



**INSIGHTSIAS**

SIMPLIFYING IAS EXAM PREPARATION

**INSIGHTS** into EDITORIAL

**JANUARY 2019**



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# INSIGHTS into EDITORIAL

## 1. LIFELINES BEYOND FARM LOAN WAIVERS

### Introduction:

- **Rural agrarian distress** is firmly at the centre of the **national discourse** today, triggered by the recent Assembly election results in the Hindi heartland as well as continuous farmer agitations.
- Eight state governments have given **farm loan waivers worth ₹1.9 trillion** since April 2017, amid **massive farmer protests and promises** made ahead of the recently concluded assembly elections in five states.
- The **farmers march in Delhi** highlighted the reality of their **deprivation, anger and resolve**.
- Mounting debt burden is pushing farmers **to despair and suicides**. Indebtedness became the elephant in the room that cannot be ignored.
- **NSSO Situational Assessment Survey of Agricultural Households** shows that 52% of farming households are indebted, the rates are as **high as 89-92%** in some States.

### Loan Waiver from States and Centre: Is it Acceptable?

Past empirical research analysing the 2008 nationwide **Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS)** found that it led to:

- Delay in loan repayment,
- Increase in defaults, and
- No significant productivity gains.
- In spite of the evidence against the effectiveness of the ADWDRS programme, many states continue to announce their own **state-level debt-waiver schemes**.
- It is possible that **state-level debt-waiver schemes** could address state-specific indebtedness problems that a generic national-level programme like ADWDRS could miss.

### Implications for design of loan waiver programmes:

- Various Research provides evidence that a **blanket waiver scheme** is **detrimental** to the **development of credit markets**.
- Repeated debt-waiver programmes **distort households incentive structures**, away from **productive investments** and towards **unproductive consumption** and wilful defaults.
- These wilful defaults, in turn, are likely to disrupt the **functioning of the entire credit system**. It is important to note, however, that our findings do not speak against debt-waiver programmes altogether.
- Rather, they warn against implementation of loan-waiver programmes based on simplistic eligibility rules that do not account for the *actual needs of the farmers and the agricultural shocks they have faced*.

### How will farm loan waivers impact the Indian economy?

- The **monetary policy committee (MPC)** of the Reserve Bank of India (RBI) pointed out that the implementation of farm loan waivers across states could **hurt the finances of states and make them throw good money after bad, and stoke inflation**.
- The **extreme case of 50% farm debt waiver** should raise concerns as it will **worsen states' debt-to-GDP ratio by 4 percentage points** on average.
- This will jeopardize India's stated aim to reduce its total public debt, Centre and states combined, to 60% of the GDP.

### Solutions beyond farm loan waivers:

- Immediate relief of loan waivers should be accompanied by a **long-term systemic solution to indebtedness**.
- The Bill, which has been developed by the **All India Kisan Sangharsh Coordination Committee**, incorporates **two key elements of reform**:
  - A functional **institutional credit system** which is accessible and
  - Accountable to all cultivators, and **protection from debt trap** in bad years.

**First, it guarantees all farmer access to institutional credit;**

- This covers not only land-owning farmers but also *sharecroppers, tenants, adivasi and women farmers, and animal-rearers*.
- It requires the registration of all cultivators and providing them **Kisan credit cards**.
- Tenant farmers who lease land from other land owners are especially vulnerable. A **study by Rythu Swarajya Vedika** in June 2018 showed that 75% of farmer suicides in Telangana are by tenant farmers.
- The Reserve Bank of India did issue guidelines in 2014 for **extending loans to Bhoomi Heen Kisan (landless farmers)** and for a debt-swapping scheme to convert informal loans of farmers into bank loans, but they have **remained on paper**.

**Second, it establishes farmers' distress and disaster relief commissions at the national and State levels, based on the model of Kerala's Farmers' Debt Relief Commission:**

- Based on incidences of natural disasters, extensive pest attack and such calamities, the commission can recommend declaration of certain areas or crops as **distress-affected in any particular year**.
- Thereafter, it has the power to order **measures of debt relief**, which may include loan rescheduling, interest waiver, one-time settlement, discharge of debt in instalments.
- The State-level commission is also empowered to pass orders regarding **non-institutional loans of distress-affected farmers**.
- The principle is that farmers who suffer losses due to circumstances entirely out of their control **deserve to be protected**.
- Given that **agriculture is a key national enterprise**, the concepts of limited liability and bankruptcy protection need to be adapted to the farming sector.
- This approach provides **targeted protection** to distressed farmers when they require it, rather than allowing debt, distress and suicides to accumulate until an election year.
- At present, **crop insurance with its inadequate coverage and payout** is unable to fulfil that role, but **distress relief** would include any payout from crop insurance.

**Conclusion:**

- Analysis suggests that such waivers are unlikely to help the cause of either **distressed farmers or troubled banks** over the long run.
- And they may well **impair the quality of public spending by states**, as the central bank fears.
- A **well-designed loan-waiver programme** could enhance the overall well-being of the households by improving their **productive investments**, as opposed to distorting their loan utilization and repayment patterns.
- One possibility is to **formulate eligibility rules** that depend on *historical loan-utilization, investment, and repayment patterns*.
- Another option is to **explore alternative policy interventions** like **agricultural insurance**.
- The desired intervention could then be the one, which nudges households into investing more now and **increase long-term productivity**.

**2. THE SHAPE OF GROWTH MATTERS****Introduction:**

- A **growth rate of 9%** is essential to generate **enough jobs** and achieve **universal prosperity**, according to a **vision document** released by NITI Aayog.
- Towards this, the **'Strategy for New India @75' document** recommends a number of steps, including increasing the investment rate, reforming agriculture, and codifying labour laws.
- "This will raise the economy's size in real terms from **\$2.7 trillion in 2017-18 to nearly \$4 trillion by 2022-23**".

**Weakness of Indian Economy:**

- A big weakness in the Indian economy's industrial infrastructure is that **middle-level institutions are missing**.

- Rather than formalising small enterprises excessively, **clusters and associations of small enterprises should be formalised**.
- Small enterprises cannot bear the **burden of excessive formalisation** which the state and the banking system need to make the informal sector 'legible' to them.
- **Professionally managed formal clusters** will connect the informal side of the economy with its formal side, i.e. government and large enterprises' supply chains.
- It is not the size of the manufacturing sector that matters but its shape.
- **Labour-intensive industries** are required for job creation. If the manufacturing sector is to grow **from 16% to 25% of the GDP**, which the strategy states as the goal, with **more capital-intensive industries**, it will not solve the employment problem.
- **NITI Aayog's plan for industrial growth** has very rightly highlighted **the need for strong clusters of small enterprises** as a principal strategy for the growth of a more competitive industrial sector.

# New India @75

Niti Aayog sets goals for 2022, the platinum jubilee of India's independence

## BIG TARGET

- ▶ Average GDP growth of **8%** between 2018-23
- ▶ Economy grows to **\$4 trillion**



## HOW TO BE ACHIEVED

- ▶ Raise investments rate to **36%** by 2022-23 from 29% now
- ▶ Increase tax-GDP ratio to at least **22%** by 2022-23





## DETAILED STRATEGY

**41 sectors identified for action**

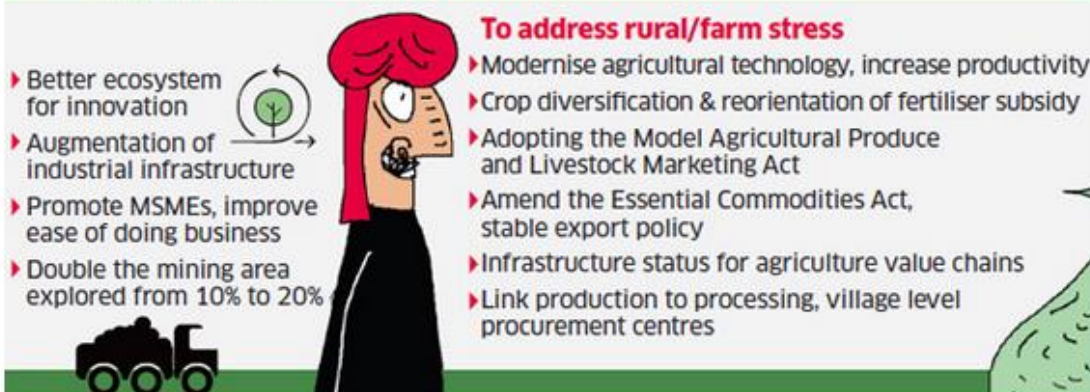
### Industry and infrastructure

- ▶ Enhance skills and apprenticeships 
- ▶ Complete codification of central labour laws into four codes by 2019 
- ▶ Enhance female labour force participation

- ▶ Better ecosystem for innovation 
- ▶ Augmentation of industrial infrastructure
- ▶ Promote MSMEs, improve ease of doing business
- ▶ Double the mining area explored from 10% to 20% 

### To address rural/farm stress

- ▶ Modernise agricultural technology, increase productivity
- ▶ Crop diversification & reorientation of fertiliser subsidy
- ▶ Adopting the Model Agricultural Produce and Livestock Marketing Act
- ▶ Amend the Essential Commodities Act, stable export policy
- ▶ Infrastructure status for agriculture value chains
- ▶ Link production to processing, village level procurement centres

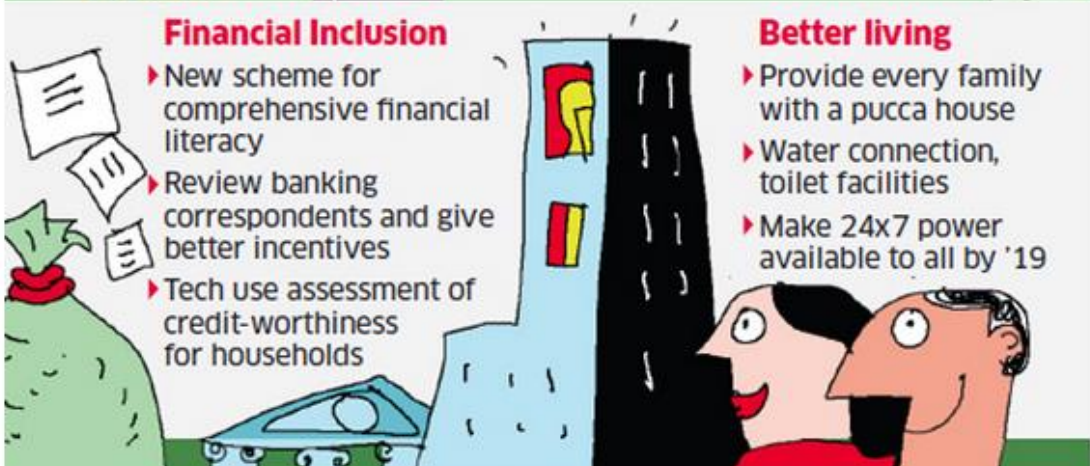


### Financial Inclusion

- ▶ New scheme for comprehensive financial literacy
- ▶ Review banking correspondents and give better incentives
- ▶ Tech use assessment of credit-worthiness for households

### Better living

- ▶ Provide every family with a pucca house
- ▶ Water connection, toilet facilities
- ▶ Make 24x7 power available to all by '19



**NITI Aayog emphasized the meaning of growth (Shape of the Growth matters than Size):**

- **Employment and labour reforms**, mentioned in the strategy, have rightly been given the **highest priority**.
- **Indian statistical systems** must be improved quickly to measure employment in various forms, formal as well as informal.

**Overall growth is also emphasised by NITI Aayog:**

- “Besides having rapid growth, which *reaches 9-10 per cent by 2022-23*, it is also necessary to ensure that **growth is inclusive, sustained, clean and formalised.**”

However, it is the **shape of growth** that matters more than size:

- The **employment-generating capacity** of the economy is what matters more to citizens than the overall GDP growth rate.
- There is no joy for citizens if India is the fastest-growing economy and yet does not **provide jobs and incomes**.
- The growth of industry and manufacturing is essential to **create more employment**, and to provide **bigger opportunities to Indians** who have been too dependent on agriculture so far.
- The strategy does say that **labour-intensive industries must be promoted**, but the overall goal remains the size of the sector.
- Therefore, the goal must be clearly set in terms of **employment, and policies and measurements of progress** set accordingly.

**Increasing Tax Base much more for Human Development:**

- The strategy highlights the urgency of **increasing the tax base** to provide more resources for human development.
- It also says **financial investments** must be increased to **strengthen India's production base**.
- If tax incentives must be given, they should **favour employment creation**, not more capital investment.

**Reorienting labour laws:**

- The **strategy on labour laws** appears pedestrian compared with the ambitious strategy of uplifting the lives of millions of Indians so that they share the fruits of economic growth.
- It recommends complete **codification of central labour laws** into **four codes by 2019**.
- While this will enable easier navigation for investors and employers through the Indian regulatory maze, what is required is a fundamental reorientation of the laws and regulations they must fit **emerging social and economic realities**.

First, the **Nature of work and employment is changing**, even in more developed economies.

- It is moving towards **more informal employment**, through contract work and self-employment, even in formal enterprises.
- In such a scenario, **social security systems** must provide for all citizens, not only those in formal employment.
- Indeed, if employers want more flexibility to improve competitiveness of their enterprises, the state will have to provide citizens the fairness they expect from the economy.
- The **NITI Aayog strategy** suggests some contours of a **universal social security system**. These must be sharpened.

Second, in a world where workers are atomised as individuals, they must have associations to aggregate themselves to have **more weight in the economic debate with owners of capital**.

- Rather than weakening unions to give employers **more flexibility, laws must strengthen unions to ensure more fairness**.
- The **NITI Aayog strategy** mentions the **need for social security for domestic workers too**.
- This will not be enforceable unless domestic workers, scattered across millions of homes, have the means to collectively assert their rights.

Third, **all employers in India should realise that workers must be their source of competitive advantage**.

- India has an **abundance of labour as a resource**, whereas capital is relatively scarce. Human beings can learn new skills and be productive if employers invest in them.
- Employers must treat their workers whether on their rolls or on contract as assets and sources of competitive advantage, not as costs.

**Conclusion:**

- The shape of the **development process** matters more to people than the size of the GDP.

- Development must be **by the people** (more participative), **of the people** (health, education, skills), and **for the people** (growth of their incomes, well-being, and happiness).
- How well India is doing at 75 must be measured by the **qualities of development**, as experienced by its citizens, along **these three dimensions**. GDP growth will not be enough.

### 3. AGENDA FOR THE FOURTH TERM IN BANGLADESH

#### Context:

- **Sheikh Hasina's party**, which leads the **Grand Alliance**, has romped back to power for an unprecedented fourth term in office.
- The general election has given the **Grand Alliance**, or, more specifically, the Awami League, a huge majority in the **Jatiyo Sangshad, the country's Parliament**, to a point where no effective Opposition is in sight.

#### A glowing example for other democracies:

- A group of foreign and local election observers, who monitored the parliamentary election, has termed the **election free, fair, peaceful** and on a par with major democratic countries in the world.
- The foreign observers of Election Monitoring Forum (EMF) and SAARC Human Rights Foundation (SHRF), also said the just concluded election was **"much better"** than past elections in Bangladesh and could be a **"glowing example for other democratic countries"**.
- Observers opined that this was a **world standard election**. We can compare this with the elections of major democratic countries.

#### Bangladesh at a glance

Bangladesh gained independence from Pakistan in December 1971, and it is the eighth-most populous country, and the third largest Muslim-majority country in the world



#### The significance of this election:

- First, for the first time in a decade, all the political parties took part in the election (the Bangladesh Nationalist Party, or the BNP, boycotted the 2014 election). In other words, **this time voting was based on an inclusive election**.
- Second, this was the first time a general election was held **under a political government** since the fall of the Hussain Muhammad Ershad military regime in 1990.
- The earlier stipulation of elections being supervised by a **caretaker administration**.
- It stuck to the justified position that a government elected for five years **cannot morally and logically** hand over power to an **unelected administration** for three months before a new elected government comes into office.

**India and Bangladesh:**

- India and Bangladesh, two South Asian democracies, neighbours have **the longest common border of over 4,000 km with each other.**
- India was the first country to recognise Bangladesh as a separate and independent state and established diplomatic relations with the country immediately after its independence in December 1971.
- **India's connections with Bangladesh are cultural, social, civilizational and economic.**
- But, Bangladesh-India relations are perhaps the most complex bilateral equations in the subcontinent.
- India welcomed the “successful completion of the parliamentary elections in Bangladesh”. Indian Prime Minister “**expressed confidence**” that the “**partnership between India and Bangladesh will continue to flourish under her far-sighted leadership**”.
- The prime minister also reiterated the priority India attaches to Bangladesh as a neighbour, a close partner for regional development, security and cooperation, and a **central pillar in India's 'neighbourhood first' policy.**
- However, the India-Bangladesh relations can be summarised as hanging on **three 'T's- Tackling Terrorism, Trade + Transit, Teesta Treaty.**
- There is an **growing mutual trust and political comfort** between Delhi and Dhaka, backed by Kolkata, will have one long-term consequence. It is important for India's North East as well.

**Steering the Bangladeshi economy:**

- It is the **strength of its economic performance** that the government has projected before the electorate, to a point where the international community, including the **World Bank**, has been **appreciative of the strides** made in the economy.
  - **Remittances from Bangladeshis** working abroad have registered a significant rise,
  - The **ready-made garments industry** has been performing well,
  - **Growth** has gone up, and
  - **Massive infrastructure projects** have been undertaken.

**Maintaining Balance in the Foreign Policy:**

- National history of Bangladesh has been massively distorted by those who exercised power between 1975 and 1996, Ms. Hasina has turned out to be the **most powerful political leader** in the country's history, after her father Sheikh Mujibur Rahman.
- In the field of foreign affairs, the government has based its approach to the **outside world on pragmatism**, thus successfully **preserving a balance in Bangladesh's relations with India, China and Russia.**
- The government has also found **appreciation from the international community** in its treatment of the **Rohingya refugees nearly 1 million refugees** have found shelter in Bangladesh following their expulsion from Myanmar.
- It has gone out of its way to ensure the **safety of the refugees** even as it tries, rather fitfully, to strike a deal with Myanmar on the return of the Rohingya.
- For China, the most **desirable long-term outcome** would be to manage its relations with Dhaka in such a manner that Indian anxieties are assuaged and a **regional win-win framework** linking **China-Bangladesh-India** is a possibility.

**Conclusion:**

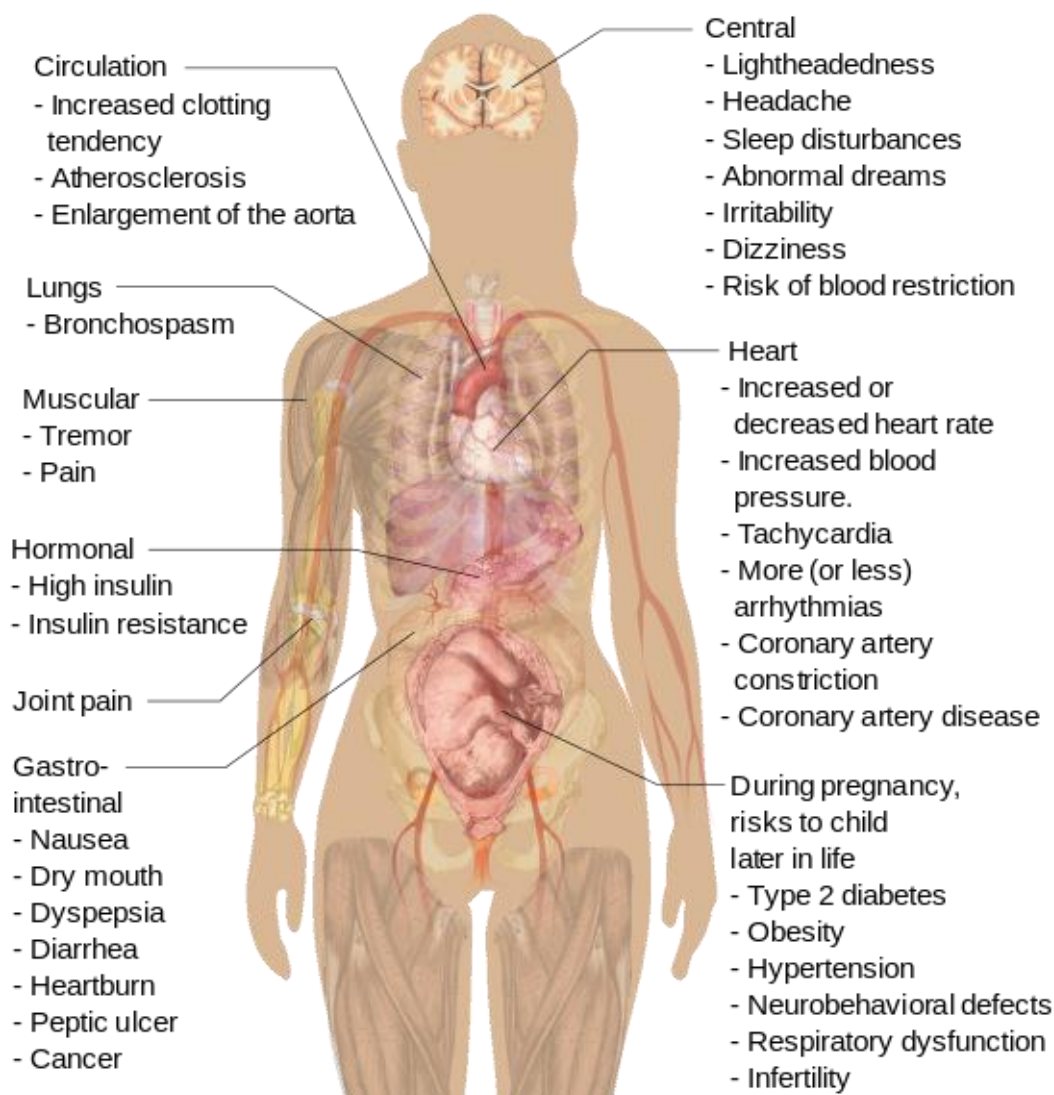
- The current challenges for Hasina are to consolidate her **domestic agenda** and balance her country's relations **with India and China** the neighbouring giants.
- While India enabled the creation of Bangladesh, it is a **complex relationship** with a number of **areas of discord**, including illegal immigration.
- In the next five years, it will be the **government's responsibility** to go beyond an **emphasis on economic progress to ensure rule of law and democracy**, in the form of a properly **functional Parliament, a free judiciary, and an efficient executive.**
- Ms. Hasina looks to preside over the centenary of the birth of the country's founder in 2020 and the 50th anniversary celebrations of **Bangladesh's independence in 2021.**

## 4. BOOST TO PLAIN PACKAGING

### Context:

- This year, **Thailand and Saudi Arabia** will join a growing club of nations introducing **plain packaging of tobacco products**.
- They are the first in the Asian and Arab regions, respectively, to adopt the tough measure in order to **curb tobacco consumption** from September in Thailand, and May 1 in Saudi Arabia's case
- In December 2012, **Australia became the first country to introduce plain packaging** following the **WHO Framework Convention on Tobacco Control (FCTC) guidelines**.
- It has also been implemented in France and the United Kingdom (both 2016), Norway and Ireland (both 2017) and New Zealand and Hungary (both 2018). It will be implemented in Uruguay (2019) and Slovenia (2020). The move is under process or being considered in 14 more countries.

### Side effects of nicotine



### What is all about Plain Packaging?

- Plain packaging standardises the **appearance of tobacco products**. Other than brand and product names displayed in a standard colour and font style, it **prohibits** the use of logos, colours, brand images or promotional information.
- Besides increasing the **effectiveness of health warnings**, the idea is to **reduce the attractiveness of tobacco products**, with no scope for using packaging to advertise and promote consumption.

### Is it going against WTO Rules?

- Understandably, the tobacco industry was opposed to **Australia's plain packaging initiative**. But the ruling by the World Trade Organisation (WTO), in June 2018, **favouring plain packaging**, has struck a blow against the tobacco industry.

- The **WTO panel**, while rejecting the notion that Australia had unjustifiably infringed tobacco trademarks and violated intellectual property rights, said the **plain packaging law led to “improving public health by reducing use of and exposure to tobacco products”**.
- Experts have urged the India government to **legalise and regulate safer alternatives** to the tobacco products currently available in India.
- India risks missing a **historic opportunity to reduce the harm** caused by smoking tobacco.
- The country should consider the available evidence and take **measures to endorse and regulate safer alternatives**.
- **E-cigarettes and safer alternatives** to India’s high-risk tobacco options should be made legal and appropriately regulated in India at least as **short-term measure** in between so that Millions of lives could be saved.

#### Tobacco and ill effects in India:

- **In India, tobacco is the cause of about one million deaths annually.**
- In April 2016, **India increased the size of graphic pictorial warnings, by 85%**, on the packaging of tobacco products (both front and back).
- The percentage of users in India who thought of quitting because of such warning labels increased sharply to 62% (cigarette), 54% (bidi) and 46% (smokeless tobacco users), according to the **Global Adult Tobacco Survey 2016-2017**, when compared with the survey results of 2009-2010.
- Likewise, tobacco use among those **aged 15-24 years** showed a six-percentage point reduction (18.4% in 2009-10 to 12.4% in 2016-17). **The number of tobacco users dropped by eight million.**

#### India only SAARC country to have a quit-line number for tobacco users:

- The **current pictorial warnings** on both sides of packages of cigarettes, bidis and all forms of chewing tobacco products in India came into effect from April 2016, following the direction of the Rajasthan High Court and subsequently the Supreme Court.
- The Union Health Ministry has already **made 85% pictorial health warning** mandatory on both sides of packets containing cigarettes, bidis, and chewing tobacco.
- **India is the fourth country in Asia** after Thailand, Malaysia and Singapore to have this government helpline for those looking at quitting tobacco.
- **India’s current international ranking** for package warnings is **number three in the world**, as outlined in the October 2016 Canadian Cancer Society’s ‘Cigarette Package Health Warning International Status Report’, that ranked 205 countries worldwide.

#### Conclusion:

- Along with **higher taxes and large pictorial warnings, plain packaging** can serve as a tool to deter new users and prompt existing users to quit.
- Here is the proof: plain packaging along with other measures led to 0.55 percentage point reduction in smoking prevalence in Australia, translating into at least 1,18,000 fewer smokers.
- **Pictorial health warnings on tobacco products** are the most cost-effective tool for educating [people] on health risks of tobacco use.
- In a country like India where people use **several languages and dialects**, pictorial warning transcends language and, in many cases, the illiteracy barrier.
- The 85% pictorial warnings on all cigarettes, bidis and chewing tobacco packages manufactured and sold in India have **resulted in 92% of adults** [surveyed under GATS 2016-2017] believing that **smoking caused serious illness**, and 96% saying that use of smokeless tobacco causes serious illness.
- The findings revealed a growing demand for **cessation centres as 55% of smokers** and 50% of smokeless tobacco users were planning or thinking of quitting tobacco use.

## 5. DEAD ENDS OF SPECIALISATION

#### Introduction:

- Among scholars and knowledge makers in history, one can identify a large number of intellectuals whose **interests lay in seemingly disparate spheres**.
- A poet and philosopher could also be an astronomer, technical innovator and mathematician. A traveller and writer could be a linguist and painter.
- Consider for instance Al Khwārizmī, Ziryab, Leon Battista Alberti, or Leonardo da Vinci.

- Each person's **many spheres of knowledge** created a **syncretic world view** that contributed to a **broad perspective**, an easy ability to see **connectedness among multiple domains of knowledge** of the natural world and human interaction.
- With **greater and deeper development** of various fields of science, technology and even the social sciences, specialisation is inevitable and even necessary in the contemporary world.
- This has no doubt yielded many important, even life-saving results. But, the **fetishising of "expertise"** and its blinding righteousness contributes to a **host of problems** that are being called the **Anthropocene**.

#### Whom can be called as Polymath? :

- Polymaths are those who have a demonstrated track record of **expertise in multiple, wide-ranging yet seemingly unrelated fields**.
- A polymath is a person whose expertise spans a **significant number of different subject areas** such a person is known to draw on **complex bodies of knowledge to solve specific problems**.
- One can find numerous examples of such exemplary individuals throughout the course of history. Leonardo Da Vinci was a polymath; so was Galileo and Rabindranath Tagore. Even Sherlock Holmes is a polymath.
- We need polymaths more than ever. Their **skills and knowledge** would be exponentially more **impactful in solving modern-day, complex challenges** rather than relatively simpler times of Renaissance.

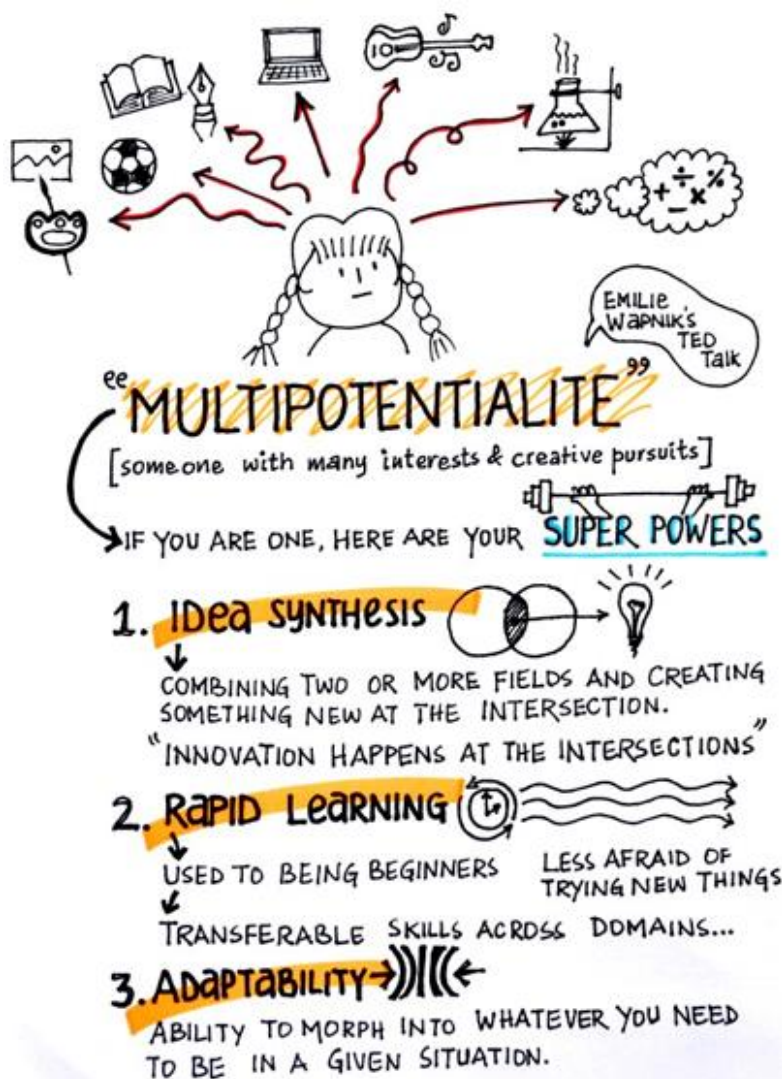
#### The problem of Hyper-Specialization:

the problem lies with the **inflexible structures** and **over-emphasis on hyper-specialization**.

- In economic theory, lies the **concept of specialization of labour**.
- The more specialized labour, the higher your economies of scale and lower the average total cost.
- As more and more organizations adopted this concept to **maintain a competitive edge** in the marketplace, it led to the conversion of integrated job roles into modular job roles.
- This, in turn, created an **entire army of experts** who specialize deeply into one field of study.
- While **hyper-specialization** helps to optimize the cost at the lowest levels of the organization, it **restricts the experts who execute these hyper-specialized jobs from developing higher order thinking**.

Almost always, these experts are

- **Unable to look at the larger picture** and
- **Understand the implications of their insights**.
- They **fail to understand** that their recommendations are just a piece of a larger puzzle.
- Such lack of understanding is only perpetuated by the **modern workplace culture** that restricts executives **from trying things beyond their job responsibilities**.
- Human Resource professionals pad up the job responsibilities in the hopes to attract the best talent, however, only a fraction of those responsibilities are really undertaken by the employees.
- Usually, a bulk of the work is outsourced to specialized consultants. Thus, a **job role that seems like a polymath's dream ends up being just another specialized role in disguise**.



**Rigid Structure of Specialisation Victims will be Polymaths:**

- With increasing specialisation, what one gets are experts who **do not understand** the connections between **knowledge systems and ways of knowing**.
- Instead of treating an approach to knowledge or a paradigm as simply a heuristic or a framework, they begin to **regard it as fixed, offering specific solutions** that cannot be argued against and carrying all truth.
- The limits of each knowledge system are not part of the training and their own blinkers are not apparent to them.
- The **worst victims** of such rigid structures are **entrepreneurial polymaths**.
- Entrepreneurial polymaths excel at **synthesizing ideas from multiple disciplines** to develop organizations that are truly game-changing.

For example, consider **Elon Musk's approach to entrepreneurship**.

- His **education in Physics** and understanding of the obsolescence rate of **heavy engineering machines** allowed him to develop The Boring Company, a **tunnel construction company** with a mission to reduce the traffic congestion in Los Angeles.
- Since the heavy engineering machines follow a **low obsolescence rate**, it usually takes more than a decade to completely replace them.
- This allows to keep **the overall cost low** and make **such ambitious projects feasible**.
- If that were **not innovative enough**, Elon Musk raised the initial funding for The Boring Company by selling hats and flamethrowers.

**Conclusion:**

- The academic system of **rewarding greater specialisation** has fed the knowledge industry and universities to prepare students in **precisely this manner**.
- *Policy makers are listening to the experts seeking their guidance, thus coming full circle and promoting further fragmentation.*
- The assault on nature from the ramparts of specialisation **creates narrow reductionist viewpoints** that are **fiercely defended by specialists** who seem to have a lot at stake in terms of careers and reputations.
- Those at the short end are the **most vulnerable creatures** and humans on earth making up the vast connected webs of life.
- As **Max Weber wrote in The Protestant Ethic and the Spirit of Capitalism**: “specialists without spirit, sensualists without heart; this nullity imagines that it has attained a level of civilisation never before achieved.”

## 6. POWERING SOUTH ASIAN INTEGRATION

**Context:**

- The Union Ministry of Power issued a memo that set the rules for the **flow of electricity across South Asian borders**.
- Evaluated against the turbulent politics around the issue, the **new guidelines** are a startling departure from India's previous stance.
- In an atmosphere of regional intrigue and mistrust, it is a **rare and recent example of political pragmatism**.
- It is important not only because it **leads South Asian electricity trade** in progressive directions but is also a concession to India's neighbours in an **area of political and economic importance**.
- South Asia has always played an important role in **India's foreign policy** but the commitment was **reaffirmed and revitalized**.
- The **new guidelines** are a **tentative first step** towards the creation of a true **regional market** in which generators across the subcontinent compete **to deliver low-cost, green energy to consumers**.
- Since this would soften the hard borders of South Asia, it is **essentially a political vision**.

**Economic Integration of South Asia:**

- The **economic sustainability of SAARC region** is pillared on **energy security** as 30% of the region's energy demands are met through imports.

In order to resolve this, India advocated a **three pronged strategy** by leveraging:

- Harnessing conventional and renewable sources of energy
- Building inter-connected transmissions grids and
- Forging efficacious power trading agreements.

South Asia is a **robust market** but constraints are primarily on the supply side as there are pockets where deficits persist.



#### SAARC Power Grid will Integrate South Asia:

- Rivers can flow only in one direction, but **power can flow in the direction of our choice**.
- Building SAARC power grid so that **excess production of power** in one region can easily be used to **meet deficit elsewhere**.
- For example: **Hydroelectric power** generated in **North East India** could be transported via Bangladesh, India and Pakistan, on to Afghanistan or offshore wind projects could be set up in Sri Lanka's coastal borders to power Pakistan or Nepal.
- The eastern region of India is also rich in **hydro resources**. If exploited, Bangladesh can share the hydro-electricity from the **eastern region of India**.
- India will need the cooperation of Bangladesh to **transport hydro-electricity** from its eastern states to West Bengal and beyond.

#### Some irritants that need to be Addressed:

- The guidelines prevented **anyone other than Indian generators** in the neighbouring country, or generators owned by that country's government, from selling power to India.
- Excluded were scores of **privately held companies**, particularly in Nepal, that had hoped to trade with India.
- In restricting access to the vast Indian market, the **economic rationale for Nepali hydropower built for export** was lost.
- Bhutan was worried about a clause that required the exporting generation companies to be **majority owned by an Indian entity**.
- This created **friction in joint ventures** between India and Bhutan. Bhutan also fretted about limited access to India's main electricity spot markets, where it would have been well placed to profit from evening peaks in demand.
- The presented guidelines **complicated Bangladesh opportunity** to address its power crisis by giving India disproportionate control over such trade.
- After two years of protests from neighbours, the new guidelines resolve all these issues and restore the **governance of electricity trade** to a less restrictive tone.
- More broadly, India seems to have acknowledged that the sinews of **economic interdependency** created by such arrangements have the political benefit of positioning **India as a stable development partner** rather than one inclined to defensive realpolitik.

**South Asian Electricity: Tool for a Greener Grid:**

- A **liberal trading regime** is in India's national interest. As India transitions to a power grid dominated by renewables, **regional trade** could prove useful in **maintaining grid stability**.
- Major commitments to renewables, which could amount to half of India's installed power within a decade, have prompted justifiable concerns about **stabilising the grid** when the sun goes down or in seasons when renewables are less potent.
- **Harnessing a wider pool of generation sources**, particularly hydropower from the Himalayas that ramps up instantly as India turns on its lights and appliances after sunset, could be an important instrument in **achieving a greener grid**.
- **Nepal and Bhutan** have long recognised that their prosperity is tied to the **sustainable use of vast hydropower reserves**.
- Highlighting the correlation between **per-capita electricity consumption** and **Human Development Index (HDI)**, the impact of electricity on human lives is profound ranging from **healthcare to education to employment opportunities**.

**Conclusion:**

- The new guidelines are a significant step in this direction because, for the first time, they allow **tripartite trading arrangements**, where power generated in a country is routed over the territory of a neighbour to be consumed in a third.
- This is a crucial move towards the **evolution of complex, multi-country market arrangements**. Such markets require the **construction of regional institutions** that absorb the politics and manage the technicalities of electricity trade.
- At present, this function is managed by the Indian state because of its **geographic centrality** and the **ready availability of institutions** that manage its domestic power sector.
- As volumes increase and experience in regional trade grows, South Asian nations might feel the **need to build joint, independent regional institutions** that proffer clear and stable rules of the road.
- The political vision to create this felt in the new guidelines must be maintained. The possibilities are limitless. This not only **strengthen the economic ties** among the South Asian nations but also **deepens the people to people relationship**.

**7. HOPE WITH CONCERNS IN 2019****Introduction: India's Growth Rate:**

- Globally, the growth rate in 2018 was high, particularly in the United States. But **strong signs of a trade war emerged**, dimming hopes of faster international trade.
- Britain is passing through the **pangs of separation** from the **European Union**.
- The Indian rupee underwent a **severe shock** as crude oil prices rose, and abated after a fall in oil prices. **While prices fell, agrarian distress accentuated**.
- **India's growth rate** in 2018-19 is forecast at **7.4%** by the Reserve Bank of India (RBI). But it looks to be a **touch-and-go situation**.
- Looking ahead, 2019 may not show any substantial rise in the growth rate. Even though the **Goods and Services Tax (GST) has stabilised**, much will depend on the pickup in the **investment rate**.
- The international environment is **not that conducive** for growth in our foreign trade; this will have an **impact on our exports** and, therefore, **growth**.

**Going ahead, what are our major concerns?****Investment ratio:**

- In the final analysis, the **growth rate depends on the investment rate** and the productivity of capital or its **inverse incremental capital-output ratio**.
- The incremental capital output ratio is a **catch-all expression**. It depends upon a **multiple number of factors** such as quality of labour, which again depends on education and skill development levels, and technology, which is constantly changing.
- For ensuring a sustained high growth, we need to **raise the investment ratio** and keep the incremental capital-output ratio at 4.
- The **Gross Fixed Capital Formation ratio** has fallen from 35.8% in 2007-08 to 28.5% in 2017-18. The journey to raise the investment ratio is not going to be easy.
- **'Animal spirits' must be revived**. A tranquil political and economic environment needs to be nurtured.

**Banking system need to be revived:**

An important factor affecting economic growth is the condition of our banking system.

- **Non-performing assets (NPAs)**, including stressed assets, as a proportion of loans of public sector banks stood at **7% as of March 2018**.
- As many as **11 public sector banks** are under **Prompt Corrective Action (PCA)**. This restricts the lending abilities of these banks. Added to this, the non-banking financial company (**NBFC**) system is also **under stress**.
- **Recapitalisation of public sector banks** will partly solve the problem. It is not clear at this point how much it will help in adding to lending capacity.
- Some have advocated providing **more capital to banks** outside the PCA framework as that will increase their lending capacity immediately.
- Today, banks are responsible both for **short-term and long-term lending**. Their inability to lend affects the availability of working capital as well as capital expenditures.
- The decision to **pump in more capital to public sector banks** must be completed soon.
- **The growth rate in the industrial sector will depend on how quickly the banking system comes back to normalcy.**

**Employment growth must be in right track:**

- There is a great concern about the **inadequate growth of employment**.
- Honestly, we do not have satisfactory employment numbers. The employment data in the **organised sector are reliable**. But the employment in the **informal sector** is much larger.

**One question that is asked is that if growth is around 7%, why is there no corresponding growth in employment?**

We need to keep **two factors in mind**.

1. Growth can occur either as a result of **increase in investment** or because of **better utilisation of existing capacity**.
  - It is growth which is led by **new investment** that leads to a significant increase in employment.
  - But growth caused by **improved efficiency of utilisation** of existing capital can lead only to a marginal increase in employment.
  - Much of the growth seen in the last few years is of the latter variety.
2. Second, the **increase in employment** seen in the period between 2004-05 and 2009-10 was because of the **rapid growth of the information technology (IT) and financial sectors**.
  - The IT sector has slowed down. The financial sector is under stress. Employment in these sectors was visible and educated entrants into the labour market found ample opportunities.
  - The IT sector growth rate is not likely to pick up significantly as this industry is undergoing **many structural changes**.
  - The **revival of the banking system** depends on a number of factors.
  - Thus, even from the point of view of employment, **the key factor is the pickup in investment**.

**What happens in the rest of the world affects India's growth very much:**

- **India's external sector** has grown and is **well integrated** with the rest of the world. India's trade in goods and services as a percentage of GDP has **grown to 42% of GDP**.
- India's balance of payment situation has been comfortable since liberalisation. However, there are **vulnerabilities** as seen in September-October 2018, when the **value of the rupee** suddenly plummeted when **crude oil prices rose** and there were **simultaneously capital outflows**.

- RBI intervention and the subsequent fall in crude prices have restored the value of the rupee. In April-November 2018, India's exports of goods grew by 11.6%.
- However, we need to note that exports growth was 5.2% (2016-17) and 9.8% (2017-18). **Strong growth in exports is a must if we have to keep the current account deficit (CAD) at a manageable level.**
- The **forecast for world trade and output is not encouraging.** There are too many uncertainties which include an intensification in the trade war.
- Along with export promotion, we also **need to contain some of our large imports.** A watch on **India's CAD** is critically important if we have to achieve growth with stability.

#### **Agrarian distress and Viable Solutions:**

- The future growth also depends on the **performance of agriculture.** Agrarian distress is widespread.
- Strangely, the **fall in prices of agricultural products** is in one sense a reflection of our success in raising output.
- Some years ago, the concern was a **rise in the price of pulses** to abnormally high levels. But today the picture is reversed. Thanks to increase in production, prices have fallen. Similar is the case with respect to **vegetables**, particularly
- The need of agriculturists is **income in current prices.** The solution to the fall in prices lies in **government intervening** in the market and **buying off** the surplus over normal levels.
- The market will then automatically take prices to the normal level. The important requirement in this context is not only the **financial capacity of the government to procure** but also **adequate physical arrangements to procure and store.**
- The **procured agricultural products** can be sold by the government in later years when output is low or utilised in any safety net programme.

#### **Loan waivers are at best short-term solutions, but:**

- The **fundamental problem** is one of increasing productivity and enabling farmers to achieve **increased output and better prices.**
- There is also a **basic weakness** that we have to address. The average size of **landholding is so small** that any amount of increase in productivity will not give adequate income.
- Farmers have to think in terms of **consolidation of landholdings** so that they can get the **benefits of larger size.**
- Small farmers will also have to think in terms of **higher value-added products like vegetables.**
- **A combined attack to increase productivity, consolidate landholdings and improve marketing is needed to assure farmers of better income.**

#### **Conclusion:**

- Thus, there are **five concerns** as we stand at the beginning of 2019. These are:
  1. Raising the **investment ratio**;
  2. Putting the **banking system back on the rails**;
  3. **Employment generation** through better growth;
  4. **Enhancing export growth** to contain the CAD; and
  5. **Removing agrarian distress** by increasing productivity and consolidation of small landholdings.
- These issues need to be addressed **comprehensively**, if we have to achieve sustained high growth.

## **8. IT'S TIME TO REIMAGINE SOCIAL IMPACT IN A DIGITAL INDIA**

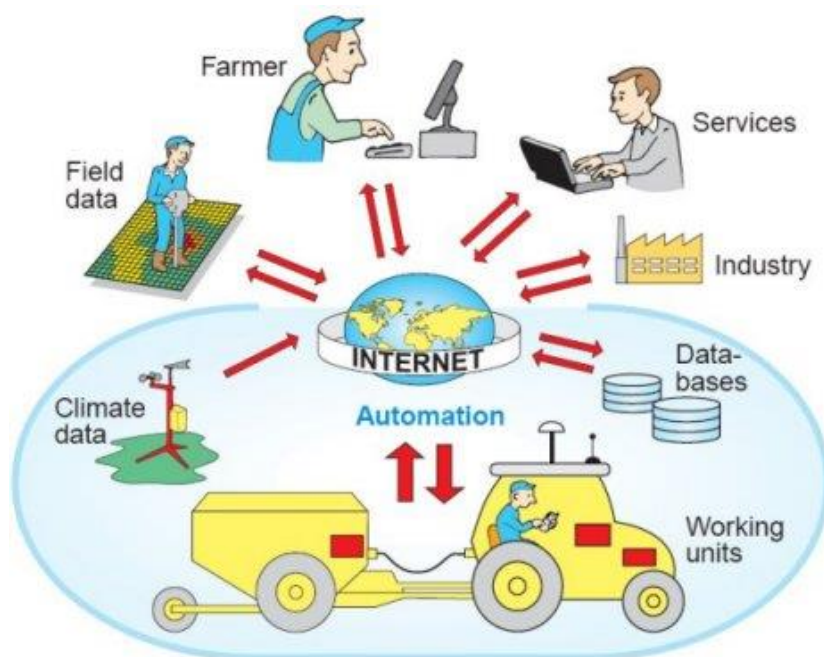
#### **Introduction:**

- **Technology and human life cannot be separated.** society has a cyclical co-dependence on technology. We use technology and depend on technology in our daily life and our needs and demands for technology keep on rising.
- Humans use technology to travel, to communicate, to learn, to do business and to live in comfort.
- However, technology has also caused us concerns. Its poor application has resulted in the pollution of the environment and it has also caused a serious threat to our lives and society. This calls for the **proper use of technology.**
- The biggest challenge facing people is to determine the type of future we need to have and then **create relevant technologies** which will simplify the way we do things.

- With recent developments in **technology** and **increase in smartphone penetration**, India is changing dramatically.
- For those of us working in the social impact sectors, this affords an opportunity to reassess how we think about our work of **who we focus on, the engagement models we adopt and the tools we deploy to achieve impact**.

#### A rapidly transforming India:

- Mobile connectivity and declining data costs have dramatically spurred internet usage.
- **Over 80% households** have access to mobile phones and approximately **300 million Indians use smartphones**.
- India is now **WhatsApp's biggest market**, with approximately **250 million monthly users**.
- Bank account penetration has surged due to the **Pradhan Mantri Jan-Dhan Yojana**.
- About **1 billion Indians** have a unique digital identity, **Aadhaar**.
- Elements of India Stack—e-signature, eKYC, DigiLocker and consent layer—on top of Aadhaar will continue to grow.
- We have a large and low-cost set-up for electronic payments in place, including wallets, new payments banks and Unified Payments Interface (UPI).
- National Payments Corp. of India (**NPCI**) **processed 246 million digital payment** transactions on its UPI platform in June 2018.
- These **"infrastructure rails"** will foster



#### New Approaches of Digital India Impacts Society at large:

- Lower-income Indians are **increasingly active users** of social media, videos, music and file sharing apps.
- Despite affordability constraints, they find **innovative ways to consume data**—in Mumbai's lower-income neighbourhoods, for example, households will share access to a Wi-Fi router instead of using mobile data.
- Highly talented people with a range of educational backgrounds and work experience are coming in large numbers to **address big public problems**.
- In contrast, 15 years ago, people focusing on social impact typically had backgrounds in **social work or the social sciences** and they worked on improving the lives of the most vulnerable populations.
- These positive changes offer an **opportunity to reimagine our approach to social impact for a digital and aspiring India**.

#### Target population:

- Traditionally, the impact/development sector has considered its **target population** to be those at the base of the pyramid—having **incomes of less than \$2-3/day**.
- However, large sections of lower middle-income and lower-income populations those just above the base of the pyramid—**lack access to quality healthcare and education** besides other aspirational services.
- The segment of "aspirers" comprises approximately **150 million households** with monthly household income ₹**6,500-25,000**. They are **underserved, excluded and disempowered in many ways**.
- This is the **aspiring India**, majority are drivers, maids, delivery boys, daily wage workers like plumbers, electricians and construction workers, security guards, retail vegetable vendors and small shop owners.
- They often have **little schooling**, but aspire to send their children to private schools and engineering colleges. Technology has now made it possible to engage with this population in new ways.
- Over the next five years, **500 million first-time internet users** the "Next Half Billion" are expected to come online via their mobile phones.

**Leveraging technology:**

- The **mobile phone** is one of the **biggest drivers of social impact** in India, making it possible to provide a **range of services to populations** we care about.
- The examples above represent a **mix of for-profit and non-profit social enterprises**.
- It is time for philanthropists and donors to support the right change-makers, with **potential to create** impact at scale, regardless of whether they are for-profit or non-profit.
- **Market-based approaches**, including equity investments in for-profit social enterprises, can be powerful complements to grants for non-profits. This approach also brings **market discipline** and **sustainability** to funding efforts.
- By reimagining the vision for social impact, we can deliver accelerated change for the underprivileged, in an **increasingly aspirational India**.

**Some Negative aspects of technology that one needs to be aware of:**

- We think of technology as a boon to society. However, it's not completely a boon. The Internet has bred many **unethical practices** like hacking, spamming and phishing. Internet crime is on the rise.
- The Internet, being an **open platform lacks regulation**. There is no regulation on the content displayed on websites.
- Internet gambling has become an addiction for many. Overexposure to the Internet has taken its toll.
- In this virtual world, you can be who you are not, you can be virtually living even after you die. Isn't this weird?
- Children are spending all their time playing online and less or almost no time playing on the ground. Youngsters are spending most of their time social networking, **missing on the joys of real social life**.

**Conclusion:**

- The **impact of technology** on society is deep. It is **both positive and negative**. Technology has **largely influenced** every aspect of living. It has made life easy, but so easy that it may lose its charm someday.
- One can cherish an accomplishment only if it comes after effort. But everything has become so easily available due to technology that it has lost its value. There is a certain kind of enjoyment in achieving things after striving for them.
- But with everything only a few clicks away, there is no striving, there's only striking. **With the developments in technology, we may be able to enjoy all the pricey luxuries in life but at the cost of losing its priceless joys**.

**9. FREE FOR ALL VOTERS****Introduction:**

- An intriguing question in political economy is **how politicians get re-elected in spite of the public perception that they are corrupt**.
- The storied **culture of feasts and gifts** has thrown up the perfect excuse to devour the **model code of conduct** and splash out on voters here.
- The distribution of freebies was unsuccessfully challenged before the Madras High Court and also before the Supreme Court in **Subramaniam Balaji vs State of Tamil Nadu**.

- It was argued that the distribution of freebies was not only unconstitutional but also **violates Section 123 of the Representation of People Act, 1951**.
- **Section 123 defined "bribery"** to include any gift, offer or promise by a candidate or his election agent or by any other person that has the effect of inducing a voter to vote for him.

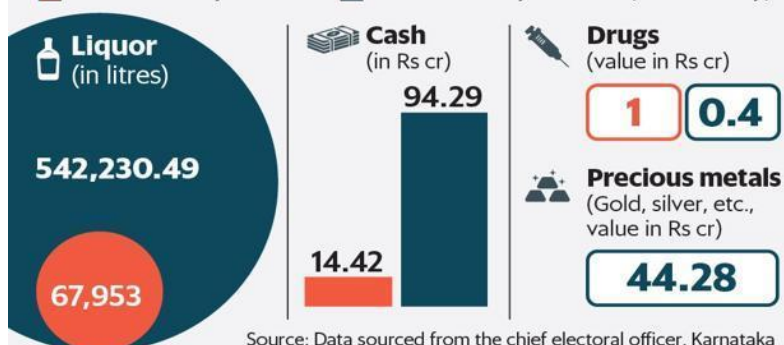
**Situation in Recent Assembly Elections:**

- Not a single party had any strategy or concrete plan to **create more employment** or improve the **ease of doing business**.

**FREEBIES CONFISCATED DURING POLLS**

Total amount of liquor, cash, precious metals seized during the 2018 Karnataka assembly election compared with seizures during the 2013 assembly election

■ 2013 assembly election ■ 2018 assembly election (as of 14 May)



- The entire focus was to simply **grant loan waivers** and distribute as **many articles free of cost** as each party could imagine.
- **Freebies and loan waivers** will eventually **bankrupt** the State after State.
- The Election Commission also conveyed the same view in its affidavit and expressed the view that the promise of freebies **disturbs the level playing field and vitiates the electoral process**.
- It expressed its willingness to implement any directions of the Supreme Court in this regard.
- But the Supreme Court missed the **golden opportunity** and merely observed that the Election Commission “should consult all political parties and issue suitable directions in this behalf”.

#### Freebies are causing irreversible Public Debt:

- One can argue that Maharashtra, an industrially advanced state, has the highest debt at around Rs. 4,00,000 crore. But then most of this debt is because of **industrialisation**, and due to a spurt in **manufacturing and services**.
- On the other hand, for West Bengal and to some extent in Tamil Nadu, a **large component of public debt has originated from unproductive freebies**.
- The **debt to state GDP ratio** is much less for Maharashtra in comparison to West Bengal and Tamil Nadu.
- Unfortunately, an **increase in subsidies on non-merit goods** such as freebies is going to make the **fiscal deficit** of any government **unsustainable**.
- There is now a consensus that subsidies on non-merit goods should decline, and those on merit goods should increase.

#### Election Freebies Are Generating Public Debt, but Voters Don't Seem to Care:

- An intriguing question in political economy is **how politicians get re-elected** in spite of the public perception that **they are corrupt**.
- The answer, perhaps, lies in the **short-sightedness of the voter**, who cares more about living in the present even at the **cost of an uncertain future**.
- This means that freebies doled out by the incumbent government actually work. And if this is common knowledge, then logic suggests that politicians would indeed dole out freebies.
- They are maximising their objective function, which is to get re-elected, often **changing the nature and packaging of these freebies** as the situation demands.

#### Way Forward:

- Supreme Court also said “the **reality cannot be ruled out**, that distribution of freebies of any kind, undoubtedly, influences all people. **It shakes the root of free and fair elections to a large degree**”.
- The two industries which flourished at the time of the **Great Depression in the US** are the **liquor and film industry**.
- People got drunk and watched movies to forget the pain caused by unemployment. Politicians know about dreams. **The time has come for us, the voters, to awaken to reality**.
- There is a need to make the **bureaucracy and police independent**. There is also a need to create a **statutory, independent police commission**, along the lines of the election commission, to supervise crime investigation and prosecution.
- Ideally, an **independent state police commissions** should be created in every state. This will **end political interference and curb corruption**, ultimately benefiting the entire political process.

#### Supreme Court Judgement in 2013:

- The Supreme Court rejected this contention on the ground that **Section 123 applied only to a candidate and not to a political party**.
- *Gifts made by a political party would not amount to a bribe and a corrupt practice*.
- The Supreme Court **rejected** all the arguments on the ground that various policy decisions to distribute mixers, grinders and fans etc., were administered through district collectors and there were **sufficient checks**, because government expenditure is **subjected to audit by the CAG**.
- It upheld the distribution of freebies and it also held that it does **not amount to a corrupt practice under Section 123**.
- If an independent candidate wants to give freebies, it would be a corrupt practice. If the candidate of a **political party promises** the same gift, it would not be so, because that promise was not made by him, but the inducement comes from the party.

#### Supreme Court missed the opportunity to interpret the Article 282:

- **Article 282 mandates that the Centre and State Governments can expend money only for “public purposes”**. There is **no bar** on creating community assets.
- In USA, the courts ruled that public funds cannot be used to create private assets.
- If free computers are promised to public schools, it will become a public asset. No political party can use public funds and distribute them as private assets to individuals.
- The Supreme Court did not refer to any of these aspects and said the distribution of freebies was a policy decision and welfare measures were in compliance with the Directive Principles.

- A popular perception about the reason for the increasing fortunes for politicians is **corruption**. To curb corruption there is a **need for political, judicial and administrative reforms**.
- Currently, political funding is **opaque and non-transparent**, and at times is linked to corruption. Political funding is mobilised by looting the exchequer and by selling patronage.
- To **improve governance** there is a need to undertake **judicial reforms** too, to ensure that cases do not go on and on for many years.

## 10. LESSONS FOR KASHMIR FROM THE KURILES

### Introduction:

- The **Second World War** left behind many problems inherited from history, not least in Asia in respect of **multiple disputed territories**.
- One of them concerns **four islands in the Kurile chain** that are **claimed by Japan but occupied by Russia** as successor state of the Soviet Union.
- Despite the passage of over 70 years, this dispute has defied solution and prevented the conclusion of a **Russo-Japanese peace treaty** to draw a final curtain over the detritus of the war.



### Kuril Islands

The archipelago of some 56 islands has been controlled by Moscow since being seized by Soviet troops in 1945

- The dispute surrounds the four southernmost islands which Japan calls the "Northern Territories"
- The row has prevented Russia and Japan from signing a peace treaty to formally end World War II



### Prominence about South Kuril Islands:

- Among hyper-nationalist circles, **territorial issues** have always been questions of **utmost sensitivity**.
- The **prime value of the islands**, however, is **strategic**.
- The Russians have deployed **missile systems**, plan a **submarine project** there, and intend to preclude any American military use of the islands.
- On the other side of the dispute, the Japanese people, especially conservatives in Hokkaido, are **emotionally attached to the islands** and **resource-starved Japan** could certainly use the **resource-rich Exclusive Economic Zone** surrounding the islands.

### Claims and counterclaims by Japan and Russia:

- Public opinion in both countries is totally averse to any concession. Russian memory recalls the **Japan-Russia war (1904-05)** and the **Japanese intervention with the U.S. and Europe** during the early years of the Russian Revolution.
- **Moscow's legal claim** is based on the post-war settlements of Yalta and San Francisco, whereas the **Japanese claim** is founded on the Russia-Japan treaties of 1855 and 1875.
- Moscow is concerned about Tokyo **amending Article 9 of the Japanese Constitution**, which disallows Japan from maintaining a military force or using force to settle international disputes, and views with anxiety the fact that **Japan is among the world's biggest spenders on defence** and has a very powerful military.

### Kuril Islands dispute:

- The Kuril Islands dispute, also known as the **Northern Territories dispute**, is a disagreement **between Japan and Russia**.
- Some individuals of the Ainu people **over sovereignty** of the **South Kuril Islands**, which stretch between northern Hokkaido and southern Kamchatka, in the **Sea of Okhotsk**.
- The **San Francisco Peace Treaty** signed between the Allies and Japan in 1951, states that Japan must give up "all right, title and claim to the Kuril Islands", but it also **does not recognize the Soviet Union's sovereignty over them**.
- All Kuril isles are under **Russian jurisdiction**. However, Japan currently claims the **2 southernmost big-sized islands (Kunashiri and Etorofu)**, as well as the **Habomai and Shikotan groups** as the "Northern Territories" of Japan.
- The Kuril Islands dispute between Japan and Russia is over **the sovereignty of South Kuril Islands**.

- Japan plays **host to American bases and missile systems**, and plans to spend \$240 billion up to 2024 on cruise missiles, missile interceptors, fighter jets and aircraft carriers.
- Moscow cannot be unaware that **Japan and South Korea** seem to be inching towards a **future of relative independence from the U.S.** in wartime operations.

#### Moving towards to build the Trust:

- In two summits last year, they agreed to **joint field surveys and joint economic activities** with the identification of specific projects, the enterprises that would undertake them, and three levels of supervision.
- These proposals cover marine species and aquaculture, greenhouse strawberry and vegetable cultivation, development of package tourism, wind power generation, and the reduction and disposal of garbage.
- They also agreed to **scheduled visits by Japanese families** who sought to visit the graves of their ancestors, and two such visits have already taken place.
- The Japanese have further proposed **safe opportunities for fishing salmon and trout** without using prohibited driftnet methodology, and cooperation in **disaster prevention**.
- These may seem small steps, but underlying them is a serious purpose: **to build trust**. Summits and Foreign Ministers' meetings have become commonplace.
- Japan has no territorial or demographic ambitions in Russia other than the Kuriles, and has the **capacity to transform** the vast contiguous areas of Russia.

#### Towards greater collaboration:

- Therefore, it is hardly surprising that both Japan and Russia see merit in pursuing **greater collaboration**, although the U.S. has made no secret its displeasure at Japan's accommodating attitude towards Russia.
- Mr. Abe, Japanese PM declared that **Japan-Russia relations** held "**unlimited potential**" and that the **absence of a peace treaty** was "**an abnormal state of affairs**".
- Mr. Abe stated that *Japan-Russia relations are advancing at a degree never seen before*.
- The premise of the upcoming negotiations is solving the island issue and **concluding a peace treaty**.

#### Can Same can be replicated for Kashmir Issue?

- The interactions between Japan and Russia probably hold **scant interest for the Indian public**.
- Kashmir is essentially a **territorial dispute** of almost equal vintage as the Kuriles.
- Nevertheless, although no two international problems are analogous, there are **important lessons** to be drawn from the manner in which **traditionally hostile** neighbours can **identify common interests** and explore **unorthodox avenues** along which to proceed **in search of innovative solutions** to apparently insoluble disputes.
- This requires **strong leadership and a bold imagination**.
- Neither India nor Pakistan lacks either attribute.
- But if both sides keep waiting for the most propitious time to make the first move, it will never come about.

## 11. WHY MCQ ISN'T AN OPTION

#### MCQs in Various modes of Examinations:

- The **growing legitimisation of the MCQ** (Multiple Choice Question) pattern of exams for **all sorts of entrance tests**, particularly in the field of liberal arts and social sciences, indicates the poverty of pedagogic imagination that seems to have inflicted a team of techno-managers and academic bureaucrats.
- Even though **all sorts of justifications** ranging from technological convenience, and instant process of selection and elimination, to "**value-neutral**" **evaluation** free from human subjectivities are put forward in its defence.

#### Other side of argument to MCQs:

- Even though **universities** like JNU and DU fail to resist the temptations of these arguments.
- The fact is that it **causes great damage** to what really matters in humanities and social sciences:
  - **Reflexivity, creativity and an interpretative art of understanding**.
- To begin with, it is important to reflect on the common mistake that academic bureaucrats often guided by some sort of "engineering" mindset make.
- First, they think that **all disciplines**, be it English literature or mathematics, can be seen **on the same scale**.
  - This love for **mindless standardisation** makes them think that even sociology or philosophy can be reduced into a **set of "objective" postulates**, or "puzzles" with only one "correct" answer.

- Second, they tend to see knowledge as the acquisition of mere “facts”.
  - To put it more bluntly, “quiz contest” material — who said what, who invented what, and who wrote what, free from “**ideological**” aberrations or “**subjective**” prejudices.
- And third, with the hallucination of “**mathematical precision**”.
  - They feel that creative articulation is dangerous or equivalent to madness because everything has to be fitted into the **standardised/dominant formula or theorem**.
- 99% marks in the board exams is **killing the creative faculty** of school children. With **rote learning**, they have mastered the technique of reducing everything to a **set of bullet points** depending on the marks allotted to a question.
- Coaching centres, guide books, success mantras killed the slightest trace of joy. NET/ UPSC trivialised the higher education, whether it is sociology or history.
- Even for **selecting M.Phil/Ph.D candidates**, people are **asking MCQ pattern** at the entrance test.
- Hence, to take an illustration, **Marx** cannot be seen beyond “**historical materialism**” and “**economic determinism**”; or, for that matter, even **Munshi Premchand’s Godan** has to be reduced to a **set of “objective” bullet points**.

#### Importance Objectivity over Creativity and Multi-dimensionality:

- After all, our obsessive craze for **objectivity**, “**certainty**” and “**homogeneity**” would orient us to consume the products of the culture industry and feel “happy”, to accept the **monologue of the authoritarian regime** as the ultimate truth, and see ourselves as just loyal employees of gigantic corporations.
- Coaching centres, guide books and all sorts of success mantras have killed even the **slightest trace of joy and experimentation** in the experience of learning.
- No wonder, we produce technologists **politically illiterate and culturally impoverished**.
- The exams, like the National Eligibility Test and the UPSC Prelims, have further trivialised higher education. Sociology or history, it seems, has been imprisoned.
- It is sad to see a young aspirant tired and disenchanted, only trying to recall “facts” like the **date of the Gandhi-Irwin Pact**, or the **year of publication** of Professor **Andre Beteille’s Caste, Class and Power**.
- And now, as teachers have lost their agency. Even for selecting M.Phil/Ph.D candidates they have been asked to rely on the MCQ pattern of entrance test.
- Hence, as teachers we are not supposed to think or evolve our **unique modes of selection and evaluation**.
- They will only **formulate “objective” questions**, and specialise ourselves in generating an MCQ bank.
- And we would be asked to believe that it is a good thing because we are now free from the task of evaluating entrance test copies with all sorts of “subjective” answers. The **computer is the best judge** as it has no “politics”.

#### But, why humanities matter?

Arguments that the humanities are important:

- The humanities help us **understand others** through their languages, histories and cultures.
- They foster **social justice and equality**.



- And they reveal how people have tried to make **moral, spiritual and intellectual sense of the world.**
- The humanities **teach empathy.**
- They teach us to **deal critically and logically** with **subjective, complex, imperfect information.**
- And they teach us to weigh **evidence skeptically** and consider more than one side of every question.
- Humanities students build **skills in writing** and **critical reading.**
- The humanities encourage us to **think creatively.**
- They teach us to reason about being human and to *ask questions about our world.*
- The humanities develop **informed and critical citizens.** Without the humanities, *democracy could not flourish.*

Innovations based **on research results** in the natural sciences and medicine are more likely to be successful if their implementation is carried out in **collaboration with humanists.**

Therefore, there is a **need to abandon** the **idea of “objectivity”** in **humanities and social sciences** (possibly, except mathematical economics, demography or areas filled with quantitative techniques).

#### Conclusion:

- Eventually, we would further deteriorate the status of the **liberal arts and social sciences.** We would **destroy thinking and creative imagination.**
- We would manufacture **one-dimensional consciousness** a mind incapable of living with plurality, ambiguities and unresolved paradoxes.
- This means the **willingness to accept** that there is **no singular truth**, and there are many readings of the same text.
  - For instance, two young students can come forward with two different **interpretations** of **Gandhi’s Hind Swaraj**: Gandhi, a revolutionary who could see the discontents of a civilisation based on the manufactured “needs” and resultant greed;
  - Gandhi, a conservative priest refusing to come to terms with the inevitability of historical progress.
  - No, it is not like  $2+2=4$ ; there is **no “correct answer”**; there are only multiple possibilities subject to a culture of debate.
  - What is, therefore, important, is the **rigour/sincerity/creativity in the art of interpretation.** To deny it is to kill the **soul of liberal arts and social sciences.**
- Understanding **sociology, literature or history** doesn’t mean merely memorising and repeating these facts like a parrot.
- What really matters is **to go deeper, and interpret** the arguments and philosophic propositions these authors developed in their works.

## 12. A SOLUTION IN SEARCH OF A PROBLEM: ON 10% RESERVATIONS

### Parliament passes Bill to provide 10% quota for poor:

- President **Ram Nath Kovind** has given his **assent to the constitutional provision** to provide **10-per cent reservation** in government jobs and education to economically backward section in the general category.
- Previously, Parliament cleared the **Constitutional Amendment Bill** guaranteeing **10% quota in education and employment** to **economically weaker sections** in the general category, following an approval by the Rajya Sabha.
- The **Constitution (124th Amendment) Bill** was introduced by Minister of Social Justice and Empowerment, who later in his reply said that the *existing reservation to the SCs, STs and OBCs would not be touched by the amendment.*
- The Upper House nod came following an over **nine-hour-long heated debate**, during which the Opposition accused the government of bringing the Bill in haste with an eye on the coming **Lok Sabha election.**

### Amendments Added through Constitutional 124<sup>th</sup> amendment:

- The **Act amends Articles 15 and 16** of the Constitution, by **adding a clause** which allows states to make **“special provision for the advancement of any economically weaker sections of citizens”.**
- These **“special provisions”** would relate to “their admission to educational institutions, including private educational institutions, whether aided or unaided by the state, other than the minority educational institutions”.

- It also makes it clear that reservation would be “in addition to the existing reservations and subject to a maximum of 10 per cent of the total seats in each category”.

#### Clause 6 to ARTICLE 15:

- It allows the Government to give reservation for the economically weaker sections of society in higher educational institutions including private ones, whether they are aided or not by the State. Minority educational institutions are exempted.

#### Clause 6 to ARTICLE 16:

- It provides quota for economically deprived sections in the initial appointment in Government services.
- It is amendment to fundamental right coming under Part III of the Constitution and it does not require ratification accordingly.

#### DPDP of Article 46: About Reservation in Education and Economic Interests:

- According to the objects of the bill, “The directive principles of state policy contained in Article 46 of the Constitution enjoins that the State shall promote with special care the educational and economic interests of the weaker sections of the people, and, in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation.”
- Economically weaker sections of citizens were not eligible for the benefit of reservation.
- With a view to fulfil the mandate of Article 46, and to ensure that economically weaker sections of citizens get a fair chance of receiving higher education and participation in employment in the services of the State, it has been decided to amend the Constitution of India.

#### Redesigning Reservations is the Need of the Hour:

- The greatest cost of this amendment lies in the foregone opportunity to develop an enhanced and more effective reservation policy so that we can genuinely see an end to the entrenched inequalities in Indian society in the medium term.
- We have gotten so used to business as usual that we make no effort to sharpen our focus and look for more effective solutions, solutions that would make reservations redundant in 50 years.
- If the goal is to help as many people as possible, we are facing a serious challenge.
- On the one hand, 50% reservation looks very large; in the grand scheme of India’s population it is a blunt and at times ineffective instrument.
- The Statistics from UPSC tell us that in spite of reservations, a vast proportion of reserved category applicants do not find a place via the UPSC examination.
- Statistics from other fields may tell a similar story. This implies that if we expect reservations to cure the ills of Indian society, we may have a long wait.

#### Spread the benefits: about Alternative Strategies:

One strategy may be to try and spread the benefits of reservations as widely as possible within the existing framework:

- Ensure that individuals use their reserved category status only once in their lifetime.
- This would require that anyone using reservations to obtain a benefit such as college admission must register his/her Aadhaar number and she would be ineligible to use reservations for another benefit (e.g. a job) in the future.
- This would require no changes to the basic framework but spread the benefits more broadly within the reserved category allowing a larger number of families to seek upward mobility.

## YOU ARE ELIGIBLE FOR THE 10% RESERVATION IF YOU:

TOI



### 1 Have household income of less than ₹8 lakh a year

At least 95% (127 crore) Indians earn less

### 2 Have agricultural land of less than 5 acres

86% land holdings in India fall under this category



### 3 Have a house smaller than 1,000 square feet

At least 80% of households in India have houses smaller than 500 sq ft

### 4 Have a residential plot smaller than 100 yards in a municipality

Data not available



### 5 A residential plot of less than 200 yards in a non-notified municipality

NA

A **second strategy** might be to recognise that future economic growth in India is going to come from the **private sector and entrepreneurship**:

- In order to ensure that **all Indians**, regardless of caste, class and religion, are able to partake in economic growth, we **must focus on basic skills**.
- We have **focused on admission** to prestigious colleges and government jobs, but little attention is directed to **social inequality** in the quality of **elementary schooling**.
- The **IHDS shows** that among children aged 8-11, 68% of the forward caste children can read at Class 1 level while the proportion is far lower for OBCs (56%), SCs (45%) and STs (40%).
- This suggests that we **need to focus on reducing inequalities** where they first emerge, **within primary schools**.

#### Conclusion:

- At present, the **economically weaker sections** of citizens have largely remained **excluded** from attending the higher educational institutions and public employment on account of **their financial incapacity** to compete with the persons who are economically more privileged.
- The challenge we face is that **our mindset** is so driven by the reservation system that was developed in a different era that we have not had the time or the inclination **to think about its success or to examine possible modifications**.
- The tragedy of the EWC quota is that it **detracts from this out-of-the-box thinking**.

## 13. LET THE GRASSROOTS BREATHE

#### Context:

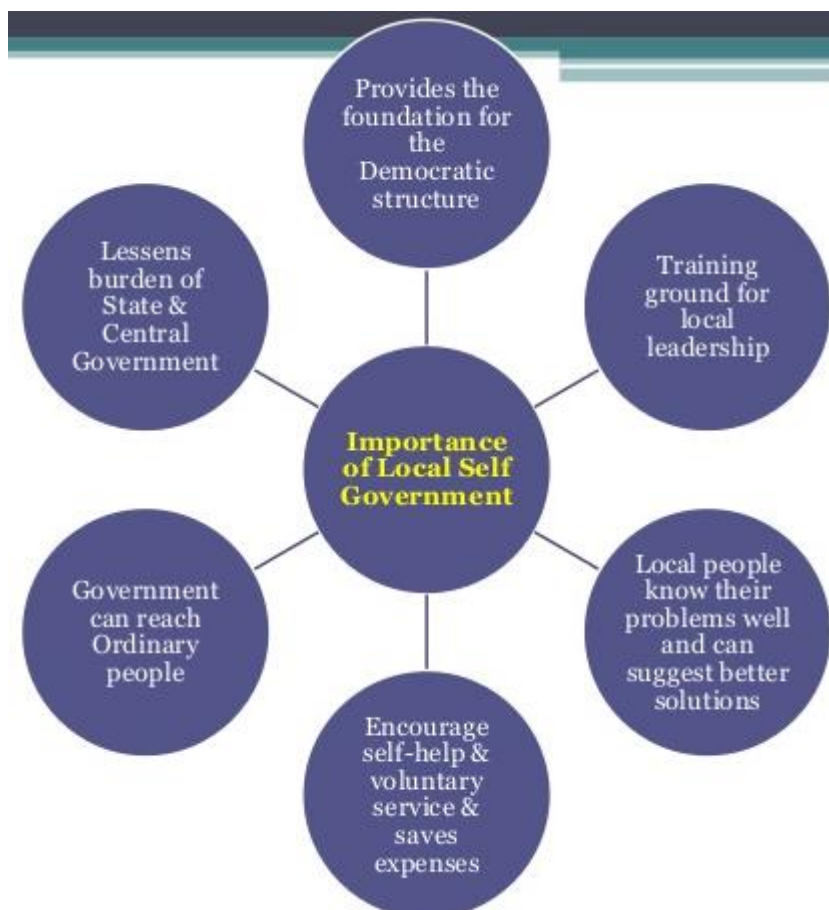
- One of the first decisions of the newly elected government in Rajasthan has been **to scrap the minimum educational qualification criteria for candidates contesting local body elections**.
- This reverses the amendments introduced in 2015 which required candidates contesting the **zila parishad and panchayat samiti elections** to have **passed Class 10** and those contesting **sarpanch elections** to have passed **Class 8**.
- Further, it disallowed those **without functional toilets** in their home to contest. Following this, Haryana also introduced similar restrictions for contesting local body elections.

#### Decision had Challenged in Courts: SC in 2015:

- However, in December 2015, a two-judge Bench of the Supreme Court in **Rajbala v. State of Haryana upheld the validity** of the amendments to the Haryana Panchayati Raj Act.
- In a contentious judgment authored, the court held that prescription of **educational qualification** was justifiable for **better administration** and did **not violate the right to equality** enshrined in the Constitution.

#### Prescribing educational qualifications for contesting elections is problematic in multiple ways:

- Fundamentally, it **unduly restricts** a citizen's **right to contest elections** and thereby challenges the **basic premise of a republican democracy**.



- Denying the right to contest effectively restricts the right of a citizen to vote for a candidate of her choice since **more than half the population is restricted from contesting**.
- Further, it disproportionately disenfranchises the **more marginal sections** of society: **women, Dalits and poor**.
- In a country like India with **unequal access to education**, it is cruel to blame citizens for the failure of the state to fulfil its constitutional obligations.
- The disqualification of candidates who **don't have toilets** in their home or **defecate in open** is clearly an example where the implementation of a Central programme like the **Swachh Bharat Mission** gets precedence **over the need for representative government**.

#### Basic Qualification rules didn't improve the situation:

- Education is beneficial to implement the government policies in appropriate way but one can say that, this is a failure of government machineries who overburden with the things of inefficiencies with **poor results of the PRI's** and now it transfers to the **citizen's mandate** on the form of **the education compulsion**.
  - **More than half of the women** and **68% of the Schedule cast/ST women** and **41% of the Schedule Cast/ST men** cannot contest in these local elections.
  - The **Panchayat Law is discriminatory** and such criteria are arbitrary.
  - Experience has shown that **wisdom plays a greater role than education** at local governance level, especially villages.
  - Although more educated people should be part of the political system, **more ground reforms are needed** before such a law is implemented.
  - It is always good that more educated people become a part of panchayats, but the rest of the systems including something as basic as education and sanitation should be put in place first. Nothing can be so alienated from reality.
- ❖ The very objective of the **73rd and 74th Amendments** that sought to make **panchayats and municipalities representative** institutions with adequate representation from **Scheduled Castes, Scheduled Tribes and women**.
  - ❖ Though local governments now have a **definite space within India's constitutional structure**, they are still seen as **administrative vessels** for implementing programmes of the Central and State governments.

#### Denying local democracy by not holding elections to Local Governments:

- The **undermining of local governments** as representative institutions does not take place solely through the introduction of **restrictions for contesting elections**.
- Many State governments have sought to defang local governments **by simply delaying elections** on various grounds.
  - Elections to **panchayats and municipalities in Tamil Nadu** have not been held since 2011.
  - In **Visakhapatnam**, elections to its Municipal Corporation were last held in 2007.
  - These local governments now function as **bureaucratic machines** without an elected council to hold them accountable.
- The continual delay in elections goes against the purpose of the 73rd and 74th Amendments which listed the **"absence of regular elections"** and **"prolonged supersessions"** as stated reasons behind their introduction.
- These amendments also mandated the **creation of a State Election Commission (SEC) in each State** for the preparation of electoral rolls and the conduct of elections to panchayats and municipalities.
- However, in most States, tasks like **delimitation of seats** are still **done by the State government** instead of the SEC.
- It is often under the guise of delimitation of seats that local government elections are delayed, especially when the party in power fears losses.

#### Conclusion:

- India prides itself as a **robust democracy**, at least in the procedural sense, with regular elections and **smooth transfer of power**.
- However, the **absence of elected councils** in some local governments punches holes in this claim.
- The lack of alarm caused by the **denial of local democracy** reveals our collective bias regarding the place of local governments.
- Delaying elections and adding restrictions to contest prevent local governments from becoming truly representative institutions.

- Previously, basic qualification verdict **completely ignores** the outstanding work done by **many uneducated leaders**, despite having the illiterate they played the major role in **bringing the developmental procedure** with the effective implementation **based on the local resources and local common and cultural knowledge and experience** and are closely connected with their constituents.

## 14. BASIC INCOME WORKS AND WORKS WELL

### Introduction:

- The **idea of a universal basic income** has gained currency in the West because of the **threat of automation-induced job losses**.
- In India, the idea first gained currency as a solution to **chronic poverty** and government's failure to **effectively target subsidies** towards the poor.

### Is UBI is better than Regular Farm Loan Waivers?

The promises made with the opposition parties in centre and states of farm loan waivers. No doubt this policy would **lessen the burden** on a hard-pressed social group, and **lessen rural poverty**, but it is a **populist measure**.

- It will be popular, but will **not alter structures and is bad economics**.
- Suppose the principle were generalised. If one type of loan could be declared non-repayable, **why not others?**
- Unless one can show that a **debt is odious or illegal per se**, it would be a **dangerous precedent** to declare that one type of debt and not others need not be repaid.
- In the long term, financial institutions would be **less likely to extend loans to small-scale farmers**.
- If the loans were made on fair rules, it would be **better to enable** the debtors to pay them back less onerously.
- That is why a basic income would be a **more equitable and economically rational way of addressing** what is undoubtedly an unfolding rural tragedy.
- The idea of an **income support scheme for farmers** draws from the **Rythu Bandhu scheme** initiated by the Telangana government which may have helped the government storm back to power.
- Unlike farm loan waivers or minimum support prices for specific crops, a **Rythu Bandhu-type income support scheme** does not damage credit culture or distort markets.
- However, the Rythu Bandhu scheme **excludes tenant croppers** who consist of around **13.7% of farm holdings** all across India.

### Universal Basic Income:

- Basic income refers to a **minimum income** which can provide for **basic necessities** sufficiently for all. A basic income is a **regular, periodic cash payment** delivered unconditionally to all citizens on an individual basis, without requirement of work or willingness to work.
- It should be given to all irrespective of their employment status. Additionally, even post education if a person is not employed, he / she should be **given the basic income**.
- **Sikkim** is set to become the **first state in India** to roll out **Universal Basic Income (UBI)**, an idea that is, like many rights, both **unconditional and universal**, one that requires that every person should have a **right to a basic income** to cover their needs, just by virtue of being citizens.

The **five broad features** of such schemes are:

- Payments at periodic regular intervals (not one-off grants),
- Payments in cash (not food vouchers or service coupons),
- Payments to individuals,
- Universality, and

### Benefits from Basic Income Provision:

Studies and surveys on the **basis of trials and pilot studies** have reported various benefits of providing basic income to people which are as follows:

- The **nutrition intake** of those suffering from poverty rose. Data provides that consumption of **pulses, fresh vegetables and meat** was up by huge number of 1,000%, 888% and 600% respectively.
- People were also able to **spend more on healthcare** and as a result, incidence of illness dropped.
- Among other social indicators **education** also witnessed **progress** in terms of **enrolment and attendance**, especially among female students.
- Basic income lived up to its rationale of **reducing the gap** between rich and poor and led to **more equitable development**.
- People living in villages worked harder than before and also took up **multiple economic activities** with the help of the basic income.

- With this confirmed source of income, **indebtedness** of people decreased and the capacity to save increased, hence placing them in a better financial position.
- Basic income acts as a **kind of a social security** for the weak, unwell or physically challenged.
- Also for people who are skilled and have employment but are not able to **receive quality wages** due to lack of opportunities or other reasons, basic minimum income acts as a supplement to the existing economic resources.

**WHAT IS UNIVERSAL BASIC INCOME?**

It is a form of social security that involves payments to anyone without work or means of livelihood without conditions.

**IDEA GAINING GLOBAL CURRENCY**

Slow growth not yielding jobs

UBI can guarantee some income to everyone

In poor countries, it can address extreme poverty

**NUMBERS TOO LARGE FOR INDIA**

Considering the number of people in India, it is fiscally difficult to offer such a dole in India

(Number Of Poor, In Million)

403.7 1993-94	407.1 2004-05	269.3 2011-12
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(Based on Tendulkar committee criteria)



**₹3.6 LAKH CRORE**

**THE ANNUAL COST OF GIVING ₹1,500 A MONTH TO 200 MILLION PEOPLE**

**TARGETED APPROACH**

**IT IS POSSIBLE TO PROVIDE INCOME SUPPORT TO A TARGETED POPULATION**

**THIS WILL ALLOW MORE FOCUSED ACTION AGAINST POVERTY**

**SECC\* ALLOWS TARGETED INTERVENTION**

(In Crores)

Total households	24.49
Rural households	17.97
Households that need no benefits (automatically excluded)	7.07
Identified poor households	0.16
Households that face some deprivation	8.73

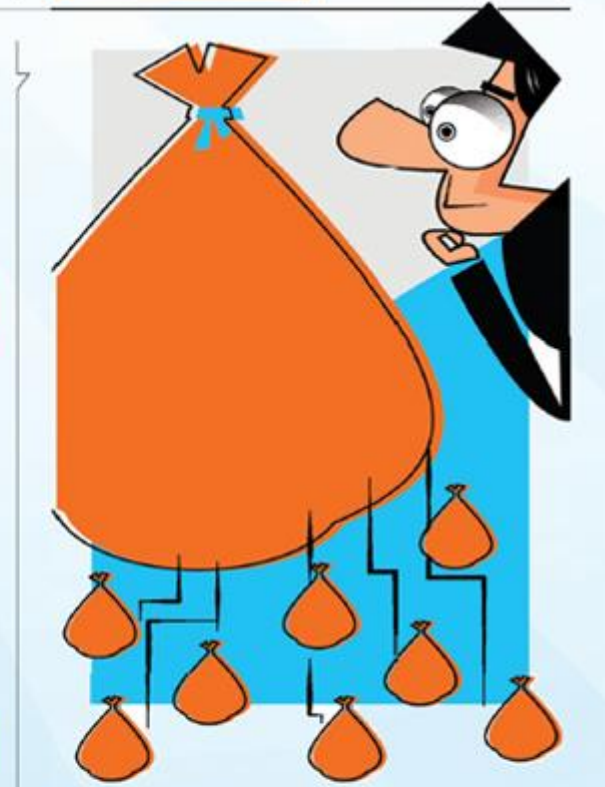
\* Socio Economic and Caste Census, 2011

**HOUSEHOLDS THAT MAY NEED HELP**

AUTOMATICALLY INCLUDED	DEPRIVED HOUSEHOLD	TOTAL
0.16	8.73	8.89

**₹1.6 LAKH CRORE**

**WILL BE THE COST IF EVERY DEPRIVED RURAL HOUSEHOLD IS GIVEN ₹1,500 A MONTH**



**CASE FOR UBI**

Best way of addressing poverty by providing a subsistence dole	It can help cut down on multiple welfare schemes	Direct cash transfer will reduce pilferage	Social inequality will be reduced
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**CASE AGAINST UBI**

Too costly for government to implement	Discourage people from seeking employment	Temptation to withdraw other benefits
--	---	---------------------------------------

**Conclusion:**

- Along with the **National Food Security Act, MGNREGA**, a plan for provision of **basic income** can be a **game changer** for the country.
- The Government of India has also decided to dedicate a special chapter to basic income as a **tool for poverty reduction** in the Economic Survey.
- The beauty of moving towards a **modest basic income** would be that **all groups would gain**.

- That would not preclude **special additional support** for those with special needs, nor be any threat to a progressive welfare state in the long-term.
- UBI envisages an **uncompromised social safety net** that seeks to assure a **dignified life for everyone**, a concept that is expected to gain traction in a global economy buffeted by uncertainties on account of globalisation, technological change, and automation.
- The **Economic Survey 2017** devoted an entire chapter to its merits, concluding that *“the Mahatma would have been conflicted by the idea but, on balance, might have endorsed it”*.
- It would merely be an anchor of a 21st century **income distribution system**.

## 15. WHY INCOME INEQUALITY IN INDIA MAY BE FUELLING POPULIST POLITICS

- **India’s poverty debate** and huge **increase in billionaires** post 1991 economic reforms are well known.
- However, not much has been known where **middle class** in this and how it has fared. More than a class between rich and poor, it is **more of a socio-economic construct**.

### Context:

- After Opposition party Congress promised a **nationwide farm loan waiver** if voted to power in the 2019 Lok Sabha elections, the ruling party is contemplating a **nationwide farm income support scheme**, news reports suggest.
- Both parties seem to have settled on the **populist card to woo voters**, months ahead of the big Lok Sabha fight, even as state governments across the country cut back on **capital expenditure spending** to roll out **debt relief packages for farmers**.
- While the recourse to populism exposes the **limited imagination** of India’s political class, it also suggests an **urgent redistributive urge in one of the world’s fastest growing economies**.
- This urge seems to be shaped by the **growing concern on income inequality** in India.
- Among large economies for which consistent time series data is available for the past two decades, India has seen the highest increase in the share of people who think that **incomes should be made more equal** in their country, data from the **World Values Survey (WVS)** shows.

### View of People that Income should be made equal:

- In 1989-93, barely **13% of Indian respondents** said incomes should be made more equal.
- By 2010-14, this figure had **increased to 48%**, the highest in the world.
- In India, the **richest 1% own 53% of the country’s wealth**, according to the latest data from **Credit Suisse**.
- The **richest 5% own 68.6%**, while the **top 10% have 76.3%**.
- At the other end of the pyramid, the **poorer half held a mere 4.1% of national wealth**.
- The latest round of the **WVS (2010-14)** also asked respondents whether they thought “an essential characteristic of democracy is that the state should make incomes equal”. Again, India, along with Turkey, had the **highest share of respondents (32%)** who replied in the **affirmative**.
- Thus, even before inequality became fashionable in the post-Piketty world, **concern about inequality** has been growing in the country.

### Consumption inequality low in India but income, wealth inequality high:

- One big reason for concern is the **country’s high levels of inequality**.
- Even household surveys, which are likely to underestimate inequality, present a disturbing picture of inequality in India.
- Estimates of income inequality provided by the nationally representative **India Human Development Survey (IHDS)** suggest that income inequality is far higher than **consumption inequality** and is comparable to countries in Latin America, infamous for their high levels of inequality.

### Wages of blue-collar workers have lagged productivity growth:

- The levels of wealth inequality are higher, data from the **All India Debt and Investment Survey (AIDIS)** analysed estimates show that the **top 1% in India accounted for nearly 28% of the country’s wealth in 2012, an increase of 11 percentage points since 1991**.
- The rise in income inequality also manifests itself in the **slowdown in wages across industries**.
- Data from the **Annual Survey of Industries (ASI)** shows that wages of workers have **lagged productivity growth** even as managerial compensation has seen an impressive rise.

- Over the past three decades, the **wage share of net value** added has been **declining** even as the **profit share has been rising**, the data shows.
- In effect, the productivity growth in the industrial sector **has benefited managers and owners** far more than blue-collar workers.

#### The distribution of white-collar jobs is very unequal:

- Not surprisingly, therefore, upper castes also tend to be **more affluent** compared to other social groups.
- The key difference between upper castes and other social groups lies in their **greater access to education**.
- The **rising premium on education** in India's job market and the absence of any discrimination against them has meant that upper castes have been able to access well-paying jobs more easily compared to other social groups and have, in turn, been able to maintain their position on the **socioeconomic ladder**.
- Access to a regular job does not necessarily mean access to **all social security benefits** or similar earnings.
- Those from marginalized groups tend to have **much lower salaries** than general category workers, even for graduates, data show.
- Despite the improvements in educational mobility in the country, India has one of the **highest levels of inequality in access to education**, research by a team of World Bank economists.
- As the inequities in opportunities across the country do not receive the attention they deserve, **politicians are able to sell populist palliatives** and get away with that.

#### Conclusion:

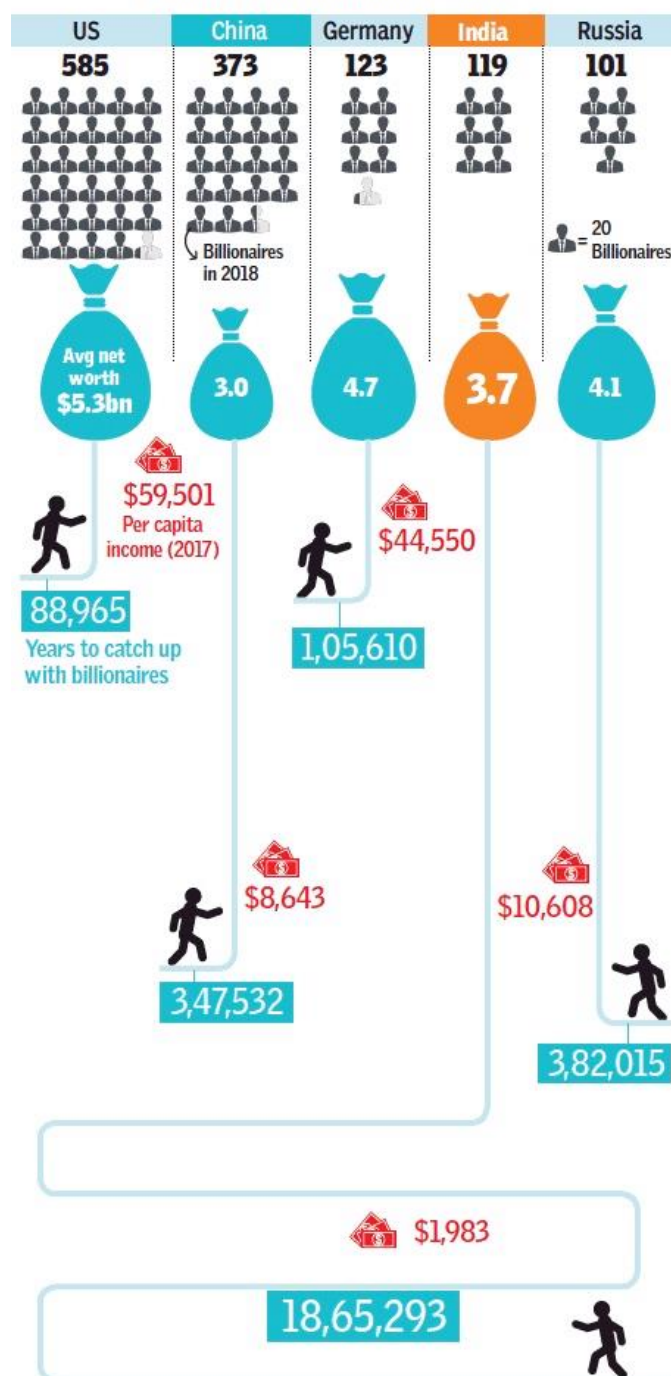
- The notion of an **aspirational and upwardly mobile middle class** is not just a chimera. **Education is a great unifier**.
- An overwhelming large section of the population has woken up to the **importance of education**, irrespective of socio-economic equalities
- In contrast to asset ownership or employment categories, there is little gap in school enrolment levels between various incomes classes
- However, the **quality of public education matters** as poorer sections go to government schools. The younger generation needs to be educated if the **India's median class** wants to reach the middle-class and above middle-class income levels.
- Education will clearly determine whether or not India moves up from its current status of a lower middle income nation to a middle income nation.
- The promotion and adoption of an **Inclusive Growth Agenda** is the only solution to **rising inequality problem**. Economic growth which is not inclusive will only exacerbate inequality.

## STATISTICS

# AAM AADMI NEEDS 19 LAKH YEARS TO CATCH UP WITH INDIA'S BILLIONAIRES

India now has the fourth highest number of billionaires in the world, but its rich-poor gap has grown too wide. If all 119 Indian billionaires shared their wealth equally among themselves, each one would be worth \$3.7 billion, which is about 19 lakh times more than the average Indian's yearly income

### Countries with maximum billionaires



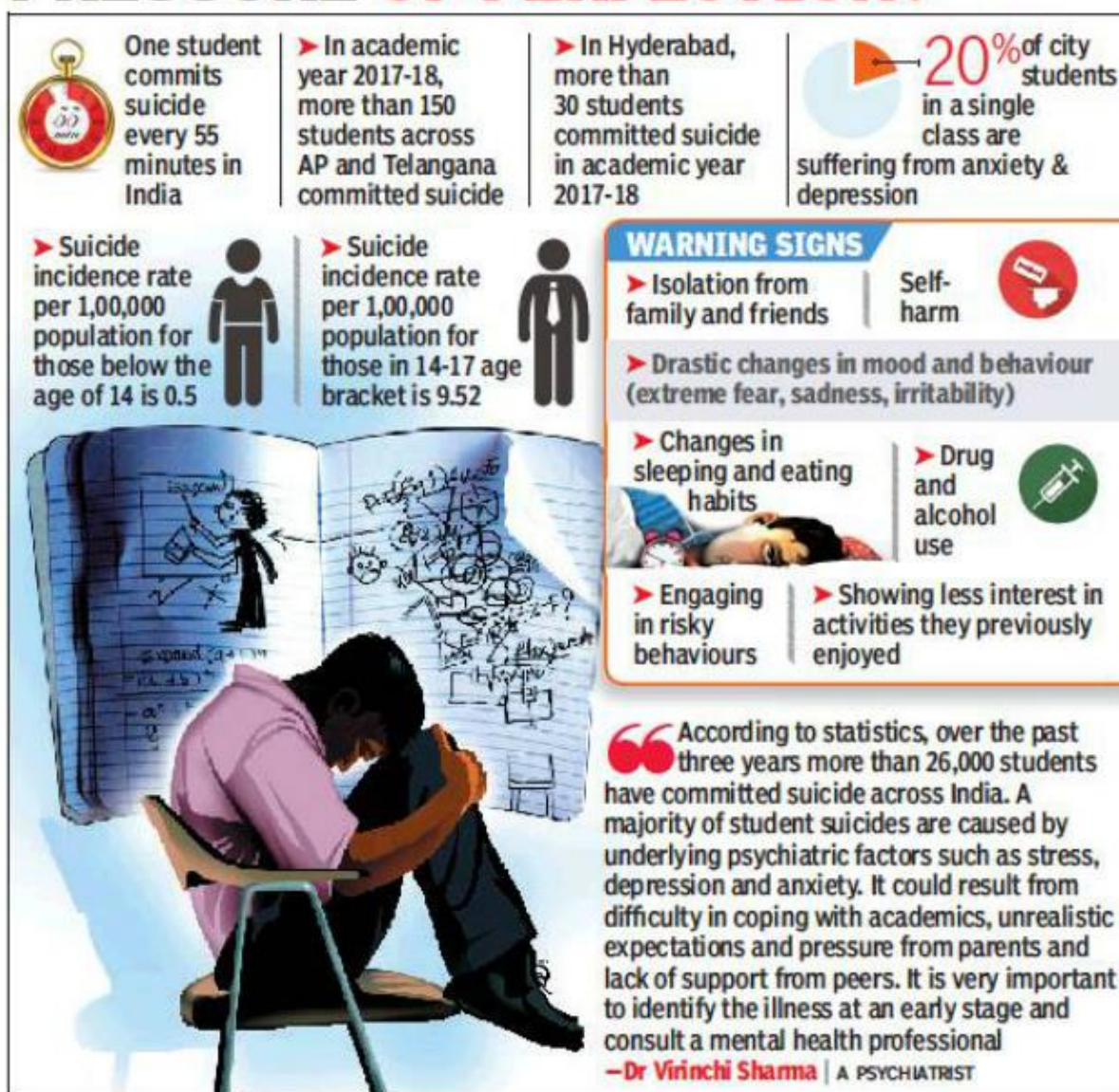
Sources: Forbes, IMF; Research: Atul Thakur; Graphic: Anil Dinod

## 16. PREVENTING STUDENT SUICIDES

### Introduction:

- The end of 2018 brought with it some **deeply unsettling cases of student suicides**.
- The deaths of 49 students in **Navodaya Vidyalaya schools** in the last five years, and of three students preparing for the **IIT entrance examinations** in Kota in a span of four days, **brings the issue of youth suicides** to the fore again.
- More youths are taking their lives due to the **fear of failing in examinations**, constant flak from teachers, bullying from peers, family pressure and a loss of a sense of a decent future.
- These cases force us to recognise that **youth suicides are ubiquitous**, and the **educational ecosystem** must take the blame for this.
- **Depression and suicidal thoughts** are two of the most frightening things a person can face in their lifetime. Unfortunately, acting on those suicidal thoughts is a far too common scenario for many across the world, including students.

## PRESSURE OF PERFECTION?



### Current scenario in society:

- The **Kota case (IIT coachings)** is **not an aberration**. There have been frequent news reports of suicides taking place in coaching centres that train students for medical and engineering entrance examinations.
- The causes of suicide among youth are **complex and involve many factors**. **Reducing risk factors** and increasing protective factors and **resilience is critical**.
- Sociologist Emile Durkheim had famously hypothesised that **suicides are a result of not just psychological or emotional factors but social factors as well**.

- With a loss of community and other social bonds, students in schools, colleges and coaching centres end up taking their lives.

#### Harsh Facts that need Immediate Attention:

- According to the **National Crime Records Bureau**, between 2014 and 2016, 26,476 students committed suicide in India. Of them, **7,462 committed suicide due to failure in various examinations**.
- The rising number of these cases provokes a serious discussion on the way in which **outcomes of education are perceived in India**.
- The instrumental value of education in India is its potential in **generating socio-economic and cultural capital** through a promise of decent job opportunities in the future. But the education system has not been successful in **generating enough job options**.
- For instance, the **International Labour Organisation's World Employment and Social Outlook Trends Report of 2018** says that in 2019, the **job status of nearly 77% of Indian workers** would be vulnerable and that **18.9 million people would be unemployed**.
- With their job future being so bleak, students are put under constant pressure to perform. They have failed to learn to enjoy the process of education. Instead, the **constant pressure** and **stress** has **generated social antipathy** and **detachment** among them.

#### Government Schools and Colleges must be "Role Model" in Implementation:

- Following the reports of **suicides in Navodaya Vidyalayas**, the National Human Rights Commission sought information from the Ministry of Human Resource Development on **whether trained counsellors were present on campus**.
- According to Navodaya Vidyalaya Samitis, merely **one or two training sessions** are included to **sensitise the teachers and principals** regarding safety and security of the children and to prevent suicidal tendencies.
- The framework for implementation of the **Rashtriya Madhyamik Shiksha Abhiyan (RMSA)** recognises the **role of guidance and counselling services** to students.
- In 2018, the government approved an **integrated school education scheme** subsuming the Sarva Shiksha Abhiyan, the RMSA, and Teacher Education from April 2018 to March 2020.
- However, without any significant **rise in budgetary allocations for education**, it is likely that there would be **cuts in "non-productive" areas of education** such as *guidance and counselling*.

#### Resiliency Factors:

- The presence of resiliency factors can **lessen the potential of risk factors** to lead to suicidal ideation and behaviours. Once a child or adolescent is considered at risk, schools, families, and friends should work to **build these factors** in and around the youth. These include:
  - Family support and cohesion, including good communication.
  - Peer support and close social networks.
  - School and community connectedness.
  - Cultural or religious beliefs that discourage suicide and promote healthy living.
  - Adaptive coping and problem-solving skills, including conflict-resolution.
  - General life satisfaction, good self-esteem, sense of purpose.
  - Easy access to effective medical and mental health resources.

#### Conclusion:

- Suicide is the **second leading cause of death** among school age youth.
- However, **suicide is preventable**. Youth who are contemplating suicide frequently give **warning signs of their distress**.
- **Parents, teachers, and friends** are in a **key position** to pick up on these signs and get help. Most important is to never take these warning signs lightly or promise to keep them secret.
- **Parents** are crucial members of a **suicide risk assessment** as they often have information critical to making an appropriate assessment of risk, including mental health history, family dynamics, recent traumatic events, and previous suicidal behaviours.
- When all adults and students in the school community are committed to making suicide prevention a priority-and are **empowered to take the correct actions**-we can help youth before they engage in behaviour with irreversible consequences.

#### Way forward:

- In the recently concluded winter session of Parliament, the HRD Minister said that an **expert committee** has been set up to look into the matter.

First, **stop-gap solutions** to **setting up expert committees** and counsellors in schools have **not been able to solve the problem**.

- The **deep-rooted causes** must be addressed. The government must undertake a **comprehensive study on the reasons** behind these suicides.

Second, the **curriculum** should be designed in ways that **stress the importance of mental exercises and meditation**.

- The Delhi government's initiative on the **'Happiness Curriculum'** may be a step in the right direction.

Third, with regards to higher education, **12 measures** were suggested by the **Justice Roopanwal Commission**.

- One of them stressed on **making Equal Opportunity Cells** with an **anti-discrimination officer** functional in universities and colleges.

Finally, it is high time we seek to **reinvent our educational ecosystem** in ways that **impregnate new meanings, new ideas of living, and renewed possibilities** that could transform a life of precarity into a life worth living.

## 17. WHY INDIA'S SEDITION LAW NEEDS TO BE BURIED

### Context:

- The Delhi Police filed a **charge sheet** against 10 people, including former Jawaharlal Nehru University Students Union (JNUSU) president Kanhaiya Kumar in a **sedition case** for allegedly **raising "anti-national slogans"** during an event on the Jawaharlal Nehru University (JNU) campus in February 2016.
- This fits a disturbing pattern. There have been many incidents in recent times where **"misguided" people** have been **termed "anti-national"**.
- For Instance, demonstrations through a *slogan, a cheer, a statement, protest against a nuclear power project, or an innocuous post on social media*.
- In all these cases, the state, across regimes, has **filed charges of sedition**.

### What is meant by Sedition and When it has to be Applied?

- "Conduct or speech inciting people to **rebel against the authority of a State or monarch**" can be considered as Sedition.
- The sedition law was incorporated into the **Indian Penal Code (IPC)** in **1870** as fears of a possible uprising plagued the colonial authorities.
- **Section 124 A of IPC 1860:**
- "Whoever, by words, either spoken or written, or by signs, or by visible representation, or otherwise, brings or attempt to bring into hatred or contempt or excites or attempts to **excite disaffection towards the Government** established by Law is **punishable with imprisonment for life**."
- For India, it's a question of walking the ***fine line between liberty and security***, tough choices and hard lessons.

### Dark side of Applying Sedition Law:

- Before Independence, this charge was used **by the British** to **suppress the freedom movement**.
- Ironically, the same **draconian law** has **become a tool** that the country is now using against its own people.
- During colonial period **section 124-A** was interpreted **by the privy council** in a way to **suppress every act** that expressed discontent against the govt.
- Many freedom fighters were slapped with these charges for invoking **feelings of nationalism and educating people** of India against the policies adopted by the colonial power.
- Instead of critically analysing why citizens, be they in Kashmir or Chhattisgarh or Bhima Koregaon, are driven to dissent, the government is **using an iron-fist policy** with the **sedition law playing a leading role** to completely shut out contrarian views.

### WHAT IS IT?

- **Sedition law:**  
Section 124A of the Indian Penal Code, 1860
- **Definition:** Whoever by words, either spoken or written, or by signs, or by visible representation, or otherwise brings or attempts to bring into hatred or contempt, or excites or attempts to excite disaffection towards, the government established by law in India, shall be punished
- **Punishment:**  
Imprisonment for life, to which fine may be added, or imprisonment which may extend to three years, to which fine may be added, or just a fine

## When will be Sedition Law has to be Applied?

### KedarNath Singh Vs State of Bihar, 1962:

- Constitution Bench of Supreme Court upheld the validity of Sedition Act.
- But, Supreme Court stated that Persons can be **charged with sedition only if there is incitement to violence** in his speech or writing or an intention or tendency **to create disorder or disturbance in law and order.**

### Maneka Gandhi case, 1978:

- The Maneka Gandhi judgment was a balanced judgment and is one of the best judgments that Indian Supreme Court has ever given.
- The judgment's importance can be seen today also because the way in which the bench **construed Article 21** and **expanded its horizons** has given way for the resolving of problems left unsolved by the Parliament.
- The SC stated that **Criticizing and drawing general opinion** against the Govt. policies and decisions **within a reasonable limit** that does **not incite** people to rebel is consistent with the freedom of speech.
- It's quite evident that this judgment has played an imperative role.
- The judgment while saved the citizens from **unquestionable actions of Executive.**

### Balwant Singh v. State of Punjab

- One of most important judgements in this regard is **Balwant Singh v. State of Punjab**, Supreme Court overturned the **convictions for sedition (124A IPC)** and Promoting enmity between different groups on grounds of religion, race, place of birth, residence, language, etc (153 A IPC).

- More importantly, in the **Balwant Singh vs State of Punjab**, where the sedition charges were removed even when there were **allegation of yelling 'Khalistan Zindabad'** is a testimony to the fact that 'incitement' rather than 'advocacy' is the **important element of section 124A.**

## WHAT THE SUPREME COURT SAID: LANDMARK JUDGEMENTS

### 1962 KEDAR NATH SINGH VS STATE OF BIHAR

The Supreme Court held that "a citizen has a right to say or write whatever he likes about the government, or its measures, by way of criticism or comment, so long as he does not incite people to violence"

### 1982 P. ALAVI VS STATE OF KERALA

Where the court held that sloganeering, criticising of Parliament or the judicial set-up did not amount to sedition

### 1995 BALWANT SINGH AND ANR VS STATE OF PUNJAB

The SC says: "Raising some slogan ("Khalistan Zindabad") a couple of times...which neither evoked any response nor any reaction from the public cannot attract such punishment"

- Of course, we know that sedition can't be applied to instances of **criticism of the government or a political functionary.**
- More importantly, words alone are not enough for such a charge to be slapped. **Incitement to violence is the most crucial ingredient of the offence of sedition.**
- In times like these, it seems like a sham to say that **criticism of the state is the essence of democracy.**
- In raking up the JNU issue after three years, the government is not shying away from playing politics around **patriotism and nationality.**
- Going through the numbers that **the National Crime Records Bureau** puts out every year, it is clear that despite the **rise in sedition cases**, convictions happen in barely a few.
- Even if these people are not convicted, the **slapping of these charges** is a way the governments over the years have been **sending a strong message** to its own people obey or be **ready to face consequences.**

### Conclusion:

- **Freedom of Speech and Expression** is a **fundamental right** under **Article 19(1)(a).**
- **Article 19(2)** imposed **reasonable restrictions.** Moreover, the first Amendment to the Constitution on June 18, 1951, imposed further restrictions.
- To call for the overthrow of a **stale and fearful social system** is not sedition.
- The argument used **against the scrapping of the sedition law** is that the Supreme Court has repeatedly observed that the mere possibility of **misuse of a provision** does not per se invalidate the legislation.

- Democracy has no meaning **without freedoms** and sedition as interpreted and applied by the police and governments is a negation of it.
- Hence, before the law loses its potency, the Supreme Court, being the **protector of the fundamental rights** of the citizens has to step in and evaluate the law.
- To uphold the **idea of democracy** that the **founders of the Constitution** envisioned, **India should deliberately avoid using the word sedition from its statute books and everyday vocabulary.** Hoping that reason prevails over politics when it **comes to freedom.**

## 18. SHOWING THE WAY: ON MANIPUR'S NEW ANTI-LYNCHING LAW

### Introduction:

- **Pluralism and tolerance** are **essential virtues** and constitute the **building blocks** of a **truly free and democratic society.** Intolerance arising out of a dogmatic mindset sows the seeds of upheaval.
- The groundswell of **public disgust at the lynching's** crystallised under the banner of the **National Campaign Against Mob Lynching (NCAML)**, which has initiated a campaign for a **law against mob lynching.**
- Also known as '**Masuka**', short for **Manav Suraksha Kanoon (law to protect humans)**, a draft of the proposed legislation is currently up on the Internet, awaiting suggestions from the public.
- The primary argument of the activists and lawyers advocating an **anti-lynching law** is that it **fills a void in our criminal jurisprudence.** It is true that at present there is no law that criminalises mob killings.
- The **Indian Penal Code** has provisions for unlawful assembly, rioting, and murder but **nothing that takes cognisance of a group of people** coming together to kill (a lynch mob).

### What is meant by Lynching?

- Any act or series of **acts of violence or aiding**, abetting (encouraging) such act/acts thereof, whether **spontaneous or planned, by a mob** on the grounds of religion, race, caste, sex, place of birth, language, dietary practices, sexual orientation, political affiliation, ethnicity or any other related grounds.
- It excluded solitary hate crimes and for the provisions to apply, it requires that these ***hate crimes are undertaken by the mobs***, defined as a group of two or more individuals, assembled with a common intention of lynching.
- Today, the **Hate Crimes attract Section 153 A of IPC.** It is related to fostering enmity between the people on the basis of religion, race, language etc.
- But, registering this crime **requires prior permission of the State Government.** Most State Governments use this power **to shield perpetrators**, who are politically and ideologically connected to the ruling establishment.

### Context:

- Six months have passed since the Supreme Court anguished by "**horrific acts of mobocracy**" issued several directions to the Union and the State Governments **to protect India's "Pluralistic Social Fabric".**
- Now, **Manipur became the first to pass a law against lynching.** Supreme Court gave suggestions for **creating a nodal officer** to control such crimes in every State, special courts and enhanced punishments.

### Recently, Supreme Court says no mobocracy, need anti-lynching law:

#### To end mob lynching, Supreme Court gives an 11-point prescription:

A slew of directions, including **preventive, remedial and punitive steps**, the top court gave to deal with the crime:

- The state governments shall designate a **senior police officer** in each district for taking **measures to prevent incidents** of mob violence and lynching.

### Points of concern

The expert panel deliberated on measures to curb incidents of mob lynchings

#### Social media:

The expert panel concurred on the need to make social media platforms, such as Facebook, WhatsApp and YouTube, accountable for not blocking malicious posts

**Penalty:** The panel suggested that an FIR could be launched against top officials of such platforms for not complying with government orders

**Course of action:** Social media platforms have reportedly agreed to improve their compliance rates following the Centre's call for doing so

- The state governments shall **immediately identify districts**, sub-divisions and villages where instances of lynching and mob violence have been reported in the recent past.
- The **nodal officers** shall bring to the notice of the DGP **any inter-district co-ordination issues** for devising a strategy to tackle lynching and mob violence related issues.
- It shall be the **duty of every police officer** to cause a mob to disperse, which, in his opinion, has a tendency **to cause violence** in the disguise of vigilantism or otherwise.
- Central and the state governments **should broadcast** on radio and television and other media platforms including the official websites that lynching and mob violence shall **invite serious consequence**.
- **Curb and stop dissemination** of irresponsible and explosive messages, videos and other material on various social media platforms. **Register FIR** under relevant provisions of law against persons who disseminate such messages.
- Ensure that there is **no further harassment of the family members** of the victims.
- State governments shall prepare a **lynching/mob violence victim compensation scheme**.
- Cases of lynching and mob violence shall be specifically tried by **designated court/fast track courts** earmarked for that purpose **in each district**. The trial shall preferably be concluded **within six months**.
- To set a stern example in cases of mob violence and lynching, the trial court must **ordinarily award maximum sentence** upon conviction of the accused person.
- If it is found that a **police officer or an officer** of the district administration has **failed to fulfill his duty**, it will be considered as an **act of deliberate negligence**.

#### Conclusion:

- The court said a country where the **rule of law prevails** does not allow any such thought. It, in fact, **commands for ostracization** of such thoughts with immediacy.
- The **National Crime Records Bureau (NCRB)** does **not maintain specific data** with respect to lynching incidents in the country.
- **'Police' and 'Public Order' are State subjects under the Seventh Schedule to the Constitution of India**.
- The responsibility **to maintain law and order and protect life and property**, therefore, rests with the respective State Governments. The State Governments are competent to deal with such offences under the extant provisions of laws.
- **Manipur Government became the first in the country to hold public officials criminally accountable, if they fail to prevent hate crimes**.
- Manipur's Anti-Lynching law laid down the **duty and responsibility of the State Government** to make arrangements for the protection of victims and witnesses against any kind of intimidation, coercion, inducement, violence etc.
- It prescribes the **duty of the State officials to prevent a hostile environment** against people of the community, who have been lynched.
- Sometimes, it may include economic and social boycott and humiliation through excluding them from public services such as education, health and other services.

## 19. THE DANGER OF RECIPROCITY: ON THE INDEPENDENCE OF THE SUPREME COURT

#### Context:

- We have yet another controversy surrounding the Supreme Court, with the **collegium revisiting decisions** made at an earlier meeting and **recommending the elevation of two junior judges** to the Supreme Court.
- No one has any doubts about the **competence or integrity** of Honourable Judges, but the manner in which it was carried out puts the spotlight once again **on the controversial collegium system of judicial appointments**.
- This seriously undermines the **independence of judges** and raises unnecessary **doubts** about the **credibility of the highest court** as the government is not only the biggest litigator but also the **greatest threat to the abuse of power**.
- **Judicial review as a concept is supposed to control the government and keep it in check**.

#### How has this panned out in the past?

- Let's look back at the Justice K.M. Joseph case. He had **struck down** the Modi government's **imposition of President's rule** in Uttarakhand and saw the government returning the recommendation for **his elevation to the Supreme Court** to the collegium and his appointment was cleared.

- This time the government not only did not return the *recommendation to the collegium for reconsideration, but approved the appointments instantly.*

## . ENSURE THE INTEGRITY AND INDEPENDENCE OF THE JUDICIARY



1. Establish and enforce a code of conduct for judges and for criminal proceedings.



2. Review the composition of the Judicial Service Commission to minimise the influence of sitting judges and protect the independence of the judiciary from political influence.



3. Ensure that the proceedings of the Judicial Service Commission are more transparent, including making available minutes of meetings and decisions.



4. Enforce the qualification and experience requirements for judges as stipulated in legislation.



5. Ensure that professionalism, personal integrity and gender diversity, are included as criteria in appointing members to the Supreme Court.



6. Strengthen case management systems in the courts by including measures for safe archiving, coordination between departments, and ease of access to information for those seeking the services of the Judiciary.



7. Establish training and continuing legal education for judges and lawyers on legal developments, judicial processes, judicial ethics, gender sensitivity and protection of human rights to ensure uniform qualifications for the judiciary in compliance with international standards.

### Learnings from the past:

- Take the case of Justice A.N. Ray, who was **appointed Chief Justice of India (CJI) in 1973** superseding three senior judges, or Justice M.H. Beg, who was **appointed CJI superseding** Justice H.R. Khanna in 1977.
- Both Justice Ray and Justice Beg were excellent judges, but favoured the government.
- They were considered **not forward-looking judges** but judges who looked **forward to the office of the CJI.**
- In the **bank nationalisation case (1970)**, while as many as **10 judges went against the government**, Justice Ray approved the government's action.
- Similarly, Justice Beg, in the **Indira Gandhi election case**, held that while **democracy is the basic structure, free and fair election is not.**

### Recently, Appointment of the Judges:

- The **National Judicial Appointments Commission (NJAC)** was **struck down** by the Supreme Court because it would have **compromised the independence of the CJI** and given a **role to the government** in the appointment of judges.
- Unlike in the U.S. where judges are appointed by the President and are known to be leaning towards the Democrats or Republicans, **Indian judges are not supposed to have any political affiliation.**
- The main reasons stated by the Supreme Court in the **Fourth Judges Case** for striking down **the Ninety-Ninth Constitutional Amendment Act (and consequently the NJAC Act, 2014)**, were as follows:
- That the inclusion of the Chief Justice of India along with two next senior Judges of the Supreme Court did **not provide adequate representation** to the judicial component in the NJAC.
- Judges felt that NJAC was **insufficient** to preserve the **primacy of the judiciary** in the matter of **selection and appointment of Judges**. This was in violation of the **principle of 'independence of the judiciary'.**

### But is it possible to completely insulate judges from governmental influence?

- The answer is no — as **George Orwell** pointed out in 1984, the government is everywhere, and judges as fellow human beings **do get influenced by it.** The judiciary asserts its position only when the government is weak.
- This collegium system was asserted when we had **weak Central governments** in the 1990s.

### Power and influence: Danger of Reciprocity:

- **'Power' and 'influence' are fundamental concepts in society.** **'Influence'** is sometimes considered to be an aspect of **'power'.**
- Indira Gandhi was influential because she was powerful. Present government is, similarly, not only powerful but hugely influential.
- According to the American sociologist, **Alvin Ward Gouldner**, the universal norm in human societies is that **individuals are obligated to reciprocate favours received.**
- Gouldner articulated the **"norm of reciprocity"** in the following manner: **"people should help those who have helped them"** and **"people should not injure those who have helped them".**

### Is NJAC reflected the Issue of Reciprocity?

- In his **NJAC judgment (2015)**, Justice J.S. Khehar discussed the **issue of reciprocity** at length in striking down the commission.
- Justice Khehar therefore preferred **exclusion** of the **political executive** from the **appointment of judges** as a feeling of gratitude towards the government impacts the **independence of the judiciary**.
- It was for this very reason that even **B.R. Ambedkar wanted to insulate the judiciary from political pressures**.
- One of the new trends was the change in the approach of the court with a view to give tilt in favour of upholding the orders of the government.
- Under the cover of **high-sounding words** like **social justice** the court passed orders, the effect of which was to **unsettle settled principles** and dilute or undo the dicta laid down in the earlier cases.
- The prospect of a 15-judge bench overturning **Kesavananda Bharati vs. State of Kerala (1973)**, which outlined the **basic structure doctrine of the Constitution**, does not look too remote in the near future if the government continues to exert **pressure on the collegium** and if the collegium, due to reciprocity, does not effectively **assert its power and independence**.

### Conclusion:

- Most governments prefer **pliable judges** but many of our judges remain **wedded to their oath** and decide cases without fear or favour.
- **True reciprocity affects humans** but since our judges are addressed as 'Lords', let them not have any feeling of gratitude towards anyone.
- **Independence, impartiality and fearlessness of judges** are not private rights of judges but **citizen's rights**.
- Ultimately **judicial legitimacy and power** rests on people's **confidence in courts**.

## 20. THIS IS NOT THE FUTURE WE WANT

### Introduction:

- The **NITI Aayog** was formed **to bring fresh ideas** to the government. Its first mandate is **to act as a think tank**.
- It can be **visualised as a funnel** through which **new and innovative ideas** come from all possible sources industry, academia, civil society or foreign specialists and flow into the government system for implementation.
- **NITI Aayog** released the '**Strategy for New India @ 75**' document in 2018. This high-sounding and aspirational strategy **aims to achieve a 'New India' by 2022**, when the country celebrates its **75th year of Independence**.
- The strategy has many progressive objectives. It follows the **UN Sustainable Development Goals**.
- **Inclusion, sustainability, participation, gender equality** and other buzzwords find mention. A cursory reading would evoke widespread appreciation.
- But these documents can't be read cursorily. We need to unearth what's hidden in their depths.

### India @ 75, focusing on ecological and related livelihood concerns:

- There is **serious doubt** as to whether the '**New India**' this strategy envisages will be any different from the **crisis-ridden society** we are today.
- There are **positive directions** vis-à-vis the environment, such as a **major focus** on:
  - Renewable energy,
  - Organic farming (with the **zero budget natural farming** model developed out for national application),
  - Increasing forest cover, and
  - Reducing pollution and waste.
- A chapter titled '**Sustainable environment**' states: "The **objective** is to maintain a **clean, green and healthy environment** with peoples' participation to support **higher and inclusive economic growth** through sustainable utilization of available natural resources."
- **It focuses on air pollution, solid waste management, water pollution, and forestry.**

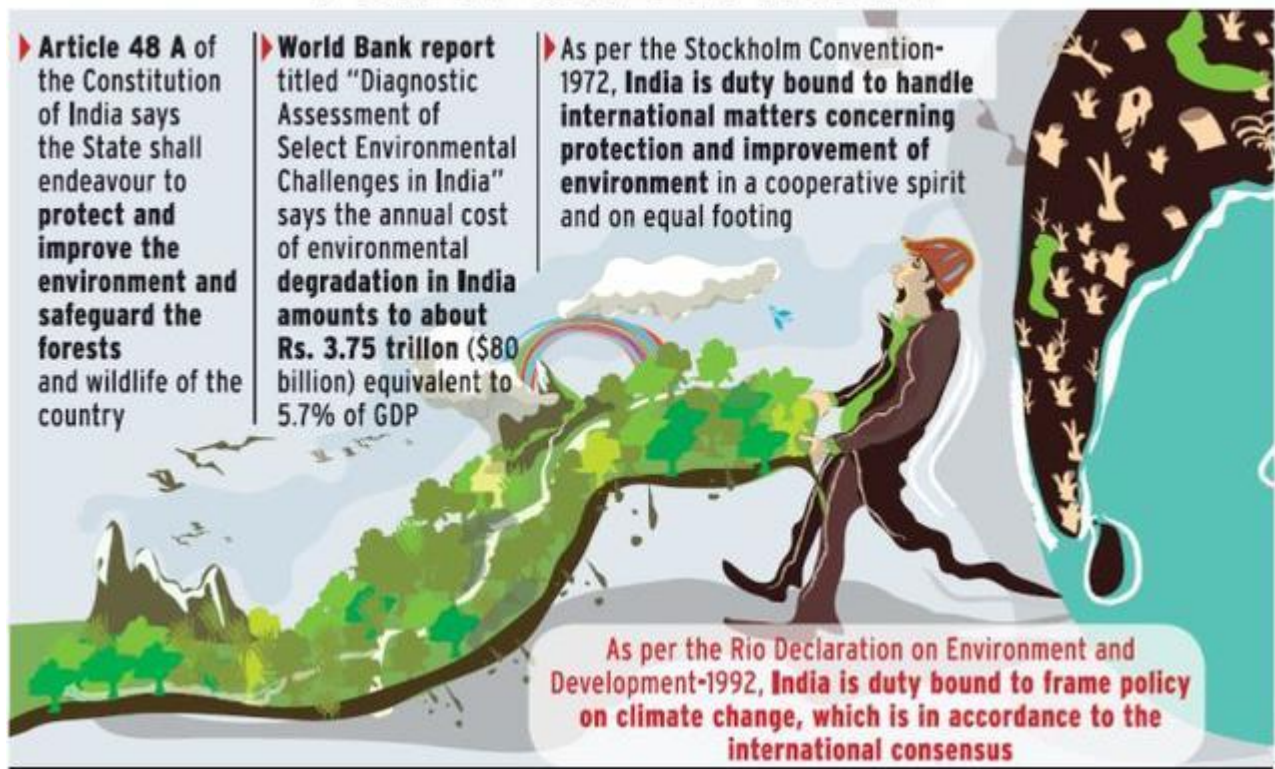
### However positives side from above, Many missing issues that need to be addressed:

- It is puzzling why these **four are singled out here**, from amongst the much larger number of environmental issues India faces.
- Some other issues do find mention elsewhere, such as **arresting land degradation and soil erosion, and water conservation**.

But many are missing,

- The **urgent need** to conserve a **range of non-forest ecosystems**.
- Since colonial times, forests have remained predominant in the minds of decision-makers, as indicated by the fact that India still has only a Forest Department and **no dedicated entity for grassland, marine and coastal, wetland, mountain, and desert conservation**.
- The **increasing presence of toxic chemicals** around us finds no mention.
- Most importantly, the **absence of an integrated, comprehensive view** on how **ecological issues** can be integrated into all sectors indicates that this is still not core to the mindset of our planners.
- There is **total absence of an understanding** that the current form and goal of economic growth is **inherently unsustainable**.
- For more than three decades, governments have been promising that with **environmental safeguards, growth can be made sustainable**. There is no indication that this is anywhere near achievable, much less achieved.
- In 2008, the *Confederation of Indian Industry* indicated that India was already using **twice of what its natural resources could sustain**, and that more than half its biocapacity had already been eroded. Things are likely only worse now.
- Indeed, no country in the world has been able to do this. So, it is alarming that the **most important “driver” for the lofty goals** of the strategy is economic growth.
- There is also **no focus on dryland farming** though most farmers are engaged in this.
- There is positive mention of **organic farming models** for replication, but **nothing on the amazing work of dryland farmers** (such as the Dalit women of the Deccan Development Society in Telangana) showing **productive, sustainable, biodiverse agriculture** with millets and women as the fulcrum.

## FOR A GREEN INDIA



**Alarming features: Internal contradictions in NITI Aayog document:**

- One of the **biggest ecological and social disasters** in India is **mining**, especially the **large-scale open-cast type**.
- NITI Aayog ignores this when it proposes a doubling of the extent of mining. The only concession is the suggestion to bring in **“cutting-edge” technology to “limit environmental damage”**, as if that will solve the fundamental need to deforest areas.
- Another major sector with **horrendous environmental impacts is tourism** (never mind the ‘eco’ tag it comes with), as witnessed by virtually all our groaning hill stations and the ruin that areas like Ladakh, Kutch and the island regions are facing.
- Yet, NITI Aayog recommends **doubling the number of domestic tourist visits** to over 3,200 million from 1,614 million in 2016.

- It also urges **prompt completion of a host of mega river valley projects** that have proved to be **ecological nightmares**, including Pancheshwar in the fragile Himalaya, the Ken-Betwa link in Madhya Pradesh, and dozens in the Northeast that are going to **choke up rivers** and are being pushed ahead despite strong local opposition.
- One of the **most alarming features** of the document is **its stress on rapid, single-window clearance of infrastructure** and other projects.
- Any decent **ecological assessment of a project** needs a **year of study** (over all seasons), so the 180 days limit it suggests will mean short-cuts.
- This rush also means **compromising on crucial processes** of social assessment, public hearings, and participatory decision-making, as already seen in the last few years.
- There is nothing on the need to seek **consent from local communities**, though this is mandated under the Forest Rights Act, 2006, and the Panchayat (Extension to Scheduled Areas) Act, 1996.

#### Conclusion:

- By **collecting fresh ideas** and sharing them with the Central and State governments, it pushes frontiers and ensures that **there is no inertia**, which is quite natural in any organisation or institution.
- If it succeeds, **NITI Aayog could emerge as an agent of change over time** and contribute to the Prime Minister's agenda of **improving governance** and implementing **innovative measures** for better delivery of public services.
- If NITI Aayog is to implement such a strategy within a planning framework in India, **two major changes in governance structures** are needed.
- First, planning will have to become **more decentralised**, but within a five-year plan framework.
- Second, bureaucracy will need to change **from generalist to specialist**, and its **accountability** will have to be based on **outcomes achieved**, not inputs or funds spent.

#### Way Forward:

- Governments in the last few years have a **dismal record of safeguarding the environment** and the **livelihoods** of Adivasis and other communities.
- They have found ways to **bypass constitutional and policy safeguards** these **vulnerable sections** are supposed to enjoy.
- Without a **strong, unambiguous commitment** to upholding these protections, and putting communities at the centre of decision-making, India @ 75 is going to be an even *more unequal, unjust, and conflict-ridden society* than India @ 50.
- There is dire need that we have to learn from the **many alternative initiatives** for *food, water, energy, housing, education and health* existing across India, which show the way to **more just and sustainable livelihoods and ways of living**.

## 21. MOVING AWAY FROM 1%

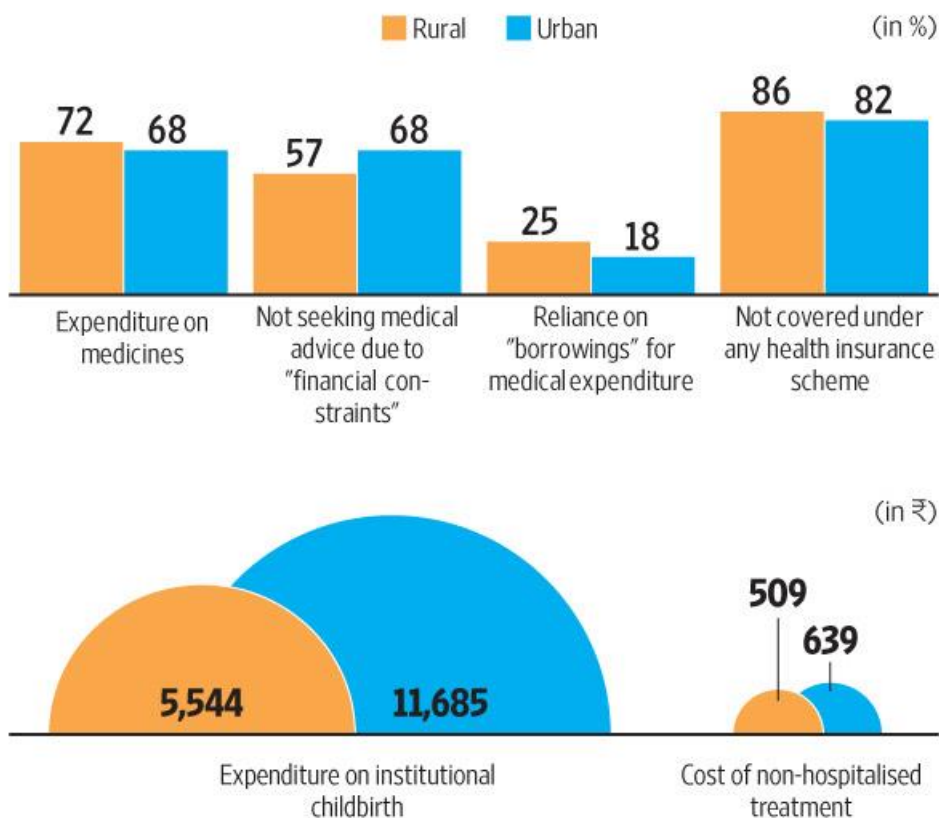
#### Introduction:

- **India's health achievements** are very modest even in comparison to large and populous countries such as China, Indonesia or Brazil.
- India's neighbours, in the past two decades, have made great strides on the development front.
- **Sri Lanka, Bangladesh and Bhutan** now have **better health indicators** than India.
- How could these countries make the great escape from **the diseases of poverty** earlier than their much bigger neighbour?

#### Historically, Low spending and interventions on Health from Centre and States:

- India has **not invested in health** sufficiently, though its **fiscal capacity to raise general revenues increased substantially from 5% of GDP in 1950-51 to 17% in 2016-17**.
- India's public spending on health continues to hover around **1% of GDP** for many decades, accounting for **less than 30% of total health expenditure**.
- Besides low public spending, neither the Central nor the State governments have undertaken any significant policy intervention, except the National Health Mission, to redress the issue of **widening socioeconomic inequalities** in health.
- But the **National Health Mission**, with a **budget of less than 0.2% of GDP**, is far too less to make a major impact. And worryingly, the budgetary provision for the NHM has decreased by 2% in 2018-19 from the previous year.

## HIGH COST OF HEALTH IN INDIA



Source: NSSO report 'Health in India'

### National Health Policy 2017 envisaged raising public spending on health to 2.5% of GDP by 2025:

- The Policy seeks to reach everyone in a **comprehensive integrated way** to move towards wellness. It aims at achieving **universal health coverage** and delivering **quality health care services** to all at affordable cost.
- It seeks to promote **quality of care**, focus is on emerging diseases and investment in **promotive and preventive healthcare**.
- The policy is **patient centric and quality driven**. It addresses health security and make in India for drugs and devices.
- In order to provide access and financial protection at **secondary and tertiary care levels**, the policy proposes **free drugs, free diagnostics and free emergency** care services in all public hospitals.

### Clear trends that India needs to adopt:

- It is imperative to understand why India is not doing as well as these countries on the **health front**.
- **Two important trends can be discerned:**
  - As countries become richer, they **tend to invest more on health**, and
  - The share of health spending that is **paid out of the pocket declines**.
- Economists have sought to explain this phenomenon as "**health financing transition**", akin to demographic and *epidemiologic transitions*.
- **Economic, political and technological factors** move countries through this health financing transition.
- Of these, **social solidarity for redistribution of resources** to the less advantaged is the key element in pushing for public policies that expand pooled funding to provide health care.
- **Out-of-pocket payments** push millions of people into poverty and deter the poor from using health services.
- Hence, most countries, which includes the developing ones, have adopted either of the above two financing arrangements or a **hybrid model to achieve Universal Health Care (UHC)** for their respective populations.
- For example, according to **the World Health Organisation's** recent estimates, **out-of-pocket expenditure contributed only 20%** to total health expenditure in Bhutan in 2015 whereas general **government expenditure** on health accounted for **72%**, which is about **6% of its GDP**.
- Similarly, **public expenditure** represents **2%-4% of GDP** among the developing countries with significant UHC coverage, examples being **Ghana, Thailand, Sri Lanka, China and South Africa**.

**Measures that need immediate Implementation are:**

- **District hospitals** are to be **strengthened**, to provide several elements of tertiary care alongside secondary care. **Sub-district hospitals** too would be upgraded.
- A **National Healthcare Standards Organisation** is proposed to be established to develop evidence-based standard management guidelines.
- A **National Health Information Network** also would be established by 2025.
- A **National Digital Health Authority** would be set up to develop, deploy and **regulate digital health** across the continuum of care.

**Conclusion:**

- Therefore, there is a **need for a substantial increase** in the allocation for health in the forthcoming Union Budget.
- However, the rise in **government health spending** also depends on **health spending by States** as they account for more than **two-thirds of total spending**.
- **Pre-paid financing mechanisms**, such as general tax revenue or social health insurance (not for profit), collect taxes or premium contributions from people **based on their income**, but allow them to **use health care based on their need** and not on the basis of how much they would be expected to pay in to the pooled fund.
- Hence, both the Centre and States must **increase their health spending efforts**, which would reduce the burden of **out of pocket expenditure** and improve the health status of the population.
- Else, the 2019 Budget would also see **public health spending sticking at 1% of GDP**. This would mean India, would, without doubt, miss the **2025 target**, and thereby fail to achieve UHC in a foreseeable future.

**Way Forward:**

- However, the real challenges lie in how quickly the government can **strengthen the public sector**, how well it can **regulate the partnering private sector**, how effectively it can **ramp up the health workforce** to reach all sections of the population and **how efficiently** the Central and State governments can team up.
- UHC has **ensured social equity** by functioning as a mechanism for redistribution of incomes.
- **Strategic shifts** in the level of control that the government exerts on both the **financing and provision of health** are **urgently required**.
- India can build on learning from **core design principles** from global experiences, including prioritising resources for health within government budgets, pooling existing resources, and greater government control over the health sector. It can also allow for a **customised approach based** on its context.

**22. STEEL FRAME OR STEEL CAGE?****Context:**

- Shah Faesal (35), who topped the **Indian Administrative Services (IAS)** examination in 2010, **resigned** from the government services.
- He resigned from the **government services**, citing **marginalization** and invisibilization of around **200 million Indian Muslims** at the hands of Hindutva as a reason.
- His letter of resignation demonstrates his **anguish over the pain Kashmir has experienced over the recent past**.
- Apparently, he feels that as a **civil servant**, he feels constrained to **express his views**.
- He said the current regime's **subversion of public institutions** such as RBI, CBI and NIA has the potential to decimate the constitutional edifice of this country and it needs to be stopped.

**Duties of an IAS officer changing from Colonial times:**

- A **district collector** was seen as a **meritorious monarch**. He was the **custodian of law and order**. That was a key role in the colonial order.
- Its cultural residues have persisted to the present times, and the status of the district collector in some States, the district magistrate or DM comes **largely from his or her responsibility to maintain law and order**.
- Following Independence, the IAS acquired a **nation-building tinge** in its earlier colonial role (as the Indian Civil Service as it was then called).
- From the local to the national levels, the IAS was seen as **providing the firm and stable frame** that India needed to overcome what were often described as **'fissiparous' tendencies in society**.
- The addition of a nationalist lustre to an otherwise unchanged status gathered yet another layer when **nation-building extended to a 'development' agenda**.

- As a learned decision-maker, the civil servant was supposed to lend objectivity to the elected politician's agenda and wishes.
- This function made an impact on the lure of the civil service as a career. Success in the IAS examination was now seen as bringing the **power to 'do something' for the larger good**, and not merely as a conduit of **personal security** and **comfortable life-style**.

#### Mr. Faesal's resignation: Marker of change:

- Faesal's decision to resign from the IAS after a short stint in it marks yet another stage in the **change of perceptions**.
- He is not the first to mark this change. Young entrants to the IAS have been known to resign early for social causes or academic careers.
- In each case, early abandonment continues to signify an act of renunciation for the pursuit of an ideal.
- Such examples have indicated the **rising perception** that the IAS officer's power is much too constrained, especially by those wielding political power.
- Shah Faesal's resignation tells us **how the power to 'do something' now belongs exclusively to the politician**.

#### IAS: the "Steel Frame" of India's government machinery:

- **Sardar Patel** famously called the **Indian Administrative Service (IAS)** the "**steel frame**" of India's government machinery.
- He, and many others, viewed the IAS as the **solid foundation** upon which the rest of the bureaucracy rested, a bastion of the **nation's best and brightest** providing unfailing support to others in government.
- To this day, even with vastly increased opportunities in the private sector, the IAS continues to attract India's best and brightest.
- Yet, despite the exceptional talent within the IAS, the institution no longer serves the **greater interest of the country**. Instead, there are reasons to believe that it might be **hampering the country's development**.

#### Respect through merit:

- Before Independence, and for a while after it, competing for entry into the IAS was motivated **by the urge to seek status in society**.
- An open contest based on success in an academic examination presented the attraction of **gaining social respect through merit**.
- The status that accrued to an officer was associated with the authority he had to exercise state power.
- In those days, official power had **few political constraints**, especially at the local level.

#### A 'syndrome' which Costs Heavy Price:

- Not only **schools**, even **community functions** organised on religious festivals are similarly adorned.
- If the organisers cannot get hold of someone in service or politics at present, they go for someone retired. By the time they are in secondary grades, children absorb the message that a worthwhile life can only be **led by gaining public importance**.
- Many children begin to feel that their best chance to make their parents happy is by doing things that **bring fame and importance**.
- For doing this, there are more choices today, but the range continues to be narrow and the preferred ones are those with the biggest crowd at the entry.
- The **lure of competitive tests** like the Joint Entrance Examination (JEE) and the National Eligibility cum Entrance Test (NEET) throws light on **this cultural phenomenon**.

## Basic Framework

*Risk to individuals and their property comes from...*

### Disorder

- Private expropriation by:
  - Banditry, Murder, Theft
  - Violation of contracts, torts
  - Monopoly pricing
- Private subversion of public institutions by:
  - Bribes and threats

### Dictatorship

- Expropriation by the state via:
  - Murder, Taxation
  - Violation of property
  - Artificial barriers to market entry, competition
  - Corruption

**→ Institutions function to control these twin dangers of disorder and dictatorship...**

**Where is the Problem lies in exhibiting Excellence in other fields?**

- The **civil services** remain a big draw as the vast clientele of commercial coaching demonstrates. **Probability of success** is understandably low, and that is precisely what drives the coaching industry to ever increasing rates of growth and fee.
- It is only after failing to make it into the highest civil services that **students look towards other avenues**. The same is true of tests in engineering and medicine.
- It is only after failing to get into these professions that the **young consider pursuing a career in other areas**.
- The experience of failure **leaves its psychological scab** on many young minds. They continue to feel, for a long time, that they could have 'become' someone important.
- A touching story in this genre is of *a schoolteacher who never went back to meet his favourite teacher*. He said, 'How could I tell my teacher that I could only become a teacher?'

**Conclusion:**

- **Reforming the IAS** will not be easy. The IAS is possibly the **most powerful professional association** in the country and will likely be **resistant to any reform** that encroaches on its authority.
- Over the long term, **improving the civil service** will have a much **larger effect** than any specific policy reform.
- As a society, we obviously **pay a high price for maintaining this syndrome**. If only an IAS or a political leader is perceived as having the capacity to 'do something', the rest can only carry out inconsequential routines.
- It is a **socially shared mystery**.
- In the case of Mr. Shah Faesal, it seems to be somewhat clear. His letter of resignation from the IAS can be **read as an expression of his urge to alleviate the pain of Kashmir**. He feels he can do it by joining politics. Let us hope he succeeds.

**23. A TRAGEDY THAT WAS LONG IN THE MAKING****Context of Rat-hole Mining:**

- Recently, the **collapse of a coal mine** in **Meghalaya's East Jaintia Hills** in which 15 workers were trapped, has thrown the spotlight on a procedure known as "**rat-hole mining**".
- The disaster that struck a coal mine at **Ksan in Meghalaya's Jaintia Hills district**, trapping at least 13 workers, is a shocking reminder that a fast-growing economy such as India continues to **allow Dickensian mining practices**.
- India being home to some of the *worst mine disasters*, such as **Chasnala near Dhanbad in 1975** in which more than 370 people were killed, the full spectrum of mining activity should be **tightly regulated**.

**Rat-Hole mining:**

- It involves **digging of very small tunnels**, usually only 3-4 feet high, without any pillars to prevent collapse, in which workers (often children) enter and extract coal.
- The **National Green Tribunal (NGT) banned** it in 2014 on grounds of it being unscientific and unsafe for workers. However, the state government appealed the order in the Supreme Court.
- Even after ban, it remains the prevalent procedure for coal mining in Meghalaya as no other method would be economically viable in Meghalaya, where the **coal seam is extremely thin**.
- A **Citizen's Report** (prepared by civil society groups in Meghalaya) observes that the **State's mineral wealth has been a curse**. It says: "Coal mining in Meghalaya operates as a '**shadow**' economy,

**There are other issues that need to be highlighted:**

- The **trapped miners** were being **racially profiled** in the minds of the people and the state.
- Of the 15 miners, *only three were locals* from the nearby village of Lumthari.
- The rest were Muslims from **Garo Hills, Meghalaya, and Bodoland, Assam**. Their **socio-economic profile** also worked against them.
- At least 200 men from villages have **died of tuberculosis and breathing complications** after working in these stone-crushing units.
- They were **the poorest of the poor** who took a huge risk to enter a mine and dig for coal **without any safety gear**.

**There are many questions that arise with respect to rat-hole mining of coal:**

- why does the state allow this archaic mining system, which has complete disregard for human life and safety?

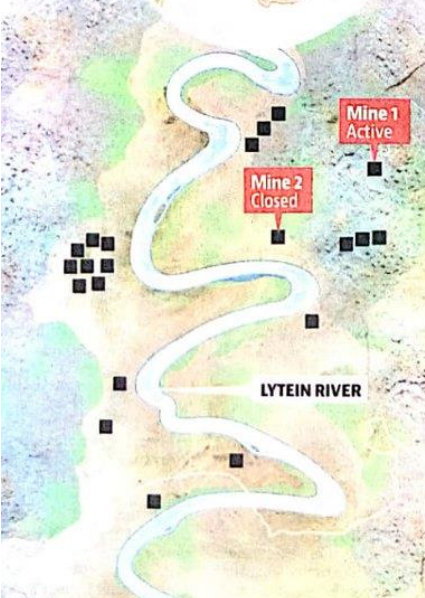
- Two, why is Meghalaya exempted from national mining laws?
- **Rat-hole mining**, which started with gusto in the 1980s, has **poisoned three rivers in the Jaintia hills: the Myntdu, Lunar and Lukha.**
- Scientists from the North-Eastern Hill University have found that **these rivers have very high acidic levels.**
- Reports from other agencies suggest that pH of the water and sulphate and iron concentrations indicate significant deterioration of the rivers.
- **Acid mine drainage from abandoned mines** was a major cause for **water pollution** in the areas investigated.

## MEGHALAYA'S RAT-HOLE DEATH TRAP

15 miners have been trapped inside a coal mine in Meghalaya's Jaintia Hills since December 13, exposing the dangers of illegal mining. Rescue operations have been temporarily suspended, citing inadequacy of water pumps.

### River Lytein caused flooding of the mine

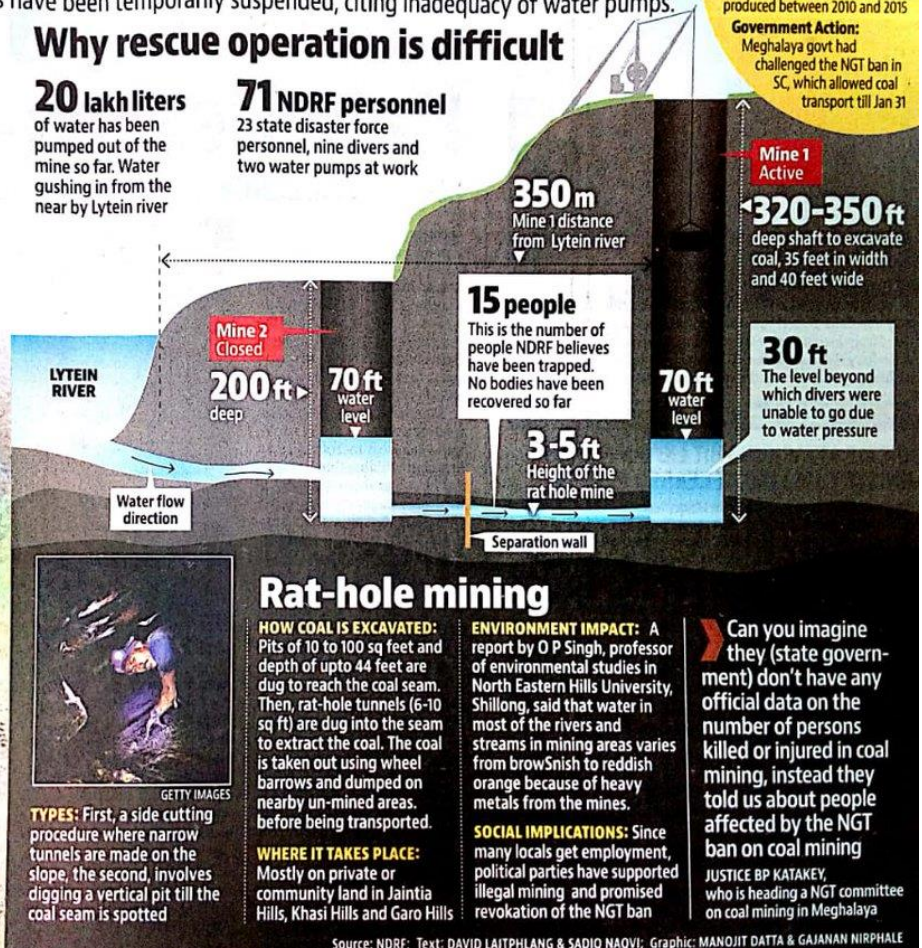
■ **90** the total number of illegal rat-hole mines operating near the river before the ban



### Why rescue operation is difficult

**20 lakh liters** of water has been pumped out of the mine so far. Water gushing in from the near by Lytein river

**71 NDRF personnel**  
23 state disaster force personnel, nine divers and two water pumps at work



**Ban:** In 2014, the National Green Tribunal Banned coal mining in Meghalaya saying it was "unsafe and unscientific".

**Total output:** 28 mn tons of coal produced between 2010 and 2015

**Government Action:** Meghalaya govt had challenged the NGT ban in SC, which allowed coal transport till Jan 31

### Rat-hole mining

**HOW COAL IS EXCAVATED:** Pits of 10 to 100 sq feet and depth of upto 44 feet are dug to reach the coal seam. Then, rat-hole tunnels (6-10 sq ft) are dug into the seam to extract the coal. The coal is taken out using wheel barrows and dumped on nearby un-mined areas, before being transported.

**WHERE IT TAKES PLACE:** Mostly on private or community land in Jaintia Hills, Khasi Hills and Garo Hills

**ENVIRONMENT IMPACT:** A report by O P Singh, professor of environmental studies in North Eastern Hills University, Shillong, said that water in most of the rivers and streams in mining areas varies from brownish to reddish orange because of heavy metals from the mines.

**SOCIAL IMPLICATIONS:** Since many locals get employment, political parties have supported illegal mining and promised revocation of the NGT ban

Can you imagine they (state government) don't have any official data on the number of persons killed or injured in coal mining, instead they told us about people affected by the NGT ban on coal mining

JUSTICE BP KATAKEY, who is heading a NGT committee on coal mining in Meghalaya

Source: NDRF; Text: DAVID LAITPHLANG & SADIQ NAQVI; Graphic: MANOJIT DATTA & GAJANAN NIRPHALE

### How does it hamper the environment?

- Water from rivers and streams in the mining area has become **unfit for drinking and irrigation**, and is **toxic to plants and animals.**
- A study by the North-Eastern Hill University, Shillong, says the **Kopili river** has turned **acidic** due to the discharge of acidic water from mines and the **leaching of heavy metals.**
- Layers of rock above the coal removed during mining contain **traces of iron, manganese and aluminium** that get dissolved from mining sites through the acid run-off or are washed into streams as sediment.

### How does the ban affect local people?

- Mining has **provided jobs to local people.**
- Following the ban, there are demands for **rehabilitation or alternative employment.** It was a major issue in the assembly polls.
- A citizens' report filed in the apex court names several state legislators who have stakes in the **largely unregulated coal mining and transportation industry.**
- It blames **loopholes in the Sixth Schedule** and the **land tenure system.** Miners and local councils have allegedly been using exemptions given to tribal people (under the Sixth Schedule) to **justify rampant mining.**
- The government has control over **only 5% of Meghalaya's land**, with the rest being either community or privately owned.

**Conclusion:**

- In the case of coal mine owners, there are no strictures. They have left thousands of **abandoned mines** as human graves.
- The State does not insist that they **reclaim and afforest those mines**. In 40 years of mining and profiteering, the mine owners have till date **not constructed a single hospital or even a school**.
- There is **complete disregard** for **corporate social responsibility** because the mines are privately owned by the tribals.
- **Illegal mining** has been highlighted by activists, but they have become targets of violence by those operating the mines.
- In the glare of national attention, Chief Minister of Meghalaya has acknowledged that illegal mining does take place.
- The state government has been remiss as it **failed to act on the NGT's directions**. It must bear responsibility for what has happened at Ksan, and work to prevent such tragedies.

## 24. A FAILED COUP IN VENEZUELA

**Context:**

Venezuelans are fleeing their country for **multiple reasons**.

- **Severe shortages of medicine, medical supplies, and food** make it extremely difficult for many families to have access to the **most basic health care** and to **feed their children**.
- Government crackdown has led to thousands of arbitrary arrests, hundreds of prosecutions of civilians by military courts, and torture and other abuses against detainees.
- **Arbitrary arrests** and abuses by security forces, including by intelligence services, continue.
- Extremely **high rates of violent crime** and **hyperinflation** are also key factors in many people's decision to leave the country.

Most of them are fleeing to adjacent **Colombia** as well as to countries like **Ecuador, Peru**. The mass migration is one of the forced displacements in the western hemisphere.

**Brief Background on Present Venezuela Crisis:**

- Venezuela's former **President Hugo Chavez** came to power in 1998. He promised to **fight poverty and inequality through socialism** and **nationalised** huge amounts of private assets, including oil companies.
- Petr6leos de Venezuela, which is a **state-run firm** that controls **entire oil production in Venezuela**.
- This state-run oil firm was tasked with the job of **exporting oil to spend the revenues on social welfare**.
- Social welfare schemes were expanded as the Venezuela's economy is primarily dependent on oil exports. **As a result, Venezuela's poverty rate fell from 50% in 1998 to 30% in 2012**.
- As oil prices tumbled from around **\$ 115 per barrel in 2014** to as low as **\$ 27 per barrel in 2016**, then slowly, crisis has been evolved since of no other major commodity to export in place of oil, resulted in dollar flow got stopped.
- Then, Government borrowed freshly to continue Social welfare schemes. It created **Bolivars (Venezuela currency)** from the Central Bank.
- The central bank **stopped publishing inflation data** in December 2015, and gross domestic product hasn't been updated in more than a year.
- Venezuela's money supply grew from **10.6 bn bolivars in 1998** to 290 bn bolivars in 2010 and later reached **7,513 bn bolivars by 2016**
- It resulted in **rapid domestic price inflation** and **drop in the bolivars value** and crippled the economy.

**How the Venezuelan migration crisis affects South America?**

- Venezuela has seen a mass exodus of **citizens fleeing poverty, hyperinflation, failing public services and shortages of basic necessities**.
- According to the **United Nations**, over **3 million Venezuelans** have been displaced in the region since 2015 as the fallout from the **country's economic crisis** took hold.
- Around between **10 and 12 per cent of Venezuelans** currently live abroad in **more than 90 countries** due to displacement and Migration by force.

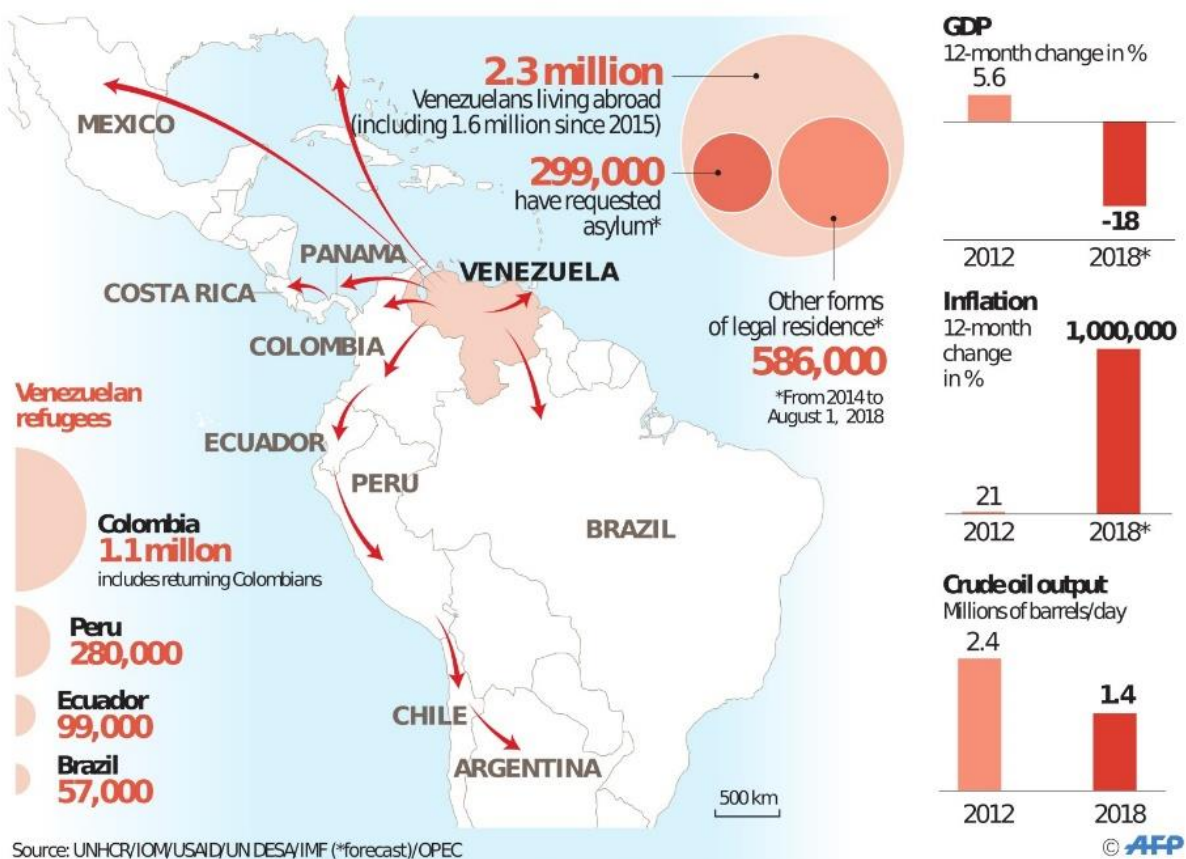
**Is Venezuela a pandemic threat to the region?**

- Venezuela's crisis has not been contained within its borders. They are arriving in countries **hungry and sick**.
- They are commonly suffering from **severe malnutrition, diarrhoea, no vaccinations, and lack of prenatal care**, and their arrival is spreading eradicated diseases to neighbouring countries.

- According to the Ministry of Health of Colombia, it has received, cases of malaria, malnutrition, 49 deaths to HIV and 26 maternal mortalities were reported in 2017 alone.
- In the state of **Roraima, Brazil** in 2017, there were 2,576 malaria cases imported from Venezuela, representing 55% of all imported cases, according to
- **In Ecuador**, measles cases were confirmed, 75% of which were among Venezuelan citizens. The Ministry of Health also confirmed 12 imported malaria cases in 2018, nine of them from Venezuela.
- Women fleeing Venezuela's desperate **infant mortality situation** are crossing into countries to give birth.
- Most of these **babies are stateless**, since in Colombian legislation, it only offers citizenship to children who have at least one Colombian parent. An "**invisible generation**" of Venezuelans is being born, who do not legally exist in either country.
- Venezuela has caused the region to undergo a health regression. Hospitals and clinics in receiving countries have already collapsed, creating a huge strain on state and local healthcare systems.
- The **biggest obstacle** is not having enough **human capital, supplies or financial resources** to keep operations going.

## Venezuelan migration routes

Hundreds of thousands flee economic crisis



### Way Forward for Protection of Migrants:

- To effectively **protect the rights of Venezuelans** fleeing their country, states should **ensure careful, individualized consideration** of all asylum claims.
- In doing so, they should consider recent recommendations **issued by UNHCR** and the **Inter-American Commission on Human Rights**.
- Other countries should also consider **adopting other legal mechanisms** to afford protection and legal status to Venezuelans.
- They are in **urgent need of humanitarian assistance** in the countries to which they have migrated. Governments should come together to **adopt a collective and concerted response** to it.
- In particular, governments should consider adopting:
  - A **region-wide temporary protection regime** that would grant all Venezuelans legal status for a fixed period of time, at least pending adjudication of their individual claims for protection; and
  - A **regional mechanism** to distribute both financial costs, and the actual hosting of Venezuelans fleeing their country, on an equitable basis.

- Governments should also look for **alternatives** to detention for asylum seekers, **prevent arbitrary or prolonged detention** in cases where detention is utilized, which should be a measure of last resort.
- Allow international organizations and nongovernmental groups access to immigration detention centres **to monitor detention conditions and ensure access to protection.**

#### Conclusion:

- However, the Venezuelans have been doing their homework and laying the **organizational groundwork** for change.
- Political parties, trade unions, universities, NGOs, and the Catholic Church have come together in an initiative called **Venezuela Libre.**
- They have been working on a **detailed economic plan**, amply discussed with the international community, to **overcome the crisis and restore growth.** This is an eye opener for the international community to **identify flaws** and providing **remarkable solutions** to the present problem.

## 25. REMOVING THE ROOTS OF FARMERS' DISTRESS

#### Context:

- **Agrarian distress**, in the present context, is mainly in terms of **low agricultural prices** and, consequently, **poor farm incomes.**
- **Low productivity in agriculture** and related **supply side factors** are equally important.
- Recently, there has been active discussion on the **strategies addressing farm distress.**
- The possible solutions are:
  1. **Prices and incomes**
  2. **Low productivity**
  3. **Land size**

#### (1) Prices and incomes of Agricultural Commodities:

**Prices play a key role** in affecting the incomes of farmers.

- In the last two years, **inflation in agriculture** was much lower than overall inflation.
- The implicit **price deflator** (measure of the level of prices of all final goods and services in an economy in a year) for **Gross Value Added (GVA)** in agriculture was **1%** while **it was 3.2%** for total GVA in 2017-18.
- The advance estimates for 2018-19 show that the **implicit deflator for GVA in agriculture is 0%**, and 4.8% for total GVA.
- The **consumer price index (CPI)** also shows that the **rise in prices for agriculture** was much lower than general inflation in recent years.
- Market prices for several agricultural commodities have been lower than those of **minimum support prices (MSP).**

All these trends show that the **terms of trade to be moving against agriculture** in the last two years.

#### Adverse Consequence of Decline in prices:

- When **output increases** well beyond the market demand at a price remunerative to producers, **market prices decline.**
- And in the absence of an **effective price support policy**, farmers are faced with a **loss in income**, depending on how much the price decline is.
- The **'farm distress'** in recent years has been partly on account of this situation, as the loss of income is beyond the ability, particularly of small farmers, to absorb.
- In a strange way, it is the success in **increasing production** that has resulted in this **adverse consequence.**
- A few schemes have been suggested to address the **problem of managing declining output prices** when output increases significantly.
- The **scheme of 'price deficiency compensation'** is one such mechanism which amounts to **paying the difference** between market price and the MSP.
- A **'price deficiency' scheme** may **compensate farmers** when prices decrease below a certain specified level. However, market prices may continue to fall as supply exceeds 'normal demand'.
- The other extreme is the **'open procurement system'** that has been in vogue quite effectively in the case of rice and wheat, where procurement is open ended at the MSP.

# INDIA'S AGRICULTURE SECTOR

## "Productivity challenges"



### Farm holdings

Nearly 50% of the population is engaged in agricultural production. As farms are divided among family members, average farm size today is half what it was 40 years ago.



### Irrigation

Water use efficiency is very low. Unsustainable practices such as flooding or canals and pumping ground water resource are depleting the country's aquifers.



### Indian monsoon

The country is faced with the prospect of declining rainfall during the monsoon. India's prime growing season for rain fed agriculture.



### Subsidy

Government subsidy to farmers for fertiliser, electricity and irrigation increased more than eightfold between 1990-91 and 2006-07. Areas receiving the highest subsidies regularly underperform those with lower subsidy.



### Cold Storage and Food Processing

30% of harvest and post-harvest economic losses come from the fruit and vegetable sectors, although that sector comprised only 13.6% of total production.



### Crop pattern, Fertiliser and Soil nutrients

The Government of India's top research institute reports that nearly 60% of agricultural land is at risk because of fertiliser misuse, poor cropping pattern and soil nutrient deficiencies.

## Solution for above: Limited procurement for price stabilisation:

- The middle way that may be effective in some crops, suggested option is of **limited procurement for price stabilisation**.
- Under this scheme, the government will **procure the 'excess'**, leaving the normal production level to clear the market at a remunerative price.
- Thus, procurement will continue until the market price rises to touch the MSP. The **suggested 'limited procurement system'** will not work if the MSP is fixed at a level to which the market price will never rise.
- There are costs involved which will go up as **production increases** above the average level. The government can sell the procured grain in later years or use them in welfare programmes.
- Some States have **introduced farm support schemes**, examples being the
  - **Rythu Bandhu Scheme (Telangana)** and
  - **The Krushak Assistance for Livelihood and Income Augmentation (KALIA) scheme (Odisha)**.
- One problem with the **Telangana model** is that it does not cover tenants, who are the actual cultivators. Basically, these schemes are income support schemes which will be in operation year after year.

- Thus, **raising the MSP**, price deficiency payments or income support schemes can only be a partial solution to the problem of providing remunerative returns to farmers.
- A **sustainable solution** is market reforms to **enable better price discovery** combined with long-term trade policies favourable to exports.
- The **creation of a Competitive, Stable and Unified national market** is needed for farmers to get better prices.
- **Agricultural markets** have witnessed **only limited reforms**. They are characterised by inefficient physical operations, excessive crowding of intermediaries, and fragmented market chains.
- Due to this, farmers are deprived of a fair share of the price paid by final consumers. States have also not shown any urgency in reforming agricultural markets.
- For **better price for farmers**, agriculture has to go **beyond farming** and develop a **value chain comprising farming, wholesaling, warehousing, logistics, processing and retailing**.

## (2) Low productivity due to Less and Conventional Method of Usage land and Water:

The next issue is the low productivity of Indian agriculture.

- Basics such as seeds, fertilizers, credit, land and water management and technology are important and should not be forgotten.
- Similarly, investment in infrastructure and **research and development** are needed.
- **Water is the leading input in agriculture.**
- **More than 60% of irrigation water is consumed by two crops: rice and sugar cane.**

### Water-use Efficiency according to the Area-Specific Approach:

- Basically, it is not investment alone but efficiency in water management in both canal and groundwater that is important.
- India uses up to **three times the water** used to produce one tonne of grain in countries such as **Brazil, China and the U.S.**
- This implies that **water-use efficiency** can be improved significantly with better use of technologies that include drip irrigation.
- Yields of several crops are lower in India when compared to several other countries. Technology can **help to reduce 'yield gaps'** and thus **improve productivity**.
- Government policies have been biased towards cereals particularly rice and wheat.
- There is a need to make a **shift from rice and wheat-centric policies to millets, pulses, fruits, vegetables, livestock and fish.**

## (3) Land size: Consolidation of land holdings becomes important to raise farmer incomes:

- Another **major issue** relates to the **shrinking size of farms** which is also responsible for low incomes and farmers distress.
- The **average size of farm holdings** declined from 2.3 hectares in 1970-71 to 1.08 hectares in 2015-16.
- The share of **small and marginal farmers** increased from 70% in 1980-81 to 86% in 2015-16.
- The average size of **marginal holdings is only 0.38 hectares** (less than one acre) in 2015-16.
- The monthly income of small and marginal farmers from all sources is only around ₹4,000 and ₹5,000 as compared to ₹41,000 for large farmers.

**Thus, the viability of marginal and small farmers is a major challenge for Indian agriculture.**

### Focusing on Non-Farm Sector as well:

- Many small farmers cannot leave agriculture because of a **lack of opportunities in the non-farm sector**. They can get only partial income from the non-farm sector.
- In this context, a **consolidation of land holdings** becomes important to raise farmer incomes.
- In the context of rural poverty, **B.S. Minhas** had argued even in the 1970s that **compulsory consolidation of land holdings** alongside land development activities could **enhance the incomes/livelihoods** of the poor in rural areas.
- Unfortunately, there is little discussion now on **land fragmentation** and **consolidation of farm holdings**.
- We need to have **policies for land consolidation** along with **land development** activities in order to tackle the challenge of the low average size of holdings.
- Farmers can **voluntarily** come together and pool land to gain the benefits of size.
- Through consolidation, farmers can reap the economies of scale **both in input procurement and output marketing**.

**Way Forward:**

- Farmer's distress is due to **low prices and low productivity**.
- The suggestions, such as *limited procurement, measures to improve low productivity, and consolidation of land holdings to gain the benefits of size*, can help in **reducing agrarian distress**.
- The time has come to bring **requisite changes** in the **relevant laws** governing the cooperative sector with a view to encourage farmers in the context of changed **techno-economic** and business scenario to make the ***farming viable and vibrant enterprises***.
- We need a **long-term policy** to tackle the situation.

# RSTV, LSTV, AIR - SYNOPSIS

## 1. LOKPAL & LOKAYUKTS

Link: <https://youtu.be/KN3FeHmY6hc>

(TOPICS COVERED:

PRELIMS: CURRENT EVENTS OF NATIONAL IMPORTANCE, INDIAN POLITY AND GOVERNANCE

MAINS: GENERAL STUDIES II)

- The **Supreme Court on 17 January 2019** fixed a **February-end deadline** for the **search committee on Lokpal** to **recommend a panel of names** for appointment of the country's first anti-graft ombudsman.
- It also directed the **Centre to provide** the search committee **requisite infrastructure and manpower** to enable it to complete its work. Attorney General K.K.Venugopal told the bench that the search committee was facing problems like lack of infrastructure and power.

### LOKPAL AND LOKAYUKTA:

- A **Lokpal is an anti-corruption authority or ombudsman** who represents the **public interest**. This concept is **borrowed from Sweden**.
- An **ombudsman is an official** who is charged with representing the interests of public by investigating and addressing complaints of maladministration or violation of rights. He is usually **appointed by the government or by parliament** but, with a **certain degree of independence**.
- The **Lokpal has jurisdiction over** all Members of Parliament and central government employees in cases of corruption.
- The concept of a constitutional amendment in India has been **proposed many times starting in the early 1960s**. But the **bills were never passed till many years**.
- The Lokpal bill was finally enacted in India on 18 December 2013 as "**The Lokpal and Lokayukts Act, 2013**". It seeks to provide for the establishment of the **institution of 'Lokpal' for the Union and 'Lokayukta' for states** to inquire into allegations of corruption against certain public functionaries (including Prime Minister, ministers, MPs, Group A, B, C, D officials of the Central Government) and for matters connecting them.
- The **Lokayukts are similar to the Lokpal**, but function on a **state level**. States like Maharashtra, Odisha, Rajasthan, etc have introduced the institution of Lokayukta. But there are no Lokayuktas in Jammu & Kashmir, Manipur, Meghalaya, etc.

### ANALYSIS:

- The noble idea of Lokpal and Lokayukta has become a **political issue** that is one of the reasons it has been **hanging since such a long time**. The term "Lokpal" was **coined by Dr. L.M.Singhvi in 1963**.
- Despite the **Act being passed in 2013**, and intervention of Supreme Court as well, a **Lokpal has not been established till date**. It was passed in 2013 after **civil society agitations**.
- There have been many **technical problems in the formation of committee** for Lokpal like absence of a Leader of Opposition in Lok Sabha.
- Institutions and agencies like **Comptroller and Auditor General (CAG), Central Vigilance Commission (CVC), Central Bureau of Investigation (CBI), Enforcement Directorate** are already present in India to check corruption and related issues in Government offices.
- The **recent incidences in CBI** have again raised eyebrows if the Lokpal will be effective in a democracy like India.
- India has a score of 40 and ranks 79 (in year 2016) in the **Corruption Perceptions Index (CPI)**. This shows that there is a need to check corruption in the nation strongly.
- **The jurisdiction powers of Lokpal** are very wide. It is a body of 9 persons consisting of chairperson, judicial members and other persons. Their removal will not be easy like the judges of Supreme Court of India.
- **Lokpal has powers to give directions to all the agencies in India** like CBI, CVC, etc. They will work as an investigating agency, a prosecuting agency and shall have special courts.
- Lokayukts are present in many states while many of the states still do not have the Lokayukts. The powers given to them relating to corruption, etc have not been up to the mark.
- **Putting up of a deadline by the Supreme Court** for creation of Lokpal is a positive step otherwise the hurdles may keep delaying its formation in future as well.

**CONCLUSION:**

- Looking at the **low ranking of India in Corruption on global level**, there is a **need to check the corruption by strong institutions**.
- Creation of the institution of Lokpal and Lokayukts till a given deadline has come up as a welcome step.
- But it **shall function independent from any political influence** so that a proper **system of checks-and-balance** is maintained in the federal and democratic system of India.

**2. IMPORTANCE OF VOTING**

Link: <https://youtu.be/BJpk2f8-BgA>

**(TOPICS COVERED:**

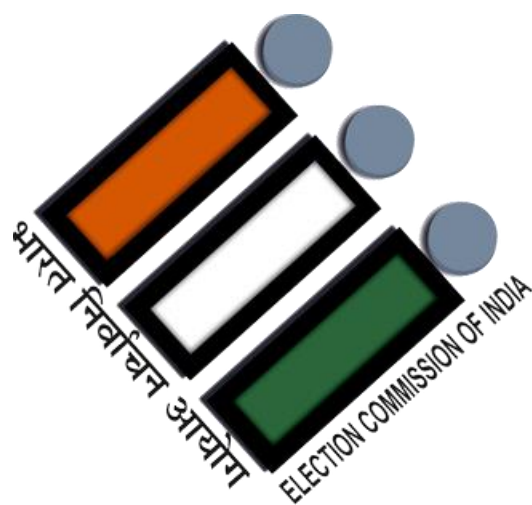
**PRELIMS: Indian Polity and Governance, Current events of national importance**

**MAINS: GENERAL STUDIES II – Governance, Constitution, Polity)**

- **India** celebrated its **9<sup>th</sup> National Voters Day on 25 January 2019**. The celebration was initiated in 2011 on the **61<sup>st</sup> foundation day of Election Commission of India**.
- It aims to **increase the participation of voters** and to encourage newly eligible voters as they **attain the present voting age of 18 years**.

**ELECTION COMMISSION OF INDIA**

- It is an **autonomous constitutional authority** responsible for **administering electoral processes in India** formed on **25 January 1950**.
- It **administers elections to the Lok Sabha, State Legislative assemblies, and the offices of the President and Vice President in India**.
- **Article 324** of the Indian Constitution mentions about composition, functions, etc of the Election Commission.
- The **Representation of People Act, 1951** provides for the conduct of elections of the Houses of the Parliament and to the House(s) of the Legislature of each state. It was enacted under **Article 327** of Indian Constitution.
- **COMPOSITION** (since the Election Commissioner Amendment Act, 1989) = **Chief Election Commissioner + 2 Election Commissioners** (usually retired IAS officers).
- **At state level**, Election Commission is assisted by the **Chief Electoral Officer of the State** (an IAS officer of Principal Secretary rank).
- **At the district and constituency levels**, the District Magistrates and other officers perform election work.
- **REMOVAL FROM OFFICE:** The Chief Election Commissioner can be removed from his office **similar to the removal of a judge of the Supreme Court of India**. Other Election Commissioners can be removed by the President of India on the recommendation of the Chief Election Commissioner.
- **FUNCTIONS:** It serves as the **guardian of elections** in the country. **Conducting elections at regular intervals** is very essential for a **democratic policy**.
- **MODERNISATION:** The commission has been working on **new technologies** to bring fairness to the election procedure. Introduction of **Electronic Voting Machines and Voter-verified paper audit trail (VVPAT)** are steps in this direction. The symbol of **None of the Above (NOTA)** has also been added on the voting machines.

**VOTING RIGHTS IN INDIA**

- **Since 1950, all adult citizens** are recognized by the **Constitution of India**, irrespective of race, gender or religion for voting in the Republic of India.
- Thus, India has a concept of **“universal suffrage”**.
- Universal suffrage is provided in **Article 326** of the Constitution of India.
- **Voting in India is a legal right**, given by the **Representation of People Act, 1950**.
- The **61<sup>st</sup> Amendment Act, 1988** by amendment of **Article 326**, lowered the **voting age from 21 to 18 years**. This amendment was done according to the **provisions of Article 368** that required **‘special majority’ of the Parliament and ratification by at least one half of the State Legislatures**.
- Many nations of the world took many years to give voting rights to all its citizens. For example, Switzerland denied the right to vote to women till 1973.

**NATIONAL VOTERS DAY**

- It is celebrated on **25<sup>th</sup> January every year** since the year 2011 to mark **Election Commission's foundation day**.
- It **encourages more voters** to take part in **political process**.
- It observes a different theme every year. **Theme** for year 2019 was **"No voter to be left behind"**.
- **President Ram Nath Kovind** presented **awards for best electoral practices** to District Collectors, Superintends of Police and other functionaries involved in election management on 25 Jan 2019.
- National voters Day 2019 was celebrated in over 6 lakh locations covering about **10 lakh polling stations** in India.

**CONCLUSION:**

- The **voting patterns in India** has been improving with every election.
- The **efforts done by Election Commission of India** in creating **awareness** for voting and **modernising the election process** is appreciable. India is today recognised as the largest democracy in the world which conduct multi-party elections with voting done by a huge number of voters.

**QUESTIONS****PRELIMS 2017**

**(Q)** Right to Vote and to be elected in India is a

- a) Fundamental Right
- b) Natural Right
- c) Constitutional Right
- d) Legal Right

Ans: C

**(Q)** Consider the following statements:

1. The Election Commission of India is a five-member body.
2. Union Ministry of Home Affairs decides the election schedule for the conduct of both general elections and bye-elections.
3. Election Commission resolves the disputes relating to splits/ mergers of recognised political parties.

Which of the statements given above is/are correct?

- a) 1 and 2 Only
- b) 2 Only
- c) 2 and 3 Only
- d) 3 Only

Ans: D