Child Development Services scheme and the Public Distribution System.
- Further, the NFSA 2013 recognizes maternity entitlements.
- The Midday Meal Scheme and the Integrated Child Development Services Scheme are universal in nature whereas the PDS will reach about two-thirds of the population (75% in rural areas and 50% in urban areas).
- Under the provisions of the bill, beneficiaries of the Public Distribution System are entitled to 5 kilograms per person per month of cereals at the following prices:
  - Rice at ₹3 per kg
  - Wheat at ₹2 per kg
  - Coarse grains (millet) at ₹1 per kg.
- Pregnant women, lactating mothers, and certain categories of children are eligible for daily free cereals.

### MSP vs Central issue price

Minimum Support Price (MSP) is the **price at which central government procures the food grains from farmers.** Central Issue Price (CIP) is the **price at which government makes these food grains available to states.** The states fix retail price to be charged at fair price shops.

- Procurement, storage, transportation of food grains. Procurement is done at Minimum Support Prices.

- Bulk allocation of food grains to the State Governments, which in turn deliver the same to recipients. This is done at Central Issue Price (CIP)

### **How can Trade Facilitation Agreement be seen about facilitating and bringing trade transparency?**

The Trade Facilitation Agreement was agreed on in 2013 in Bali and came into force from February 2017 after two-thirds of the WTO's 164 members ratified it.

- Several trade-related issues such as transparency, **predictability and efficiency at the ports, faster clearance procedures**, and improved appeal rights for traders are to be addressed by countries.
- They shall notify various provisions to bring in the facilitation, over three years or more.
- Only the basic set of provisions will be implemented within one year.
- The Trade Facilitation Agreement **allows for consultations before any new trade rules** are notified.
- A WTO study indicated that when the Trade Facilitation Agreement is fully implemented, **trade costs for member countries will decrease by an average of 14.3%**.
- It is also estimated that the time taken to export and import will come down drastically.
- **Budgetary allocations** are made for bringing in single-window clearance and improving customs clearance at the ports.
- A high-level committee chaired by the **Cabinet Secretary will monitor logistics and efficiency** at ports and related issues.

Thus, it can be seen that the Trade Facilitation Agreement is not about market access but inter alia about facilitating and bringing trade transparency.

### **What is the unresolved Public Stock Holding issue at the WTO?**

The Public Stock Holding issue remains unresolved at the WTO.

- **Although agreed on in Bali in 2013 and reiterated in Nairobi in 2015, that a permanent solution for Public Stock Holding be found by 2017, it is still a 'work-in-progress'.**
- The existing WTO rules would have allowed a legal challenge to our Public Stock Holding and minimum support price-based procurement programme in case we breached 'the limit' on procurement.
- 'The **limit**' is defined as **10% of the value of production** of the particular grain being procured.
- WTO rules classify procurement and holding of public stocks for food security purposes as '**Green Box**' or non-trade distorting.

### **What is considered as trade-distorting under WTO rules and how Peace clause will give immunity?**

- If food grains for the public stocks are procured through an administered price/minimum support price and if this minimum support price is higher than the archaic fixed reference price (calculated on base period 1986-88), then it is considered as trade-distorting agriculture support.
- Such trade-distorting support should be within '**the limit**', which is **10% of the value of production of the particular grain being procured**. This is also called as Peace clause.
- One of the first things that this government did in 2014 was to intensely engage with the WTO to obtain a 'peace clause' so that even if we did breach 'the limit', no one shall challenge our programme **till such a time a permanent solution is found**, agreed on, and adopted by the WTO membership.

By November 2014 we obtained an **open-ended peace clause from the General Council of the WTO**, which was later **reaffirmed at the Nairobi Ministerial** and **safeguarded the interests of the farmer** and ensured that India's sovereign right to protect them is not diluted.

### **Conclusion:**

Providing food to the poor or targeted groups at subsidised prices is fully WTO-compatible. This does not figure at all in the WTO calculations. We have not undertaken any commitment in the WTO for any kind of limit on the food supplied under the NFSA.

An informed discourse based on facts is welcome and such a discourse shall strengthen public policy.

## 22/08 : Rebooting India-Nepal ties

### Introduction:

Nepal shares long and enduring cultural and political ties with India. It shares more than 1800 km of open border with five Indian states. In the modern times, after Independence of India, India and Nepal have signed Peace and Friendship Treaty in 1950.

According to the treaty Nepali citizens enjoy national treatment and Nepali businesses have unhindered rights of trade, transit and movement in India. An estimated eight million Nepali citizens live and work in India and contribute to their inward remittances. It shows the deep ties between India and Nepal, but in recent times it has been affected due to various reasons.

### Background:

Nepal is run by a revolving door of political leaders who have weakened the polity and economy over the years, but who did battle the odds to promulgate a new Constitution.

With global geopolitics on the boil, and the **Hindi-Chini relationship in free fall, it should be in India's interest to secure its own neighbourhood**, and that can only be through **letting national politics and governance of the smaller neighbours evolve without interference**.

New Delhi must use the visit of Nepal's newly anointed Prime Minister, on Wednesday **as an opportunity to hit the reset button on Nepal-India relations**. Such a rebooting requires a cold and hard look at how Nepal was handled over the past decade, exemplified by the impediments placed in the writing, adoption and implementation of the Constitution.

### Loss of Confidence between South Asia's oldest nation-state and its largest democracy

- India played a valued role in **ending the Maoist insurgency in 2006**, but the period thereafter was marked by escalating micro-meddling in Nepal's internal affairs. All mainstream political parties in Nepal raised question on India's commitment to facilitating the process of writing a new constitution in Nepal, despite the fact that India had played a crucial role in ensuring the success of Nepal's democracy movement
- In **Constitution-writing**, there were attempts to define the **new provincial boundaries according to Indian dictates** — pushing first an unwieldy and unworkable plains-only province, then a two-province formula. India has raised its reservation over newly passed Nepali constitution and **criticised it for not addressing concerns of Madhesis** and other marginalised section.
- The presence of India's heavy hand contributed in numerous ways to the distortion of consensual governance needed in transitional times.
- **India criticised Nepal's human rights record at the UN Human Rights Council in Geneva**, especially in dealing with the **Madhesi agitation**. India also demanded legal action against those guilty of human rights violations during the years of insurgency in Nepal.
- A year ago, Indian interlocutors pushed the Nepali Congress to renege on its promise to continue in coalition with the mainstream left Communist Party of Nepal (Unified Marxist-Leninist), and engineered what is the implausible current embrace of the Congress with the Maoist party.
- After devastating earthquake in Nepal, the **blockade by Madhesis has halted oil and other essential supplies**, which **created another humanitarian crisis in Nepal**. Nepal government blames India for this blockade.

In recent times Nepal is getting closer to China, is also one of the important reason for current problems. The **Great Blockade forced the Kathmandu political leadership to reach out to Beijing** and sign a slew of trade, transit and infrastructural agreements with it. Few know that Nepal is today better connected by air to Chinese cities than to India.

### The numerous other matters that need concentration and resolution:

#### a) Open Border

- An important issue is the **open border** itself, which is a **unique joint heritage of the two countries**.
- While it is Nepal's Left that has traditionally demanded restrictions on the border, **the call now rises from the Indian security establishment**.

b) Issue of inundation of plains in Nepal

- The Nepal plains are suffering from massive floods that have also affected downstream areas across the border.
- Besides the spread of settlements, a prime cause for the severity is that the **Chure (Shivalik) hills have been gouged of rocks to build elevated roads** and levees just south of the border, **leading to inundation in Nepal**.
- A permanent bilateral mechanism is required to save the plains population of Nepal from suffering.

c) Issue of Kosi Barrage

- The **Kosi Barrage** and attendant embankments have the possibility of wreaking havoc **because siltation of six decades** has raised the riverbed within the levees far above the outlying tracts.
- The easy answer for the Indian politician is **to demand a high dam in the hills of Nepal** even as alternatives are not studied, such as redistribution of waters into various older channels of the Kosi in Bihar.

d) Import of electricity from Nepal

- Nepal has since long planned to **sell electricity to India** once it has a hydropower surplus, and the completion of the much-delayed **Dhalkebar-Muzaffarpur transmission line** was supposed to facilitate that.
- But along comes an **Indian government directive that it will not allow import of electricity other than from power companies with more than 51% Indian equity**.

e) Arbitrary blockages at border points

- The arbitrary blockages and go-slow at Indian Customs at border points, the selective use of quarantine for the export of Nepali agricultural produce, the increasing high-handedness of the Sashastra Seema Bal (India's frontier force in this sector) in dealing with Nepalis crossing over — are some of the challenges on the bilateral plane.

f) Other issues

- Kathmandu prefers **not to discuss the fact that the Nepali rupee is pegged to the Indian rupee** and what it means for the long run.
- The **rights of migrant** Indian labour in Nepal and Nepali labour in India is a topic that rarely comes up.
- There are **border disputes** pending between the two countries — **at Susta, Kalapani and the 'tri-junction' of Lipulekh**

Conclusion:

Due to domestic political instability more than anything else, over the years Kathmandu lost its confidence in dealing with the Dilli Durbar. With the self-assurance that comes from Nepal moving towards normalcy under its new Constitution, and with India seemingly changing gears on its Nepal policy, one hopes for a threshold of maturity in relations between South Asia's oldest nation-state and its largest democracy.

**23/08 : Undoing injustice: On instant triple talaq verdict**Background:

The egregious practice that many Muslim men employ to divorce their wives instantaneously and without their consent, merely by uttering the word talaq thrice, was rendered legally invalid by the **Shamim Ara vs State of UP judgment of 2002** and **subsequent orders from various High Courts**. But this has not stopped the practice; many Muslim women are unaware of the judgments or have had to accept such pronouncements owing to pressure from conservative sections.

Many women have undergone severe trauma after being thrown out of their homes. **Shayara Bano**, one such victim of this arbitrary custom — not to speak of years of domestic violence — **has filed public interest litigation in the Supreme Court** seeking a ban on the practice. The conservative All India Muslim Personal Law Board that seeks to wield influence on questions of Muslim personal law has found it an occasion to air its regressive views on the issue.

Introduction:

By declaring the discriminatory practice of **instant triple talaq as unconstitutional**, the Supreme Court has sent out a clear message that **personal law can no longer be privileged over fundamental rights**. Three of the five judges on the

Constitution Bench have not accepted the argument that instant talaq, or *talaq-e-biddat*, is essential to Islam and, therefore, deserves constitutional protection under Article 25.

### Suo motu public interest litigation

The issue was whether talaq-e-biddat was violative of the fundamental and human rights of gender equality and dignity of Muslim women.

On October 16, 2015, the Supreme Court questioned if Muslim personal law practices of marriage and divorce reduce women to mere chattels. In a rare move, it registered a suo motu public interest litigation (PIL) petition titled 'In Re: Muslim Women's Quest for Equality' to examine if arbitrary divorce, polygamy and nikah halala (where a Muslim divorcee marries a man, divorces him to get re-married to her former husband) violate women's dignity.

The court ruled missing the opportunity to address the question of gender inequality in both the **Shah Bano and Danial Latifi cases**. In the Shah Bano case, the court merely goaded the government to frame a Uniform Civil Code. In the Latifi case, it upheld the right of Muslim women to maintenance till re-marriage.

For the first time, Muslim women and organisations joined forces with the court's initiative. However the Constitution Bench decided to confine itself to examining triple talaq and not polygamy and *nikah halala*. The arguments later narrowed to instant talaq or *talaq-e-biddat*.

### Three forms of talaq

There are three forms of talaq — **Ahsan, Hasan and Talaq-e-Biddat** (triple or instant talaq). **Ahsan and Hasan are revocable. Biddat — pronouncing divorces in one go by the husband — is irrevocable.** Biddat is considered 'sinful' but permissible in Islamic law. The All India Muslim Personal Law Board (AIMPLB) holds that for the Hanafis, who make more than 90% Sunnis in India, triple talaq is a matter of faith followed for 1,400 years.

### Supreme Court sets aside instant 'talaq'

In a majority 3:2 judgment, a five-judge Bench of the Supreme Court set aside 'talaq-e-biddat' — instant and irrevocable 'talaq' — as a "manifestly arbitrary" practice





While Chief Justice J S Khehar and Justice S Abdul Nazeer were in favour of putting on **hold for six months** the practice of triple talaq and **asking the government to come out with a law** in this regard, Justices Kurian Joseph, R F Nariman and U U Lalit held it as violative of the Constitution.

Justices Kurian Joseph and Rohinton Fali Nariman gave separate judgments against the validity of instant talaq, and Justice U.U. Lalit has supported Justice Nariman's judgment. This makes up the triumvirate of judges who ruled against instant talaq.

Chief Justice J.S. Khehar, who led the Bench, held that *talaq-e-biddat* is an integral part of Article 25 (freedom of religion). He said it had been followed for over 1,400 years by the Hanafis and become a part of religious practice. He held that instant talaq does not violate Articles 14, 19 and 21 of the Constitution, and **passed it on to the legislature within six months to decide a law.**

#### (a) 'Instant talaq can be done away through legislation'

- Chief Justice Khehar observed that talaq-e-biddat was widely accepted by Sunnis. He rejected the contention that talaq-e-biddat ceases to be personal law and has attained statutory status under the Shariat Act of 1937.
- The practice [biddat] cannot be set aside on the violation of constitutional morality through a judicial order any change in *talaq-e-biddat* can be done by way of legislation.
- The fact that international law and theocratic countries have dropped *talaq-e-biddat* do not matter as *biddat* is a part of personal law in India and come under the protection of Article 25.

MAJORITY VIEW	
<p> No constitutional protection under Article 25 can be provided to talaq-e-biddat, which is against the tenets of Holy Quran. What is bad in theology is bad in law as well</p> <p>JUSTICE KURIAN JOSEPH</p>	<p> Hanafi jurisprudence finds talaq-e-biddat (instant divorce) permissible, but the very jurisprudence castigates it as sinful. Hence, it is not constitutionally protected under Article 25.. Talaq-e-biddat is manifestly arbitrary as it allows a Muslim man to capriciously and whimsically break marital tie without any attempt at reconciliation</p> <p>JUSTICE ROHINTON F. NARIMAN AND UDAY UMESH LALIT</p>
MINORITY VIEW	
<p> Merely because instant divorce is not expressly provided for or approved by the Quran, it cannot be a valid justification for settling aside the practice. It has been in vogue for roughly over 1,400 years</p> <p>CJI J.S. KHEHAR AND JUSTICE J. S. ABDUL NAZEER</p>	<p> It is an integral part of Islam as 90% Indian Muslims practise it. It is part of personal law and is constitutionally protected as a fundamental right under Article 25 (freedom of religion)</p>

**(b) “Manifestly arbitrary”**

The main ground on which the practice has been struck down is a simple formulation: that “this form of talaq is manifestly arbitrary in the sense that the marital tie can be broken capriciously and whimsically by a Muslim man without any attempt at reconciliation so as to save it.

- Justice Nariman said triple *talaq* in all its three forms — *talaq-e-biddat*, *talaq ahsan* and *talaq hasan* — was “recognised and enforced” under Section 2 of the Shariat Act of 1937.
- **Since the Shariat Act had recognised triple *talaq*, it was no longer a personal law to remain free of the fetters of the fundamental rights rigour but a statutory law which comes under the ambit of Article 13(1) of the Constitution.**
- **Article 13 defines ‘law’ and says that all laws, framed before or after the Constitution, shall not be violative of the fundamental rights.**
- *He said talaq-e-biddat* allowed a Muslim man to “whimsically and capriciously” divorce his wife. The practice is “manifestly arbitrary” and does not enjoy the protection of Article 25.

**(c) Against the tenets of Quran**

- In his judgment, Justice Kurian held that **instant *talaq* was against the tenets of Quran**

Justice Kurian differed with Chief Justice Khehar that just because a practice has been around for 1,400 years does not make it eligible for protection under Article 25.

- He also differed with the Chief Justice that triple *talaq* as a personal law is integral to religious belief. He said **the practice should not violate public health, morality and order.**
- “What is banned in Quran cannot be good in Shariat. What is banned in theology cannot be good in law,” he observed.

**Conclusion**

Supreme Court’s judgment is a victory for all who believed personal laws must also be progressive and complainant with constitutional guarantees. One cannot deprive anyone from justice for long. This is a milestone for women empowerment. The court did not even have to elaborate on how triple talaq violates gender equality. Justice Nariman says that having held the practice to be arbitrary, there is really no need to go into the element of discrimination. The court deserves commendation for undoing the gender injustice implicit in the practice so effortlessly, within constitutional parameters as well as the Islamic canon.

**24/08 : A BIT of critique****Background:**

Justice Dispensing System in India has come under great stress for various reasons including **huge pendency of cases in various courts**. The **injustice is particularly egregious in commercial disputes**, where cases remain pending for years. Accordingly, **arbitration provides an effective and efficient alternative window for dispute resolution**.

The Government of India has laid emphasis on making Arbitration a preferred mode for settlement of commercial disputes. Several legislative and administrative initiatives have been taken on arbitration which **aim at minimizing court intervention, bring down costs, fix timelines for expeditious disposal**, and ensure neutrality of arbitrator and enforcement of awards. The **Arbitration and Conciliation (Amendment) Act, 2015** envisages

- quick enforcement of contracts,
- easy recovery of monetary claims,
- reduce the pendency of cases in courts and
- Hasten the process of dispute resolution through arbitration, so as to **encourage foreign investment by projecting India as an investor friendly country** having a sound legal framework and ease of doing business in India.

In order to **ensure speedy resolution of commercial disputes** and to facilitate effective conduct of international and domestic arbitrations rose under various agreements, it has been considered necessary to go into various factors to accelerate arbitration mechanism and strengthen the arbitration ecosystem in the country. It is also important to

examine specific issues and roadmap required to make India a robust centre for international and domestic arbitration. With the above end in view, the Government has **decided to constitute a High Level Committee (HLC) in the Ministry of Law and Justice.**

#### **Key recommendations of B.N.SriKrishna report:**

The Committee has divided its Report in three parts.

- **The First part** is devoted to suggest measures to improve the overall quality and performance of arbitral institutions in India and to promote the standing of the country as preferred seat of arbitration. The Committee in this context have inter alia recommended –
  - Setting up an **Autonomous Body, styled the Arbitration Promotion Council of India (APCI)**, having representatives from all stakeholders for **grading arbitral institutions** in India.
  - The APCI may inter alia recognize professional institutes providing for accreditation of arbitrators
  - The APCI may hold training workshops and interact with law firms and law schools to train advocates with interest in arbitration and with a goal to create a specialist arbitration bar comprising of advocates dedicated to the field.
  - Creation of a specialist Arbitration Bench to deal with such Commercial disputes, in the domain of the Courts.
  - Changes have been suggested in various provisions of the 2015 Amendments in the Arbitration and Conciliation Act with a view to make arbitration speedier and more efficacious and incorporate international best practices.
  - The Committee are also of the opinion that the National Litigation Policy (NLP) must

Promote arbitration in Government Contracts.

- The Committee in **Part II** of the Report reviewed the working of **ICADR (International Centre for Alternate Dispute Resolution) working under the aegis of the Ministry of Law and Justice, Department of Legal Affairs.** The Institution was set up with the objective of promoting ADR methods and providing requisite facilities for the same.
  - The Committee has preferred for **declaring the ICADR as an Institution of national importance and takeover of the Institution by a statute.**
  - The Committee is of the view that a revamped ICADR has the potential be a globally competitive institution.
- As regards the role of **arbitrations in matters involving the Union of India**, including **bilateral investment treaties (BIT) arbitrations**, the Committee in **Part III** of the Report has inter alia
  - recommended for creation of the **post of an 'International Law Adviser' (ILA)** who shall **advise the Government and coordinate dispute resolution strategy** for the Government in disputes arising out of its international law obligations, particularly disputes arising out of BITs.
  - The Committee has emphasized **that ILA may be consulted by the Department of Economic Affairs (DEA)**, at the time of negotiating and entering into BITs.

#### **Introduction:**

The recent report of the Justice B.N. Srikrishna committee, constituted to prepare a road map to make India a hub of international arbitration, has recommended many changes in Indian arbitration law and institutional mechanisms to promote arbitration in India. Its recommendations on bilateral investment treaty (BIT) arbitration assume importance as India is currently battling 20-odd BIT disputes. These recommendations are largely on the issue of managing and resolving BIT disputes.

#### **1) Recommendations on Dispute management**

For better management of BIT disputes,

- The committee recommends the creation of an **inter-ministerial committee (IMC)**, with officials from the
  - Ministries of Finance,
  - External Affairs and
  - Law ministry

- It also recommends hiring external lawyers having expertise in BITs to
  - boost the government's legal expertise;
  - creating a designated fund to fight BIT disputes;
  - appointing counsels qualified in BITs to defend India against BIT claims; and
  - Boosting the capacity of Central and State governments to better understand the implications of their policy decisions on India's BIT obligations.
- The most significant recommendation is the creation of the post of an '**international law adviser' (ILA) to advise the government on international legal disputes, particularly BIT disputes**, and who will be responsible for the day-to-day management of BIT arbitration.

#### How will these recommendations amount to duplicating the existing arrangement?

The intent of augmenting the government's expertise on BITs and designating a single authority to deal with all BIT arbitrations is laudable. However, this recommendation will amount to duplicating the existing arrangement to offer advice on international law, including BITs, to the government.

- **The Legal and Treaties (L&T) division of the External Affairs Ministry** is mandated to offer legal advice to the government on all international law matters including BIT arbitrations.
- Instead of creating a new office — which will only intensify the turf wars between ministries, and deepen red tape — **the L&T division should be strengthened.**
  - This division could be made the designated authority to deal with all BIT arbitrations and thus **act as the coordinator of the proposed IMC.**
  - Furthermore, the **IMC should have a member from the Commerce Ministry as well.** This ministry while dealing with India's trade agreements — that also cover investment protection — works in tandem with the Finance Ministry. Thus it is only prudent that both be a part of an IMC on BIT dispute management.

#### 2) Recommendations on Dispute resolution

In **resolving BIT disputes**, the committee has made some useful interventions such as mentioning the possibility of establishing a BIT appellate mechanism and a **multilateral investment court**. However, its conclusion that the **investor-state dispute settlement (ISDS) mechanism, given in Article 15 of the Indian Model BIT**, provides an effective mechanism for settling BIT disputes between an investor and state **is problematic for the following reasons.**

- **First**, Article 15 requires foreign investors to litigate in domestic courts at least for a period of five years. Such strict limitation periods dilute the effectiveness of the ISDS mechanism.
- **Second, there are many other jurisdictional limitations given in Article 13 that also limit the usefulness of ISDS.**
- **Third**, the ISDS mechanism in the Indian Model BIT covering issues **such as appointment of arbitrators, transparency provisions, enforcement of awards, standard of review**, which have a **bearing on the efficiency** of the ISDS mechanism.

The report is silent on all these critical issues.

#### Conclusion

BIT arbitration has three aspects: **jurisdictional** (such as definition of investment), **substantive** (such as provision on expropriation) and **procedural** (ISDS mechanism). While the commission's mandate was to focus on BIT arbitration, i.e. on all the three parts, strangely, it narrowed it down to just the procedural aspect. The committee's explanation that since issues like expropriation require greater debate, it decided not to make any recommendations on these issues is weak. Despite making some useful suggestions, the committee has squandered a great opportunity to comprehensively push for the recalibration of the Indian BIT regime, which has oscillated from being pro-investor to being pro-state.

## 25/08 : Citizen vs State: On right to privacy verdict

### Background:

Privacy had emerged as a contentious issue while the apex court was hearing a batch of petitions challenging the Centre's move to make Aadhaar mandatory for availing government schemes. In 2015, Attorney General while defending the Aadhaar project that seeks to assign every resident a biometric ID argued that Indians have no right to privacy under the Indian Constitution. This shocked observers and legal experts.

The government's claim would set back the privacy debate by over 50 years. Over decades, the Supreme Court has in its judgements read the right to privacy into the Constitution. The highest court in doing so had recognised that without a right to privacy, the right to liberty and freedom of expression cannot survive. The government's claim threatened our basic rights.

### Introduction:

9 judge bench delivered landmark judgement and unanimously declaring the Right to Privacy is fundamental right under constitution. SC has categorically held that Right to privacy will be protected as intrinsic part of Right to life and personal liberty under Article 21 of constitution of India. Judgement represents quantum leap in the evolution of legal jurisprudence pertaining to privacy in India.



### What is the big deal about Privacy?

Privacy is the basis of the freedom to dissent. With unfettered surveillance, every time you disagree with the state, they can take advantage of the huge imbalance of information between them and you. They can put you under pressure to concede or use information that you did not even know they possessed to embattle you in court. And their story need not be true. The availability of mass data does not automatically reveal the truth. The truth has to be extracted from it. The details of your phone calls, movements, purchases, demographics and social interactions can be used to construct any number of different truths.

### Implications of SC judgement

What matters is not the outcome but its future far reaching implications. It's a big deal overruling 8 bench judge's order. 9 judge bench is a rarity, even more of rarity is 9 judge bench is speaking in one voice unequivocally stating that privacy is fundamental right.

The fact that all the judges unanimously came down on this argument shows how much the government misunderstood the constitutional underpinnings of privacy as a value in it and as an ineluctable facet of human dignity.

The government argued that privacy is "so amorphous as to defy description", that it is needless to call it a fundamental right as it is one in common law, and that it has been given statutory protection in different forms. There was even a suggestion that privacy is an imported value and that it is elitist. All these arguments fell by the wayside.

### Need for elevating it to the status of fundamental right

Privacy can be otherwise protected through codified mechanism through a statute then why do we need as sacrosanct as a constitutional right? The reason that we elevate to the status of fundamental right is take outside the ambit of the legislative majority so that no brutal majority is in a position to overturn the particular right.

Because a statutory right is effectively a creature of a particular statute and therefore it can be curtailed where as a fundamental right is there for all time to come and forms part of basic structure.

### Relevance and Contemporary standpoint:

From relevance and contemporary stand point the fact that privacy is extremely important concern in technology intensive society which aims to become information based society especially at a time when we are pushing for Digital India.

### So this case is not about Aadhaar but it still is?

Right to Privacy was always known or assumed to be a common law right. Occasionally, it was recognised in some verdicts as a fundamental right. In concluding that "the right to be left alone" is an inalienable part of being human,

the court has restated a fundamental principle, namely that some rights are natural and inherent; constitutions only recognise them and make them explicit.

In the interim period of two years of a wait for the Right to Privacy judgement, the Government of India has violated the prior orders of the Court restraining the use and expansion of Aadhaar. It has linked and made Aadhaar mandatory for filing taxes, operating bank accounts, for children's schemes to get school lunches, scholarships, taking exams, stipends for the disabled, causing hardship to ordinary citizens.

So, it became necessary mainly due to a strange and perverse argument by the Union government in the course of the hearings on the validity of its Aadhaar-based unique identity scheme that privacy is not a fundamental right.

### **What implications the ruling would have on state policy and citizens' rights**

What implications the ruling would have on state policy and citizens' rights will be the core issues in future.

- A welcome aspect of the judgment is that it makes it clear that sexual orientation is part of privacy and constitutionally protected, and that the 2014 verdict upholding Section 377 of the Indian Penal Code is to be questioned. This opens up the case for a much-needed reconsideration.
- As for Aadhaar, it is pertinent to note that the judges have referred to the restrictions and limitations that privacy would be subject to.
- The test to decide the validity of any such restriction is that it is reasonable based on fair procedure and free from arbitrariness or selective targeting or profiling.
- It can also be based on compelling state interest. This is where a cautionary note is in order. Courts exercising writ jurisdiction should be cautious about the nature of the relief they grant based on wide and open-ended claims of breach of privacy.
- The verdict has advanced and revived core constitutional principles in an era in which privacy is compromised against state interest. Somehow, privacy as a value finds itself
  - at loggerheads with notions of national security,
  - the needs of a knowledge society and
  - Socio-economic policy.

Hopefully, this judgment will set many such concerns at rest and bring about a more equitable relationship between citizen and state.

### **Conclusion**

The right to privacy broadly encompasses physical privacy, informational privacy and decisional autonomy. The interplay of technological advances and the right to privacy in the digital age needs to be closely scrutinised. The nine-judge bench has rightly emphasised the need for data protection laws — a task now entrusted, at a preliminary stage, to the Justice Srikrishna Committee.

But, irrespective of any technological changes, the respect of the right of individuals to make a choice of how and where they want to live, work and pursue their individual dreams must be protected. Nine judges of the Supreme Court have protected, for decades to come, the most important right emphasized by Justice Brandeis: The right to be left alone.

## **26/08 : Lessons not learnt: On swine flu**

### **Background:**

The infamous "Swine Flu" or the H1N1 Virus that infected 42,592 people in 2015 out of which it claimed the lives of 3,000 people, is back with a bang again. According to a disclosure by Health Minister in the Rajya Sabha at least 600 people had died due to swine flu as of July 9, 2017.

The virus that acts under swine flu is believed to be a variation of the influenza virus, usually showing similar symptoms as influenza like sneezing, cold, fever, headache, nausea, loss of appetite.

### **What is Swine flu?**

A respiratory disease caused by a strain of the influenza type A virus known as H1N1.

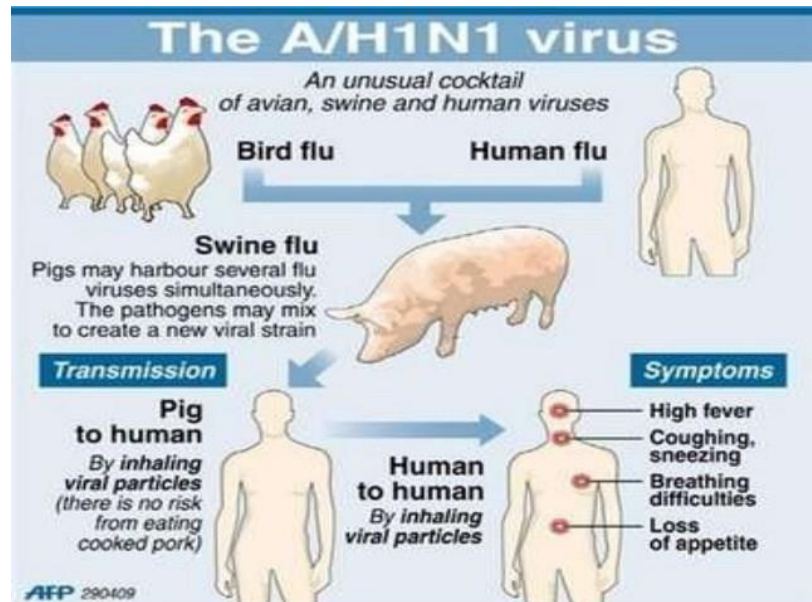
- The illness is originally known to affect pigs. It is known to have spread to humans who came in direct contact with pigs. However, the new virus or the mutated type of virus that has emerged over the years has the ability to affect humans without direct contact with pigs.
- The virus is transmitted from person to person through the same medium as other flu viruses.
- A healthy person may acquire the infection by inhaling droplets expelled by the infected person while coughing or sneezing or by contacting surfaces infected with the virus. The virus is not transmitted directly by eating cooked pork.

#### **Risk Factors:**

Since swine flu can directly be transmitted from one person to another through air droplets, people who fail to follow proper hygiene, **especially in crowded places are at a high risk of contracting the virus.** But, according to observations, there are specific groups of individuals that have been the most affected by the illness.

#### **The group at a high risk includes:**

- Individuals having any other respiratory condition like pneumonia
- Pregnant women
- People suffering from chronic diseases like heart disease and diabetes
- People more than 65 years of age and children younger than 2 years



These risk groups have **been identified based on observation** and doesn't imply that you have swine flu if you have flu like symptoms and belong to any of the above risk groups. But, one should seek necessary medical care if you have flu symptoms.

#### **Why is there an increased caseload and mortality this year compared with last year?**

The number of influenza A (H1N1) virus cases and deaths reported from across India this year has already crossed 19,000 and 900, respectively. These are lower than the 2015 toll of 32,000 cases and 2,000 deaths, **but the revived spread is alarming.** In the last month or so there has been a sharp increase in the number of cases and deaths — over 6,000 and 300.

**Gujarat is the worst-affected, with about 250 deaths recorded** so far: Rajasthan, Punjab and Maharashtra and Delhi too have been badly hit. The number of H1N1 cases in the southern States is also high compared with last year, with Tamil Nadu reporting nearly 3,000 cases about a month ago.

- According to the **Pune-based National Institute of Virology**, the **virus has not undergone any significant mutation** and the **virulence has remained nearly unchanged.**
- It has however undergone point mutations which **resulted in a new strain — the Michigan strain — replacing the California strain** that has been prevalent since the 2009 pandemic.
- While both strains were co-circulating last year, as per surveillance data only the Michigan strain has been circulating this year.
- The increased caseload and mortality this year compared with last year **could be because pre-existing immunity through exposure to the California strain is no longer effective, and people are therefore not immune to the new strain.**
- More research is needed to fully understand the epidemiology of H1N1 caused by the Michigan strain, and who may be more vulnerable.

### Evidence that India has not learnt any lessons from the 2015 H1N1 epidemic

- Despite the high numbers, **there is no system in place to release data periodically** and frequently. Compare this with the regular updates provided by the U.S. Centers for Disease Control and Prevention, especially during an epidemic.
- There has also been a failure on the part of governments **to spread awareness about prevention strategies**.
- **Uptake of influenza vaccination by people**, especially by those belonging to the high-risk category, has been extremely poor, with **only about 10,000-12,000 doses of H1N1 vaccine sold** in the last six months by the Pune-based vaccine manufacturer.
- Since the 2009 pandemic, **H1N1 has become a seasonal flu virus strain** in India even when the temperature soars during the summer months.
- Vaccination of health-care workers and people in high-risk categories is the only way to reduce the toll.
- That guidelines for H1N1 vaccination of people belonging to high-risk categories such as pregnant women, very young and old people and those with certain underlying illnesses were released only last month by the Health Ministry is evidence that India has not learnt any lessons from the 2015 H1N1 epidemic.

### Urgent measures are needed to ramp up preparedness in dealing with epidemics.

#### **Treatment:**

Once the patient is tested positive for swine flu, treatment needs to be **initiated immediately**.

- According to the National Institute of Communicable Disease (NICD), swine flu can be completely treated if it is diagnosed at a very early stage.
- The anti-viral medicines oseltamivir (Tamiflu/Fluvir) and zanamivir (Relenza) are given to diagnosed patients.
- As per NICD, the medicine should be administered within 48 hours of the first symptom. The drugs work by inhibiting the ability of virus to release progeny virus particles.

#### **Prevention:**

Just like other influenza viruses, H1N1 infection can be **prevented by practicing basic hygiene**. Here are some tips to prevent swine flu:

- **Wear a proper surgical mask** during flu season because the number of cases shoots up during the summers and monsoon seasons.
- Always cover your face while coughing or sneezing. Ensure others around you also follow the same practice, especially if they're down with cold.
- Always wash your hands before and after eating and particularly after returning from a public place.
- Remember the virus can also spread through droplets that have settled on surfaces so avoid touching them if you're around a person who has flu like symptoms.
- **Avoid visiting unhygienic places** or using public restrooms.
- If you develop flu like symptoms or even feel sick, stay at home and take enough rest. **Keeping away from others to prevent the spread of the infection.**
- Drinking lots of warm water and fluids wash off the virus into the stomach where they cannot survive.

#### **Way Forward**

- A **range of administrative policies and practices** can be used to minimize influenza exposures before arrival, upon arrival, and throughout the duration of the visit to the healthcare setting.
- Measures include screening and triage of symptomatic patients and implementation of respiratory hygiene and cough etiquette.
- Information could be collected from different surveys and surveillances to:
  - Find out when and where influenza activity is occurring
  - Track influenza-related illness

- Determine what influenza viruses are circulating
- Detect changes in influenza viruses
- Measure the impact influenza is having on hospitalizations and deaths in the United States
- Our Government may follow the **S. influenza surveillance system** which is a collaborative effort between CDC (Centre for Disease Control) and its many partners in state, local, and territorial health departments, public health and clinical laboratories, vital statistics offices, healthcare providers, clinics, and emergency departments.
- Facilitate prompt awareness and characterization of influenza-A viruses with pandemic potential and accelerate the implementation of effective public health responses.

## 27/08 : Thinking outside the manufacturing box

### Background:

‘Champions of Change’ programme was organised by Niti aayog to achieve the vision of “ Make in India”. The Prime Minister along with his Cabinet Ministers and Secretaries interacted with over 200 CEOs seeking their inputs for expediting growth and promoting job creation. The meeting focussed on reviewing the relationship between public and private sectors in the country at present.



The CEOs were expected to come up with short presentations to the Prime Minister on action points which will be incorporated in the **15-Year Vision** Document being prepared by the NITI Aayog.

They will focussed on **six themes** –

- New India by 2022,
- Doubling Farmer’s Incomes,
- Creating Cities of Tomorrow,
- Taking Forward Make in India,
- Reforming Financial sector and
- Building World- Class Infrastructure.

### Introduction:

If we believe India’s economic growth numbers are for real, the economy over the last three years has seen **incredible economic growth and macroeconomic expansion. Trade exports have risen, volume of foreign direct investment has increased, inflation levels have stabilised** and the rupee has strengthened. If we carefully observe some of the key patterns in our employment data, we see the Indian economy perpetuating itself into a long-term phase of joblessness.

In India, growth over the last few decades surfaced from a **service sector-led expansion**, where both employment and wages saw a rise. While service sector-led growth contributed greatly to soaring GDP levels, it **still employs less than 30%** of the total Indian population. The **source of most employment for Indian people still lies in the agriculture sector**, which employs **almost 45%** of the Indian population (with a 15% contribution to GDP).

### The reality of jobless growth

India is doing fairly well on the growth front: the overall economy is growing at 7.1%, while the services sector, which accounts for over 53% of the gross value added, is clocking 9% growth, the highest in the world in the services sector among major economies, according to the Economic Survey. The trouble is, **this is not translating into an adequate number of jobs.**

Even Labour Minister admitted as much recently. He said: “The current growth is a jobless growth. Many European and Asian countries, including India, are facing it. Growth is being reported but it is not reflecting in employment generation.”

- Just 1.35 lakh jobs in three years **according to the Centre for Equity Studies’s India Exclusion Report 2016** — pale in comparison to those being added to the workforce. It is no wonder that the Prime Minister is constantly urging India Inc. to rise to the challenge.

**What the actual problem is:**

In order to be globally competitive, any large-scale manufacturing — in India or elsewhere — **is now increasingly automated**, with more robots than people. The only way to stay competitive is greater investment in technology and automation.

In other words, fewer jobs. What, then, is the solution?

**Creating a circular economy**

Maybe it's time to revisit Mahatma Gandhi's idea of a circular economy.

- Increasingly, the world is coming to an understanding that the **manufacturing-led “take, make, dispose” model is simply unsustainable** from both an economic and ecological point of view.
- As the focus necessarily **shifts to a more circular, “take, make, refurbish, repair, reuse” model**, the manufacturing sector could look at how it can create jobs around the products it makes, rather than find ways to create more jobs making those products.
- Every car makes creates dozens of jobs down the line — from drivers to mechanics to spare parts and fuel shops to even car cleaning. A single mega factory can manufacture all the denim needed for all the jeans worn by young people in the world — but it would still take millions to convert cloth to clothes, to sell them, to repair zips and buttons, and eventually, when they are worn, to recycle them.

**Way forward**

The Government is **banking on the manufacturing sector to solve the jobs problem**.

- The sector can do so, but only if it **thinks out of the manufacturing box**. Maybe that's the real challenge we should be looking at.
- It is time our young CEOs turned their attention to how the products and services they deliver **can create jobs outside the factory** — and come up with innovative solutions and skills programmes to make that happen.
- India may not become the 'making' capital of the world — but it can become the 'remaking' and 'reusing' capital.

## 28/08 : From plate to plough: Tall tales for farmers

**Background:**

In his Independence Day speech, the prime minister referred to farmers 12 times. He talked about several achievements in agriculture — **providing soil health cards to nine crore farmers** and the **enhanced crop insurance scheme**. He also mentioned that 99 projects under the Pradhan Mantri Krishi Sinchayi Yojana will be completed by 2019, FDI in food processing will be encouraged, supply of inputs to farmers will be ensured and they will be assisted in marketing their produce. The PM concluded by saying, **“Together we will build such an India where the farmers can sleep without worry. In 2022, they will earn double of what they earn today”**.

**Introduction:**

It is now evident that the government's aim is to double the real income — recent reports of the **Committee on Doubling Farmers' Income (DFI)** spell out this goal. On April 13, 2016, the government set up a committee under Ashok Dalwai, then additional secretary in the Union ministry of agriculture, to prepare a report on DFI.

**Recommendations of Committee on DFI:**

- The report pertains to three areas —
  - productivity gains,
  - reduction in cost of cultivation, and
  - Remunerative prices.
- Strategic framework has four concerns —
  - sustainable agro-production,
  - monetisation of farmers' produce,
  - re-strengthening extension services, and

- Recognising agriculture as an enterprise.
- The report also uses an econometric model to work out the investment needed in agriculture, irrigation, rural roads, rural energy and rural development **to attain 10.41 per cent annual growth in real incomes for DFI by 2022-23 over the base of 2015-16.**

### **Main issues which are not covered in the Committee on DFI's Report?**

Committee has made a list of hundreds of recommendations, ranging from implementation of the Agriculture Produce and Livestock Marketing, (Promotion and Facilitation) Act to e-NAM to negotiable warehouse system to price deficiency payments to re-organising KVKs and setting up a secretariat for DFI. But the report is silent on few important issues that are to be addressed.

- The farmers' real incomes have increased by **only 3.5 per cent** per annum during 2002-03 to 2012-13. So, **DFI means three times higher effort and resources.** That means a humongous additional investment of about **Rs 6,40,000 crore at 2011-12 prices.** And this does not include investments in agro-logistics, cold chains, etc. Eighty per cent of this investment has to come from the government. The **investments in and for agriculture need to rise by 22 per cent per annum in real terms** if the dream of DFI is to be realised.
- But the report is totally silent on how, and from where, these resources will be generated. **In a climate of loan waivers, subsidies, and welfare programmes that dominate the budget, the likely reality is that investments are going to shrink further.**
- But even if one makes the assumption that this humongous investment will somehow be made, there are several questions that beg for answers.
  - How much will agro-production increase as a result of this investment?
  - Where will that increased production be absorbed?
  - If domestic consumption can't absorb increased outputs, can we export competitively in global markets?

The report does not answer any of these fundamental questions.

### **Does it then mean that DFI will remain a pipe dream by 2022?**

**Not necessarily.** In order to take this dream closer to reality, one may look at the Chinese experience during 1978-84, when the country doubled farmers' real incomes in six years and reduced poverty by half.

- China focused primarily on incentives for farmers by moving from the commune system to the household responsibility system in land, and **ensured higher prices for farmers.**
- **Chinese prices for farmers are way above that in India.** To cite one example, China's MSP for wheat in 2014-15 was \$ 385 per tonne against India's \$ 226 per tonne.

The upshot of this example is that India needs to focus on incentives for farmers.

### **The substantive points involve the following questions:**

- Which is the targeted year for doubling farmer income?
- What is to be doubled — is it output, value added or income earned by farmers from agricultural activities?
- Is it nominal income or real income that has to be doubled?
- Does the targeted income include only income derived from agricultural activities or would it also include income from other sources?

Clarity on all these points is important to assess the possibility of doubling the income of farmers as envisioned by the PM.

- It is important to point out that what is **sought to be doubled is the income of farmers**, not output or value added or the GDP of the agriculture sector. If technology, input prices, wages and labour use could result in per-unit cost savings, then farmers' incomes would rise at a much higher rate than the rate of increase in output.
- Another very important source of an increase in farmers' income is the **relative increase in prices of farm products** compared to non-agricultural commodities.
- Therefore, a doubling of farmers' income should not be viewed as the same as a doubling of farm output.

- **Inflation in agricultural prices also leads to an increase in real farm income** if agricultural prices received by farmers increase at a faster rate relative to the prices paid by farmers; that is, when terms of trade for agriculture improve.

#### What are the possible drivers of income growth for farmers?

1. **Diversification of farm activities** towards high-value crops and enterprises. National-level data reveals that shifting to high-value crops can more than quadruple income from the same piece of land.
2. **Irrigation**, which can double productivity.
3. The third source is **better price realisation** for farmers through competitive markets, value chains and improved linkage between field and fork.
4. The fourth source is an **improvement in the terms of trade** for agriculture.
5. The fifth source is **technology up gradation**.
6. Another important source is the **shift of cultivators from farming to non-farm occupations**.

#### Conclusion

State-level data shows that agricultural income in real terms, including the effect of improvement in terms of trade, doubled between 2006-07 and 2013-14 in Gujarat, Jharkhand, Madhya Pradesh, Rajasthan and Telangana. Few states, namely Bihar, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Rajasthan and Telangana, are experiencing a transition towards doubling farmers' income in seven years while Uttar Pradesh and Maharashtra are showing the potential to do so.

In conclusion, if the above-mentioned six measures are implemented sincerely at the state-level, then farmers' income can be doubled by 2022-23 in most of the states.

## 29/08 : Can India and China use BRICS to build a house?

#### Background:

Fourteen thousand feet above the sea level, at the Nathu La Pass on the India-China border, Doklam stand-off warn visitors of dated land mines that might have remained from the war of 1962. Reflective of **artful diplomacy from both sides**, India and China have **managed to metaphorically avoid stepping on another such land mine in the Doklam plateau**, at the trijunction of India, Bhutan and China.

Come September 3, another opportunity for the two Asian giants to take a step in the right direction will come up, when Indian prime minister meets Chinese president, along with other leaders from Brazil, Russia and South Africa **at the 9th annual BRICS Summit in Xiamen, China**.

#### Introduction:

The fact that India and China released statements indicating disengagement at Doklam just a few days before the BRICS summit shows a **realisation on both sides that the opportunities in cooperation for a greater say on the world stage far outweigh individual territorial ambitions** that either of them might have.

#### BRICS , The engine of economic growth in the twenty first century

What began as an acronym **coined by investment bankers at Goldman Sachs in 2001** to symbolise the **engines of economic growth in the twenty first century**, BRICS has evolved into something much bigger — **a representation of the changing geo-political and geo-economic world order**.

- India and China lie at the helm of this new order and they realise the importance of it.
- The informal bloc of BRIC(S) nations was established **as a response to the cracks that had begun to form in the global financial system** lead by the Bretton Woods institutions and dominated by the west.

#### Much has changed in the years since

The rise of China is not only the singular biggest challenge to US supremacy as well as western financial and political hegemony since the end of the Second World War; it has **paved the way for the existence of a multi-polar world order**.

- The BRICS nations have together

- promoted their exports,
- coordinated responses in international legal disputes,
- successfully negotiated for an increase in voting shares at the World Bank and
- In an increasingly overpopulated topography of multi-lateral institutions, have consolidated their reserves to become creditors of foreign aid rather than just borrowers of the same.

### **The need for India and China to find common ground**

As the first decade of the existence of BRICS comes to a close, the bloc has achieved much economically – of course, **there is much left to be desired politically.**

- Today, another major world phenomenon presents itself to the bloc – **the increasing inwardness of the west.**
- As the last decade presented an opportunity to make the world institutions more equitable economically, **the next decade presents the opportunity to do so politically.**
- For the success of that, **India and China need to find common ground before the economic momentum** that is behind them begins to fade.
- The cry about the lack of coherence among BRICS nations, especially India and China, has often been over emphasized in western media outlets.
- The EU and the US were themselves at odds in several political and economic transatlantic agreements during the first five years of the GATT (which then evolved into the WTO).
- In fact, some of the issues still remain. But that did not stop them from coming together to establish a world order as primary engines of economic growth.

**Similarly it is true, for India and China,** that there exist multiple points of divergence between the two countries, but that is also exactly why sitting on the same table is important.

### **Way Forward- Stronger Partnership for a Brighter Future**

- It would be prudent for **China to stop treating India as an economic laggard to itself** that can be coerced into submission and realise that such actions only push India, against its will, towards the west.
- **India** on the other hand must **continue to advocate for an increased joint collaboration with China in multi-lateral institutions,** even if it's voting shares in such institutions is second to China.

### **Conclusion**

**Russia, Brazil and South Africa will surely count on India and China to speak in one voice in the upcoming summit** and showcase the points of convergences among the BRICS nations to the world. In line with the theme of the summit, which is “Stronger Partnership for a Brighter Future”, India and China must use BRICS to build a house, not a wall.

## **30/08 : Unease of doing business**

### **Background:**

Last year, after the **World Bank's Ease of Doing Business Ranking** placed India at a lowly **130** out of 150 countries, Prime Minister asked bureaucrats to explain the reasons for the country's poor performance and directed them to work on improving the ranking.

About 10 months later, **a survey by the Niti Aayog** and the Mumbai-based think tank, IDFC Institute, reveals that the efforts of the Centre and state governments to ease the system of permits and clearances notwithstanding, most entrepreneurs still feel hobbled by the country's regulatory environment.

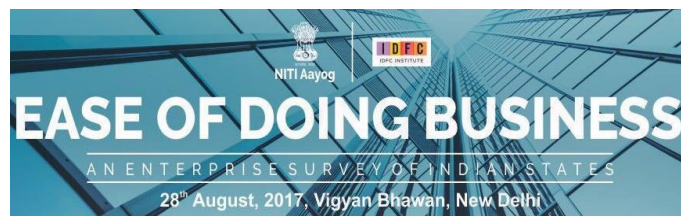
The survey of more than 3,000 manufacturing enterprises across the country shows that most firms do not use the single-window systems for business and regulatory clearances.

### **Ease of doing business index**

- The ease of doing business index is an index created by the World Bank Group.
- Higher rankings (a low numerical value) indicate better, usually simpler, regulations for businesses and stronger protections of property rights

**Introduction:**

An ease of doing business report released by the NITI Aayog is a research document that did not represent official views.



The report, '**Ease of Doing business — An enterprise survey of Indian states**', among other things, said starting a business in India took longer than that estimated by the World Bank. India's stand is that the World Bank had not considered many of its reforms while placing the country at the 130th position in its latest ranking.

**Gap between claims and ground realities**

Despite the **Centre's repeated claims that a firm can be incorporated in less than a week**, the survey shows that even in the **best performing state, Tamil Nadu**, the **process takes more than 60 days — on average it takes nearly four months** to set up a business in India.

The gap between claims and ground realities suggests that the government's outreach system requires sprucing up.

**The gap is a sign of a persistent problem with governance in India**

- The gap is a sign of a persistent problem with governance in India i.e. **the difficulty of cutting the red tape of the lower bureaucracy.**
- This explains why on an average, entrepreneurs need more than 100 days to get a construction permit.
- The World Bank's report, last year, had also highlighted that **delays in issuing construction permits affected the ease of doing business in India.**
- The survey had pointed out that labour constraints, difficulties in scaling up and information gap, among other issues, were impediments in creating an enterprise-friendly regulatory environment.
- **Pointing out to the competitive federalism** among states in improving the ease of doing business, the survey said the enterprises in high growth states were less likely to report major or very severe obstacles in land and construction-related approvals, environmental approvals and water and sanitation availability as compared to those located in low-growth states.

**Employment-intensive sectors are more likely to face problems**

- The textiles, food processing and non-metallic minerals sectors account for almost two-thirds of the firms surveyed by the Niti Aayog and IDFC.
- What should also worry the government is the report's finding that entrepreneurs in these employment-intensive sectors are more likely to face problems and securing construction and other permits, compared to the capital-intensive ones.

**Way Forward**

- The Bank's report came in for criticism by Commerce Minister and Minister of Law and Justice and Electronics and IT. But the government cannot ignore the similarities in the two reports when the economy is slowing down and generating new jobs looks even more of a challenge
- The survey should serve as a wake-up call to government and a reminder that over two decades after economic reforms the Indian state is still flailing when it comes to easing the path for entrepreneurs.

**31/08 : BRICS off the wall****Background:**

The Xiamen summit follows a tough two and a half months during which the rhetoric between India and China has been quite sharp. While diplomats smoothed out a victory over more hawkish elements by disengaging the troops at Doklam and **obtaining a Chinese assurance that it would not continue its road construction at the tri-junction area**, more heavy lifting will have to be done to restore the situation to pre-June terms.

The **bilateral tensions will no doubt spill over to the multilateral negotiations at Xiamen**, especially given the negative atmosphere built up by state-run Chinese media these past few weeks.

## Introduction

BRICS will now face its most challenging summit, **not because of the West or the developed world, but because of growing differences between its two biggest members, India and China**. And as Prime Minister prepares to travel to Xiamen for the September 3-5 summit, it is important to see how the bilateral relationship and several other changes in geopolitics are now going to change the course of the BRICS engagement as well.



## Role of China and India as part of BASIC group in Climate Change summit

At Copenhagen in 2009, Indian Prime Minister, then Chinese Premier and other leaders of the newly formed BASIC group (with Brazil and South Africa) were negotiating a statement on the failure of the climate change summit.

The group of emerging economies had been bolstered by the formation of the BRIC group (Brazil, Russia, India and China, South Africa joined in 2010) with a **declared objective of battling “Western hegemony”**.

The **BASIC countries** are a bloc of four large newly industrialized countries – **Brazil, South Africa, India and China** – formed by an agreement in 2009 to act jointly at the Copenhagen climate summit, including a possible united walk-out if their common minimum position was not met by the developed nations.

This emerging geopolitical alliance, initiated and led by China and India, then brokered the final Copenhagen Accord with the United States. Subsequently, the grouping worked to define a common position on emission reductions and climate aid money, and to try to convince other countries to sign up to the Copenhagen Accord.

After much back and forth, Leaders of China and India accepted an American compromise on the wording of the drafts, and the **Copenhagen accord** went ahead.

## The Power of Five:

The Copenhagen Summit didn't just change the course of international negotiations on global warming at the time; **it heralded the arrival of emerging economies as a political force in the form of BRICS**, and particularly the potential of the combined political clout of India and China.

- The five BRICS countries represent over 3.6 billion people, or about **40% of the world population**; all five members are in the top 25 of the world by population. The five nations have a combined nominal GDP of US\$16.6 trillion, **equivalent to approximately 22% of the gross world product**,
- What began as an acronym **coined by investment bankers at Goldman Sachs in 2001** to symbolise the **engines of economic growth in the twenty first century**, BRICS has evolved into something much bigger — **a representation of the changing geo-political and geo-economic world order**.
- The BRICS countries better their positions in the World Bank and International Monetary Fund and **BRICS New Development Bank set up in**
- BRICS countries agreed upon in the **Goa Declaration of October 2016**, developing **common positions not just on climate change but also on terrorism, energy, and world politics**.
- Since then much has changed in the years ahead. The BRICS nations have together promoted their exports, coordinated responses in international legal disputes, successfully negotiated for their increased voting share at WB.

**New Development Bank has already given out about \$6 billion in loans for 23 projects across BRICS countries**. But this is no mean feat given the vast differences in size and political systems, and internal turmoil in BRICS countries.

## BRICS now faces its most challenging summit

- The truth is that BRICS now faces its most challenging summit, not because of the West or the developed world, but because of growing differences between its two biggest members, **India and China**.
- Beyond the bilateral issues over the boundary, **Nuclear Suppliers Group membership for India, terrorism, the Dalai Lama and others, the rift over China's Belt and Road Initiative (BRI)** is also likely to dominate discussions at BRICS.
- India's refusal to be a part of the BRI over sovereignty issues, coupled with its broader objections to the transparency and agenda of the project, was a cause for tensions before the Doklam stand-off.

- But there is little doubt that **China will aim to bring the BRI on the table for negotiations at BRICS, to win a statement of endorsement as it did at the Shanghai Cooperation Organisation last year.**
- **India will have to use considerable leverage with other members to ensure that its concerns prevail.** However, it must be remembered that Russia and South Africa are important parts of BRI, with a \$20 billion Brazil-China infrastructure fund inaugurated this May.

### Multiple Challenges for India

#### 1) China's plan for a "BRICS-Plus"

- A major challenge for India is likely to arise from China's plan for a **"BRICS-Plus" or "Friends of BRICS" grouping, to include Pakistan, Sri Lanka and Mexico to an expanded version of BRICS.**
- The suggestion of including Pakistan is something India has hesitated at but it wouldn't want to be seen to be opposing China's rationale of promoting "south-south cooperation" further.

#### 2) Russia is moving away from India

- Russia which was the prime mover for the grouping, **has moved closer to China and away from India;**
- **Russia's distancing from the U.S. and Europe** post-2014 and the **Ukraine crisis** in particular have **increased its dependence on its east and south**, mainly in the direction of the \$300 billion Russia-China oil pipeline that China is funding.
- This could affect the language of the joint statement, especially on issues like Afghanistan, on which BRICS members had previously been on the same page.

#### 3) S.'s new Afghanistan-Pakistan-India policy

- The U.S.'s new **Afghanistan-Pakistan-India policy**, that builds India's economic assistance into its own strategy for Afghanistan, will manifest battle lines in the latest round of this age-old battle, **with Russia, China, Iran and Pakistan ranged on one side, and India, the U.S. and NATO allies now on the other.**
- In keeping with this, Russian Foreign Minister has called the U.S.'s Afghanistan policy a "futile course", while President's Afghanistan envoy has warned against "putting too much pressure" on Pakistan.
- At both the **BRICS conference in Goa** last October, **as well as the Heart of Asia summit** in December, **Russian officials objected at backing India's strong language on terrorism emanating from Pakistan.**

### The road ahead

It is an indicator of the importance of BRICS that both India and China appeared to have exerted enough pressure on officials to bring about the disengagement in Doklam a week before the summit at Xiamen. The Indian government must be credited for ensuring that it won peace at Doklam without building the outcome up as a defeat of China, which would have made their rivalry at BRICS that much more intense.

In this, **BRICS has evolved better than two other groupings, SAARC and the Non-Aligned Movement**, whose last summits India skipped, and appears to have abandoned.

It remains to be seen how the two country leaders use next week's bilateral encounter to chart a road map to repair ties. This could provide a realistic understanding of where the road ahead leads for BRICS as well.

In line with the theme of the summit, which is **"Stronger Partnership for a Brighter Future"**, India and China must use BRICS to build a house, not a wall.

## Rajya Sabha TV: Synopsis

### Policy Watch Episode: ONGC-HPCL Merger

Link: <https://youtu.be/k52mMJJGzMk>

The Cabinet recently gave an in-principle nod to the **merger of state owned Oil and Natural Gas Corporation and Hindustan Petroleum Corporation Limited**. A committee for the deal will soon be formed and the merger is likely to be completed within this financial year. HPCL will remain listed as a subsidiary of ONGC post the merger. The Finance Minister, Road and Transport Minister and Oil Ministers will be a part of the merger panel. The government will ensure that there is no open offer. ONGC has sent a proposal to acquire HPCL. **The government owns 51.1% of the stake in HPCL**. The deal could be valued near 28,000 crores rupees.

#### Analysis:

This is a reflection of government's determination to actually go ahead cautiously with the big plan that was enunciated by the Finance Minister of **creating a global giant by bringing all the oil PSUs under one umbrella**. This is a major challenge and difficult as well because India had different companies working separately. Government will get a heavy sum as a part of its disinvestment target.

ONGC started this journey many years ago when it acquired MRPL. After this merger, it was expected that **the focus of ONGC on oil and gas will continue because ONGC showing profit and turnover from refining does not take into account explorations**. Even after the present HPCL merger, the combined market cap will be around 42 billion dollars which is far too less as compared to other foreign giants in oil and gas. Indian market itself is getting very liberal. BP and Reliance are heavily invested into retailing.

However, the long term issues are complex such as:

1. How there will be **synergy between the two companies** operating independently.
2. Will there be **an actual merger in a future date** because of HR issues like differences in work culture and ethos need to be resolved.
3. What will be **subsequent acquisitions**.

Structure of this transaction leaves ONGC looking more like a holding company rather than a fully integrated oil and gas major. While HPCL's finances will be consolidated with ONGC, it may suffer a holding company discount. **For integrated oil companies, a lot depends on oil price levels and how best companies are able to hedge against price movements**.

Through consolidation, mergers and acquisitions, the central public-sector enterprises can be integrated across the value chain of an industry. It will give them:

1. **Capacity to bear higher risks**
2. **Avail economies of scale**
3. **Take higher investment decisions**
4. **Create more value for stakeholders**

Creating a large giant is easier as compared to creating an efficient and competent one. ONGC has failed in the past to ramp up domestic crude and gas production due to the lack of any major success in exploration and production despite consistent investments. **Oil companies are sitting on large reserves and are not able to invest those reserves adequately. Government desperately needs resources for its other needs**. Therefore, this is an easy way of getting resources, meeting the disinvestment targets and yet not confronting the more complex issues like privatizing the sector.

#### Conclusion:

These steps will **lead to strengthening of public sector which weakened during the globalization including the oil PSUs**. This is expected to reverse in the coming years. Government sees **public sector as a key instrument of economic intervention** also. Private industrial houses also leverage surpluses of one business to finance diversification, growth and expansion. So, **government is doing its best towards more intelligent use of reserves as well as the management abilities of the public sector to accelerate economic growth**.

## The Big Picture: Eradication of poverty: What steps need to be taken to achieve this goal?

Link: <https://youtu.be/-FC3J1OA3XQ>

In a recent speech, Prime Minister of India set a target to alleviate poverty from the nation in coming 5 years. India, even after seven decades of independence, and being one of the **major world economies**, has about a **quarter of population** living under **poverty**. Every successive government, since 1947, has **tried to reduce poverty** by making **various policies**. But, it is still far from satisfactory, for about half of the labor force working in **agricultural sector** and a majority of the population still living in **rural areas**.

### Analysis:

**Poverty** is the **general scarcity** of a certain amount of material possessions or money (< \$1.25/day) and includes social, economic, and political concepts. **Absolute poverty** (as defined by UN) is “a condition **characterized by severe deprivation of basic human needs**, including food, safe drinking water, sanitation facilities, health, shelter, education and information.”

1. India saw **increasing poverty** and even famines in 19<sup>th</sup> and 20<sup>th</sup> centuries **during the colonial era**, whose sole purpose was to reduce the country to being a raw material supplier for Britain’s own rapidly expanding industrial base. It encouraged conversion of more lands into farms, collecting lot of revenues, introducing zamindari system, etc.
2. To make a **self-reliant growth** and make **progress in agriculture**, efforts like five-year plans, land reforms, green revolution were made **just after 1947**. But though some progress was made, too much ‘inward-oriented’ policy, led to recession in 1980s.
3. The economy was opened up **in 1990s**, and progress as GDP growth rate occurred. But, this growth **was mainly concentrated** in some select areas like services sector rather than agriculture sector and **inequality increased**.
4. **GDP** contribution of **agriculture** today is **less than 20%**, though it provides livelihood to millions of population and quantitatively, India is major producer of various crops in the world (rice, wheat, etc). It **needs to be given more attention** of the state with **improvement in irrigation** (India is mainly monsoon-dependent), better **technology** (like drip irrigation, computer monitoring systems, modern farm equipments), increase in **productivity** and more investments for **infrastructures** in rural areas.
5. **Poverty** has also increased in **urban areas**, as lot of **rural population migrates** there in search of better livelihood but ends up being poor casual workers, beggars, street vendors, etc as the industrial and services sector is unable to absorb them properly.
6. The policies made for poverty alleviation, need to be implemented effectively. This may be done today with the help of digitalization and e-governance.
7. India today is the second most populous country in the world and also projected to be the most populated by 2022 surpassing China. **Overpopulation needs to be kept in check**. More jobs also need to be created in various sectors to **reduce their unemployment** and save them from poverty.
8. **Health care facilities** need to be improved and made cheaper, as costly health services may also lead a person to slip to BPL category if he gets a health issue.
9. **Human resource** need to be provided with better skills to **raise them as capitals**, to help increase employment for them and also increase entrepreneurship.

### Conclusion:

Thus **several government** efforts were made since independence like development of industrial sector, Green revolution, LPG reforms, etc **and many programs** like MGNREGA, SGSY, NRLM, Mid Day Meal Scheme, Pradhan Mantri Gram Sadak Yojna, Pradhan Mantri Rojgar Yojna, etc which included financial schemes, employment generation schemes, nutrition providing schemes, etc. But, still issues like health, malnourishment, and lack of basic amenities continue to be a feature in many parts of India due to poverty. **More efforts need to be made** by making them **more inclusive and efficient** and provide more opportunities of employment, better infrastructure, etc and make them trickle down to the poor and vulnerable sections of the society, **to get rid of poverty in coming years**.

## Policy Watch Episode: Govt sops for stressed Telcos

Link: <https://youtu.be/abtgtemZem4>

The Inter-Ministerial Group (IMG) set up to address the financial stress in the telecom sector has prepared a draft report recommending steps to benefit the industry. Reports say that Finance Minister Mr. Arun Jaitley has reviewed the report **extending the deferred payment schedule to 16 years, cut in interest rates and converting the Prime Lending Rate (PLR) to MCLR or the Marginal Cost of Funds based Lending Rate** are among the measures being considered by IMG.

### **Analysis:**

Some of the measures are necessary to be taken and much has to be done by the banks to protect their interest, otherwise, there is a **huge risk of loans turning bad** and the public-sector banks will not be able to recover.

It needs to be seen how much of this is due to the fault of telecom operators themselves and how much of this is because of the policy problems. In 1999, the then Vajpayee government bailed out all the telecom operators shifting them from a fixed license field to a revenue share arrangement and it was entirely the fault of telecom operators at that time that they got into a mess as they could not pay the exorbitant amount of license fees.

Telecom is **not a sector in isolation but telecommunication** is an infrastructure that has tremendous multiplier effects on the economy. **It is a cost and time saver i.e. increasing business in less time.** According to a study, 10% increase in mobile phone penetration (voice) can increase the GDP by about 1.5% and a 10% increase in broadband penetration can increase the GDP by almost 3%.

Present scenario is clearer than 1999 because some of the problems of the telecom sector are not due to the fault of the operators. It started with the Supreme Court judgement of 2012 cancelling 122 licenses and asking the operators to bid again for licenses. This put a huge stress on bank loans because some operators went out of business, many people lost their jobs and public-sector banks suffered negatively. Spectrum auction fees was very high for 3G. Apart from these factors, there was **disruption due to Jio as well. Over 90% users in India are prepaid users who recharge on a daily basis or few days. They needed cash to recharge and that market got hit due to demonetization.**

It is the responsibility of the regulator or the concerned authorities to clear the issues. Telecom companies also need to provide better facilities to the consumers such as addressing the issue of large number of call drops. Therefore, there is a need to:

1. Safeguard interests of the consumers.
2. Make policies in the right direction for better health of the industry.
3. Stop other players in the market to take benefit from the loopholes prevalent in the system such as predatory pricing, free services etc.

### **Conclusion:**

This sector is too **important to fail because of the reversal of the digital divide, e-governance, m-governance** and many other things dependent on the telcom sector every day. Whether the government will prepare a bailout package for the telecom industry remains to be seen because it will be given through taxpayer's money. The distress in the sector is real and it should not be wished away in a hurry.

## Policy Watch Episode: Government Mulls Foodgrains Subsidy

Link: <https://youtu.be/abtgtemZem4>

Food Ministry's plan of subsidy transfer for public distribution system of subsidized foodgrains will be on the lines of LPG Subsidy Transfer Scheme. **Beneficiaries will get the subsidized amount in advance in their bank accounts and they will have to buy the foodgrains from any ration shop which has got the electronic POS devices.** The Ministry hopes that this initiative will ensure zero leakage on the subsidy and foodgrains as well.

### **Analysis:**

This can be made to work if the Government puts in place necessary conditions to implement it such as:

1. **Foolproof identification of beneficiaries.**
2. **IT and digital infrastructure**

### 3. Robust mobile and banking network

The aim is very simple i.e. instead of giving foodgrains to the shopkeeper at a subsidized rate, it will be given directly to the consumers and hence save leakage of money. For example- today if the cost of a particular foodgrain is Rs.15/kg and Government gives it at Rs.5/kg, there is an incentive for the shopkeeper to sell it at Rs. 15 outside. The customer will buy it for Rs.15 and Rs.10 will be deposited by the Government in the customer's bank account just like LPG subsidy transfer.

This is likely to **work in large parts of urban India** but the infrastructure is not ready on all four parameters. **Banking infrastructure is still lagging, POS machines have failed and mobile telephony has not reached those areas where poorest people are living.** Therefore, this idea has to be rolled out in a very careful deliberated manner.

Government had done three pilots in Chandigarh, Daman and Diu and Pondicherry. According to the report of NITI Aayog, there were huge operational problems. Until and unless these are addressed, foodgrains subsidy cannot be rolled out successfully.

It should be ensured that National Food Security Act is implemented in the spirit it was written and drafted in the past. Unfortunately, the government has not paid enough attention to this.

1. **Maternity entitlement** in that was rolled out three years late.
2. There are many reforms listed in the PDS such as **decentralizing the shops, take them away from private sector and give it to the women co-operatives and panchayats** (like the very successful Chattisgarh model).

The system has been successful in those states where corruption was brought down considerably such as Tamil Nadu, Bihar, Chattisgarh, Madhya Pradesh. **Entitlement will not be fixed to a shop if there is DBT and a person can draw it from anywhere. But for this, bank accounts with Aadhar card linkage, inter-state operability and digital infrastructure have to be put in place.**

Instead of pushing for those reforms which are tried and tested like doorstep delivery and decentralized procurement to ensure people have their rights, focus is being given to curb subsidy. PDS system till now was a little beneficial to the people. In case of LPG, to get the gas cylinder connection, one has to go to the authorized dealer. Therefore, it is easy to track and is transparent to a certain extent. But, in case of foodgrains, looking for those ration shops which actually have POS machines itself would be a challenge.

#### Conclusion:

Food is the basic minimum requirement. In a country where many people sleep without having food, the process should be simplified and not be made more tedious.