



INSIGHTSIAS

SIMPLIFYING IAS EXAM PREPARATION

INSIGHTS into EDITORIAL

FEBRUARY 2019

TABLE OF CONTENTS

INSIGHTS into EDITORIAL	3	14. Stress points of democracy	26
1. The case for minimum basic income	3	15. Pulwama terror attack	28
2. Heading towards strategic instability	5	16. Not without an explanation: when judges recuse themselves	30
3. Hawkish move: On U.S. pullout from nuclear treaty	6	17. The contractual functionary	32
4. Shopping for votes: on the Interim Budget 2019-20	8	18. How the 16th Lok Sabha fared	34
5. Standard deviations: On jobs data	10	19. The Saudi-India-Pakistan triangle	36
6. A national register of exclusion	11	20. Interim bailout: RBI surplus to govt	38
7. Wrong on the Rohingya	13	21. After the terrorist strike in Pulwama, is war even an option?	40
8. Timely review: On start-up tax	15	22. Without land or recourse	42
9. Governing India's many spaces	17	23. India's policy shift in sharing Indus waters with Pakistan	44
10. We need a leap in healthcare spending	19	RSTV, LSTV, AIR - SYNOPSIS	47
11. No zero-sum games: on India-U.S. trade hostilities	21	1. Productivity and Sustainability	47
12. The solution is universal	23	2. US vs Russia N-Arms Treaty & Venezuela	48
13. Time to raise the bar	24		

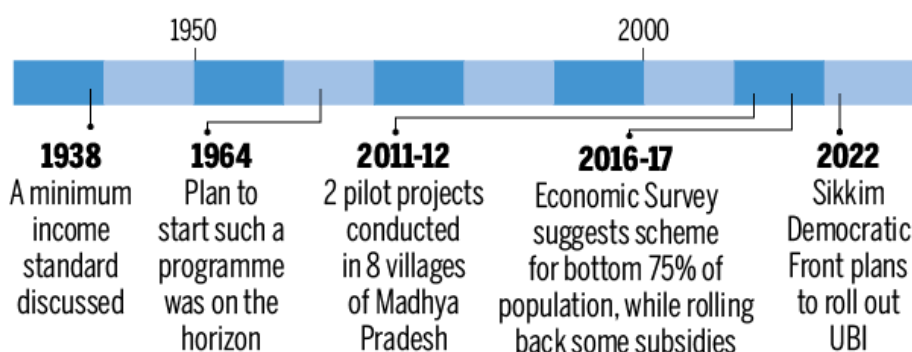
INSIGHTS into EDITORIAL

1. THE CASE FOR MINIMUM BASIC INCOME

Introduction:

- A Minimum basic income is a **government guarantee** that around **20-25% of citizens** receives a minimum income. It is also called a citizen's income, guaranteed minimum income, or basic income.
- The payment is enough **to cover the cost of living**. The goal is to provide **financial security**. The concept has regained popularity as a way to offset job losses caused by technology.
- Economists admit that a lot more must be done **to improve education and health care**, and to address the **persistent informality** and small scale of enterprises that are providing most of the employment in the country.
- The advantage of a **minimum income guarantee** is that it will **also cover the urban poor**, who are not covered in these schemes.
- Job guarantee programmes, such as the Mahatma Gandhi National Rural Employment Guarantee Scheme, lock up beneficiaries in low-productivity work, income supplements allow them to continue to look for better employment options.

INDIA'S TRYST WITH INCOME SUPPORT



UBI ACROSS THE WORLD

US | Alaska Permanent Fund distributes part of the state's oil revenues to all residents on per-capita basis

Stockton, California
Secured funding from private non-profits to launch a small project with about 100 participants receiving \$500 a month for about 18 months

Finland | Scheme started in 2017 to pay 2,000 jobless people assistance of €560 a month stopped last year

Kenya | Largest experiment underway with some villages receiving \$0.50-1 a day

Brazil | Has run experiments

Canada | Ontario plans to test a basic income scheme

France | A senate committee has recommended an experiment

UK & Germany | Studies have been conducted

Scotland | Committed funds to conduct an experiment

Barcelona, British Columbia | Plans to start experiments

Switzerland | Plan to give everyone right to basic income defeated in 2016



UBI and MIG difference:

The essential difference between Universal Basic Income and Minimum Income Guarantee is this:

- A **universal basic income** provides a monthly stipend that would ensure that a person would be above the poverty line without any other source of income.
- Thus, the **Economic Survey of India** suggested a **UBI of Rs 7,620 per annum to 75 per cent of India's population.**
- The proposed **minimum income guarantee** will cover **22-25%** of the population (as fixed by Tendulkar) or 29.5 per cent (fixed by Rangarajan).
- The income was based on **Tendulkar's poverty line** of 2011-12 inflation-indexed to 2016-17.
- A minimum income guarantee, is pretty much at the discretion of the government of the day: it can be **equal, more or less than the poverty line expenditure.**

Reasons that supporting "Minimum Basic Income":

- The **reforms since 1991** have largely **bypassed agriculture and other segments** of the economy that engage **poor and rural Indians.**
- Due to **incomplete economic liberalisation** and technological advances have led to growth in national income, but all individuals have **not gained equally.**
- The disproportionate **share of gains** from the reforms have gone to **middle-class and rich Indians.**
- This unevenness in development calls for a **superior economic growth model.**
- **Redistributive policy interventions** such as income transfers can improve equity.
- Besides equity, there's also an **urgent need to address rural distress**, which is largely a **consequence of policy failures** such as:
- **Ineffective procurement** and **perverse trade and pricing** policies that have in times of bumper harvests led to gluts, depressed market prices, and
- **Aggravated farmer losses.**

Minimum Basic Income in the other Productive way in Agriculture sector : Rythu Bandhu and KALIA are superior policy intervention:

- They do not suffer from the **moral hazard** and **limited reach** of farm loan waivers. Waivers penalise farmers who repay loans on time and benefit only borrowers from banks.
- **Telangana and Odisha**, are already experimenting in a limited way with **income support schemes**, focused on the **farm sector:**
- In **Telangana**, the government is providing **farmers income support** payment at the **rate of ₹10,000/ha(₹4,000/acre).**
- However, this model, **the Rythu Bandhu**, benefits the **biggest landowners** the most, including those who lease out their land.
- **Tenants, sharecroppers and landless labourers, the most vulnerable, are out of its coverage.** Its success depends on **reliable land records.**

Odisha's recently notified **KALIA (Krushak Assistance for Livelihood and Income Assistance)** irons out these creases:

- It proposes to **transfer ₹5,000** in cash per season (₹10,000 per year for double-cropped land) to the **State's 30 lakh marginal farmers**, leaving out the two lakh large farmers.
- It promises cash grants of ₹12,500 each to the **State's 10 lakh landless households.**
- The hope is that they will use this money to **rear goats or poultry** and farm **mushrooms or honey.**
- **Fisherfolk** are covered too, and will receive the investment support for buying fishing nets and allied equipment.

Way Forward: Economists gave idea that to Mobilise Money for Providing Basic Minimum Income:

- On an average, it is coming **Rs. 1,50,000 Cr each year** to those, who least need them.
- According to Government official records, In fiscal 2016-17 for which we have complete account, government gave away a staggering **Rs. 1,56,000 Cr to businesses under incentives, relief, concessions.**
- These are massive discounts on **corporate tax and breaks on profits** for entities in Special Economic Zones. 99.94% companies are paying **maximum effective tax, around 29%.**
- On the other hand, **India's richest 335 companies**, with **profits greater than Rs. 500 Cr**, get sops and pay around **23% to the exchequer.**
- So, Out of **India's 300 million households**, **50 million** participated each year in **Mahatma Gandhi NREGA** during its most successful years.

- If India scrap all the subsidies / tax concessions for companies, we can divert this to the poor families. Each poor household would receive an **average of Rs. 30,000 every year.**
- This can be done without subtracting one paisa from existing farm or food subsidies.

An alternative approach to Minimum Basic Income is Universal Basic Capital:

- A **better solution** to structural inequality than **UBI is universal basic capital**, or UBC, which has begun to pop up in international policy circles.
- In this alternative approach, **people own the wealth they generate as shareholders of their collective enterprises.** Amul, SEWA, Grameen, and others have shown a way.

Conclusion:

- A simplistic UBI will not solve the **fundamental problems** of the economy.
- An **unavoidable solution** to fix India's fundamental problems is **the strengthening of institutions of the state** to deliver the services such as of **public safety, justice, and basic education and health**, which should be available to all citizens regardless of their ability to pay for them.
- The **institutions of the state** must be strengthened also **to regulate delivery of services by the private sector** and **ensure fair competition** in the market.
- The **building of state institutions, to deliver and to regulate, will require stronger management, administrative, and political capabilities** will be the need of the hour.

2. HEADING TOWARDS STRATEGIC INSTABILITY

Introduction:

In late 2018, the government decided **to set up three new agencies** in order to address the new age challenges to national security:

- the Defence Cyber Agency,
- the Defence Space Agency and
- the Special Operations Division

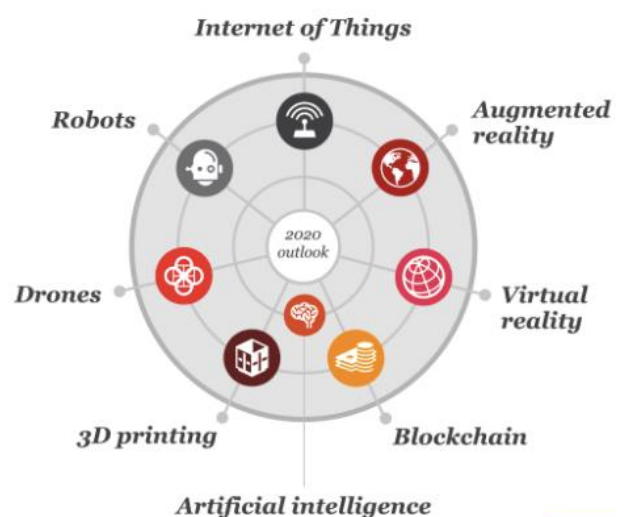
Clearly, this is a timely effort from the government to have finally decided to set them up though they are **not yet in place.**

- While this is indeed a useful step in the right direction, it is also important to note that the constitution of these agencies is a far cry from the crucial **recommendations given by the Naresh Chandra Task Force** and the **Chiefs of Staff Committee.**
- Both of these suggested the formation of **three separate joint commands** to deal with **new challenges** to India's national security in the **cyber, space and special operations domains.**
- But some argued that it is rather a lacklustre response to **major 'futuristic' challenges to our national security** raises a larger question of whether India is ready to face a war like situations and can win?

Above Question raises due to the following reasons:

- There is a **revolution in military affairs** that seems to have attracted the attention of **strategic analysts and policy planners** across the world.
- The current focus in military thinking across the world is increasingly moving away from traditional heavy-duty military hardware **to high-tech innovations:**
- artificial intelligence (AI), big data analytics, satellite jammers, hypersonic strike technology, advanced cyber capabilities and spectrum denial and high-energy lasers.
- In the light of the **unprecedented capabilities** that these systems offer, there is also an increased focus on **developing suitable command and control** as well as **doctrinal concepts** to accommodate and
- The arrival of these technologies might deeply frustrate **strategic stability** of any country as because of their disruptive nature.

The essential eight technologies



Strategic stability in the contemporary international system: Inherent paradox vis-a-vis high technology-enabled military systems:

Disruptive technologies have the **potential to impact** growth, employment, and inequality by creating new markets and business practices, needs for new products & infrastructure and different labour skills.

- The most important being the **issue of survivability** of a **state's nuclear arsenal** and its ability to carry out a second strike after a first attack.
- Once accuracies get better, **hypersonic glide vehicles** replace conventional delivery systems,
- **Real time tracking and surveillance** make major strides,
- **AI-enabled systems** take over,
- survivability of nuclear arsenal, which lies at the heart of great power stability.
- There was, for instance, an assumption that the naval leg of a nuclear triad is the most survivable part since it is hidden away in the depths of the ocean away from the adversary's gaze.

However, the **potential ability of deep-sea drones** to **detect** ballistic-missile armed nuclear submarines or SSBNs may make this assurance a thing of the past thereby frustrating traditional calculations.

Arrival of these new technologies to the emerging strategic competition among great powers:

- The **S.'s withdrawal** from the **Intermediate-Range Nuclear Forces treaty** is perhaps an **indication of a potential arms race** in the offing.
- **China** has emerged as a **key actor** in the field of **emerging military technologies**. This is something that will concern New Delhi in the days ahead.
- Beijing is in the lead position in **emerging technologies** with potential military applications such as **quantum computing, 3D printing, hypersonic missiles and AI**.
- If Beijing continues to **develop hypersonic systems**, for instance, it could **potentially target** a range of targets in the U.S.
- While the Chinese focus is evidently on U.S. capabilities, which China interprets as a potential threat which can be the same case for India also.
- India might, in turn, consider developing some of these technologies which will **create dilemmas for Islamabad (Pakistan)**.
- The **cascading strategic competition** then looks **unavoidable** at this point, and that is worrisome. And yet, it might be difficult to avoid some of these developments given their dual use.

Conclusion:

- However, there is a need to ask how **survivable India's naval platforms** are given the feverish developments of advanced sensory capability in the neighbourhood.
- It is in this context that we must **revisit the government's decision** to set up the agencies to **address cyber and space challenges**.
- Moreover, reports indicate that the **Space Command** will be headed **by the Air Force**, the **Army** will head the **Special Operations Command**, and the **Navy** will be given the responsibility of the **Cyber Command**.
- If indeed that happens, **their effectiveness** in terms of **tri-service synergy** will be much less than anticipated.
- Even more so, given that the higher defence decision-making in the country is still **civil services-dominated**, despite the recent attempts to correct it, the **effectiveness of these agencies** will remain weak.
- We can be sure of **exponential growth in disruptive technologies** and that the business landscape will shift faster than any year previous.
- Therefore, **proper timely steps** must be taken by India to **act as a deterrent to avoid any conflict situations** with technologically developed countries.

3. HAWKISH MOVE: ON U.S. PULLOUT FROM NUCLEAR TREATY

Context:

- The **US**, which has long **accused Russia** of **violating** the **INF treaty**, formally announced it was suspending its obligations under the agreement.
- The **Donald Trump administration's** decision to **withdraw from the Intermediate-Range Nuclear Forces (INF) treaty with Russia** is a retrograde step.
- It was Signed **in 1987 by the US and USSR**, it **banned the use of short and medium-range missiles** by both countries.

A new arms race?

The U.S.'s pullout from the Intermediate-Range Nuclear Forces (INF) treaty with Russia, a move that met with a tit-for-tat response from Moscow, could launch a new arms race between the two countries

- The U.S. alleges that a new Russian cruise missile, Novator 9M729, violates the pact
- Russia denies the allegation; it says the missile's range is well within the pact's limits

- The U.S., in its nuclear policy unveiled in 2018, reported that it plans to buy two new nuclear missiles, which could potentially violate the INF
- China too has intermediate-range missiles. About 95% of its missiles could be in violation of the INF

The Big 9: The world's nine nuclear powers have, in their possession, about **15,000 NUCLEAR** warheads, approximately **9,600** of them in military service

90% Over 90% of the warheads are in the arsenal of the U.S. and Russia

What is the INF?

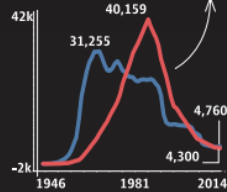
- Signed on Dec. 8, 1987, the treaty required both parties to eliminate all ground-launched cruise missiles with a range of 500 km to 5,500 km
- It came into force on June 1, 1988
- The two sides completed their reduction by June 1, 1991, destroying

a total of 2,692 missiles

- Both the United States and Russia have repeatedly raised concerns about the other side's non-compliance with the INF Treaty, leading to the present pullout by the two last week

From a peak of 63,476 in 1986, the number of warheads deployed by the two has reduced to about 9,000 in 2014

The overwhelming majority of the reduction happened in the 1990s



New START remains the only limitation treaty in force

Treaties negotiated by the U.S. and USSR/Russia to limit their nuclear stockpile

a) Strategic Arms Limitation Talks

- Negotiations began in 1969
- By 1972, SALT had produced the Anti-Ballistic Missile Treaty (ABM) and an executive agreement capping the number of intercontinental

ballistic missiles (ICBM) and submarine-launched ballistic missiles (SLBM)

- In June 2002, the U.S. unilaterally withdrew from the ABM treaty, limiting the SALT's purpose

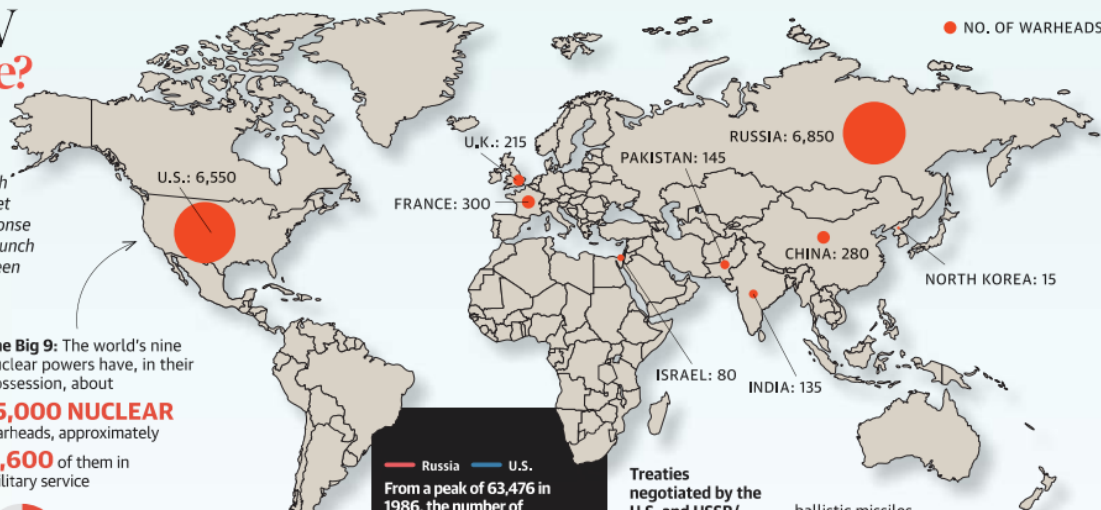
b) Strategic Arms Reduction Treaty I

- Signed in 1991, it required the two countries to reduce their deployed strategic arsenals to 1,600 delivery vehicles and 6,000 warheads

- The reductions were completed in December 2001

c) New START

- Signed on April 8, 2010, the new START limits each side to 1,550 strategic warheads and 700 delivery systems
- Limits the number of launchers to 800
- Came into force on Feb. 2011, and will expire in 2021
- Both parties met the treaty's central limit by Feb. 2018



What is the I.N.F. Treaty and how did it come about?

- The treaty resolved a **crisis of the 1980s** when the Soviet Union deployed a **missile in Europe called the SS-20**, capable of carrying **three nuclear warheads**.
- The United States responded with **cruise and Pershing II** missiles based in Europe.
- By the time, the then President Ronald Reagan of US and Mikhail S. Gorbachev of USSR, negotiated **the deal to ban the weapons in 1987**.
- It **barred both countries** from deploying **land-launched cruise missiles** in the **500- to 5,500-km range**.
- However, Russia appears to have been covertly violating it in letter and spirit.
- The U.S. in 2008 expressed concern over the **Russian Novator 9M729 missile tests** and in 2014 alleged that Russia was testing a **ground-based cruise missile**.

On what reasons US is backing its decision:

- Mr. Trump, who scuppered the **nuclear agreement with Iran**, has hinted he would refuse to **abide by a treaty** that other parties were **disregarding**.
- There is now a sense of alarm that **the New Strategic Arms Reduction Treaty (START)**, which limits both countries arsenal of **intercontinental ballistic missiles**, and will **lapse in 2021**, might be scrapped next.
- Yet, the U.S. response cannot be regarded as purely retaliatory.

Was Russia actually in breach of the treaty terms?

- According to information dating to the **Obama administration**, it seems so. During the **2014 crisis in Ukraine**, the United States accused **Russia of violating the treaty** by deploying **prohibited tactical nuclear weapons** designed to intimidate Europe and the former Soviet states that have aligned with the West.

- President Obama personally informed President Putin of Russia in a letter that the United States believed the Russians were **violating the treaty**, but that he wanted to **resolve the issue through dialogue and preserve the accord**.
- The Russians have said there is no violation.
- But American officials say Moscow is all but openly deploying a prohibited missile that the West calls the **SSC-8, a land-based cruise missile** that could be threatening to European nations.
- Russian officials put a **newly modified version of that missile** on display for a foreign audience for the first time in an attempt to rebut the accusations that the weapon violates the treaty.
- Trump administration officials, who first signalled last year that they would **withdraw the United States from the treaty**, said the display was meaningless in allaying their concerns.

Is China obliged to honour the I.N.F. Treaty?

- No, and it may be a greater concern to the Trump administration than Russia.
- While the Chinese military is carving out a **greater sphere of influence** in the **Western Pacific**, the **I.N.F. Treaty constrains** the United States from placing short- and intermediate-range missiles **on land near China** as a deterrent.
- For this and other reasons, Mr. Trump and his national security adviser, John R. Bolton, have called the **I.N.F. Treaty outdated**.
- At the heart of this worrisome **echo of the Cold War years** is the changing balance of power in **global nuclear politics** heralded by **China's rise as a regional hegemon** its growing arsenal poses a threat in the eyes of strategists in Washington.
- In 2018, the **U.S. Nuclear Posture Review** noted that Beijing was steaming forward with the **expansion of its cruise-missile arsenal**, **potentially neutralising** the capability of American warships that could seek to approach the Chinese coastline during a standoff.

Conclusion:

- The United States and Russia suspended a **crucial nuclear weapons treaty**, a move that has sparked concerns of a budding arms race between the world's two biggest nuclear powers.
- Mr. Trump's thinking may rest on the fact that he could **now develop ground-launched missiles**, and perhaps keep **Moscow's aggression in check** through a **military-posture superiority**, and also save the exchequer some cash, for this option is cheaper than cruise missiles that can be **fired from aircraft, ships, or submarines**.
- Withdrawing **without exhausting** all available **diplomatic options** to resolve the compliance dispute makes it **more difficult for Washington** to control the narrative around the collapse of the treaty, and allows Russia to pursue the development and deployment **of intermediate-range systems without restriction**.
- Nevertheless, in **pulling out of the INF**, Washington is effectively throwing away leverage it may have had with Russia **on an issue of global concern**.

4. SHOPPING FOR VOTES: ON THE INTERIM BUDGET 2019-20

Introduction: How does the interim budget differ from a regular budget?

- In an interim Budget, the **vote-on-account** seeks parliament's nod for incurring expenditure for **part of a fiscal year**.
- However, the **estimates** are presented for the entire year, as is the case with the regular Budget. However, the incoming government has full freedom to change the estimates completely when the final Budget is presented.
- The budget for the year approved by Parliament gives the **government spending** rights only till the **end of the financial year ending March 31**.
- If for any reason the government is not able to present a full budget before the financial year ends, it will need **parliamentary authority for incurring expenditure** in the new fiscal year until a full Budget is presented.
- Through the interim Budget, Parliament passes a **vote-on-account** that allows the government to meet the expenses of the administration until the new Parliament considers and passes the Budget for the whole year.

Interim Budget 2019: an exercise aimed at pleasing farmers, informal workers, salaried taxpayers:

The interim Budget 2019-20 contained elements that are *aimed* at benefiting three major segments of the population:

- **Farmers:** announcements of an income support scheme
- **Informal sector workers:** an insurance scheme
- **Salaried taxpayers:** tax exemptions.
- Interim Budget 2019-20 must rank as one of the *most politically expedient* ones this country has seen.
- The shadow of the general election falls squarely on the budget proposals, which are aimed at seeking votes in the name of **various schemes** that *rain cash on beneficiaries*.
- The issue of binding the next government, post the election, it is necessary that **sharing of growth benefits** is done in ways that **sustain growth**, reduce distortions, and **improve capabilities** to participate in growth.

Pradhan Mantri Kisan Samman Nidhi:

- To provide an assured income support to the small and marginal farmers.
- Vulnerable landholding farmer families, having cultivable land upto 2 hectares, will be provided direct income support at the rate of Rs. 6,000 per year.
- This income support will be transferred directly into the bank accounts of beneficiary farmers, in three equal instalments of Rs. 2,000 each.
- Around 12 crore small and marginal farmer families are expected to benefit from this, which is almost half of the total number of households.
- There is an **income support scheme for farmers** who are reeling under the impact of falling realisations for their crops, and

INTERIM BUDGET 2019-20

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)

Direct income support of ₹6,000 p.a for farmers, effective 01.12.2018

To benefit 12 cr small and marginal farmer families having cultivable land upto 2 ha

Direct transfer into the bank accounts in three equal instalments

First installment upto 31.03.2019, to be paid this year itself

₹75,000 cr in outlay for 2019-20 and ₹20,000 cr in RE 2018-19

Informal sector workers: an insurance scheme: Pradhan Mantri Shram Yogi Mandhan (PMSYM) scheme:

- There are around **42 crore unorganised sector workers**, which contribute toward the growth of national economy.
- Launch of **Pradhan Mantri Shram Yogi Mandhan (PMSYM) scheme** to provide **unorganised workers** an assured monthly pension of **Rs 3,000 after 60 years** of age.
- The scheme will attract matching contribution of Rs 100 per month from government as well as from workers.
- The scheme will **benefit 10 crore workers in unorganised sector**, may become the world's biggest pension scheme for **unorganised sector in five years**".
- The scheme will cover all those unorganised sector workers like autorikshaw driver, whose income is **up to Rs 15,000 per month**.

Tax Exemptions for Salaried Tax Payers:

- The increase in standard deduction **from ₹40,000 to ₹50,000** may be small but it will cover **three crore taxpayers**, which is again almost half of the 6.8 crore taxpayers.
- The **income tax rebate** on those with taxable annual income of up to ₹5 lakh a year will benefit three crore middle class voters that includes traders, small businesses, those who have just joined the formal workforce and pensioners.
- The **standard deduction limit** for salaried taxpayers would be **raised to ₹50,000** from the ₹40,000 announced in last year Budget.
- This will provide additional tax benefit of ₹4,700 crore to more than three crore salary earners and pensioners.

- However, the critics argued and pleaded for a **completely new direct taxes code** which will completely **redesign the architecture of income tax**. So, the outlook is a far **more reformist outlook**.

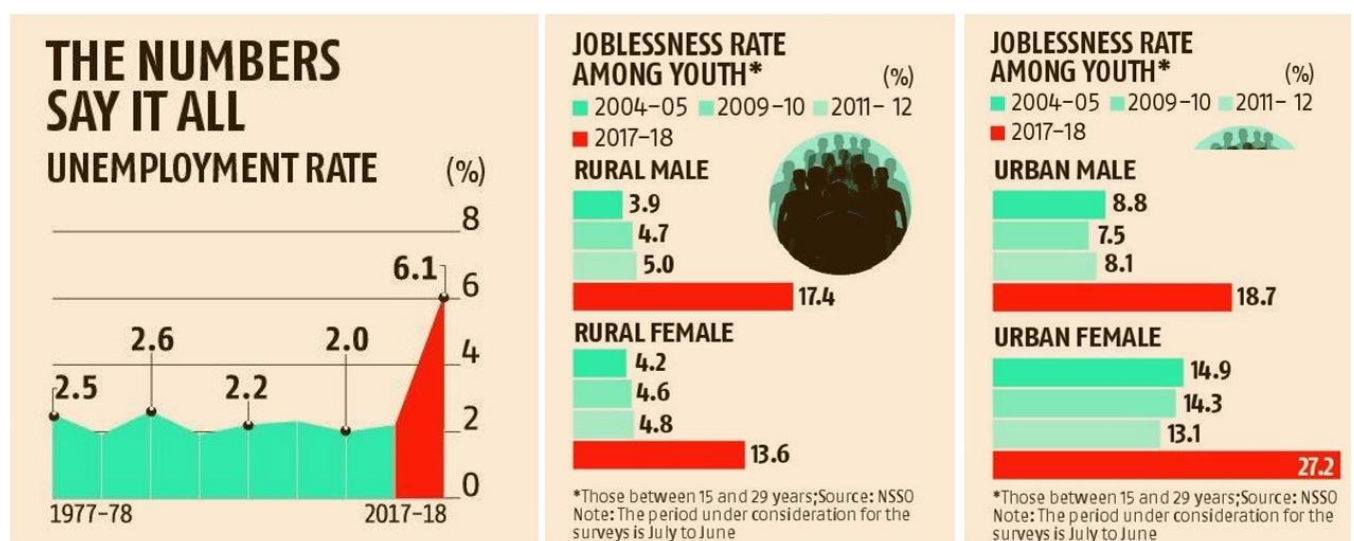
Conclusion:

- While these sops will **benefit sections** of the population, the question is whether it is correct for a government that will be in **power for less than two months** in the **next financial year** to write into the statute books proposals that are permanent.
- Ministry announced that the **fiscal deficit** would be 3.4% of the GDP for both 2018-19 and 2019-20, compared with a **target of 3.3% and 3.1%** respectively.
- The Centre will miss the **glide-path for reducing the fiscal deficit**, yet again. The estimated **slippage of 0.10 percentage point** is not significant if we assume that the concessions will spur spending by the beneficiaries.
- This is, of course, assuming that the **gross tax revenue projection** (government has to spend on these schemes and measures) of **₹25.52 lakh crore**, which is a **13.5% growth** over the **revised estimates of 2018-19**, is achieved.
- The actual deficit numbers will depend on the **realised GST collections** over the next two months and the government's ability **to meet the disinvestment target** over a timeline of one month left for actions before the **election code** kicks in.

5. STANDARD DEVIATIONS: ON JOBS DATA

Context: 2 more members of NSC quit on feeling sidelined:

- The two remaining non-government members of the **National Statistical Commission (NSC)** quit the organisation citing a **lack involvement** in key decisions.
- The issues can be manifold which makes the country in right direction from time to time such as the recently-released **gross domestic product (GDP) back series**, launch of the **new economic census** and **delay in publishing** the employment-unemployment report for 2016-17 despite its approval.



Reasons cited for resigning from NSC by the members:

- The commission is being **side-lined, neglected**. They felt that the NSC was not doing its job and NSC members were **not being involved** in key decisions.
- The NSC's job is to **restore trust in official statistics** and we were not serving that purpose, said one of the members who has resigned.
- The member said there were a **series of issues** that had been piling up including the government launching the **seventh economic census for 2019 without the commission's approval**.
- The **GDP back series was released from the Niti Aayog** even though that is not the norm. Though NSC members are **not involved in the GDP computation**, the commission is the apex body.
- The back series, released in November, **adjusted the GDP numbers** for the period using new methodology **with the base year as FY12** and has scaled back growth in from the peak of 10.3% in FY11 to 8.5%.

- The **new series** also highlighted that the **contribution of the services sector** was **overestimated** earlier and has been revised down.
- Another issue pertains to the government withholding the **release of the results of NSSO's quinquennial (released in every 5 years) survey**, with the reference **period being 2016-17** even though the commission approved the report.
- This **assumes significance** in the wake of the government being criticised for a scarcity of jobs in the country.

Much Concerned issues that need for Immediate Attention:

- Reports suggest that the findings of the **new Periodic Labour Force Survey**, for July 2017-December 2018, are not too flattering, with **unemployment registering a five-decade high**.
- The **Centre for Monitoring Indian Economy** has pegged **job losses in 2018 at 11 million** based on its regular employment surveys.
- The government's coy approach to jobs-related data may be due to its **disastrous demonetisation gambit** which hurt **supply chains and informal jobs** in the economy and whose effects have lingered.
- **Care Ratings**, too, had pointed out that **employment growth** in corporate India had **moderated to 3.8 percent** in the 2017-18 financial year, and that jobs in smaller firms had been affected the most.
- The agency had said this slowdown in job growth is "reflective of the proposition **that higher economic growth is weakly translating into higher job creation**".
- On the question of **job-creation for the youth**, the government have been building an argument that jobs abound, but **credible data are missing**.
- Proxy data from **enrolments into social security schemes** for formal sector employees are being touted as a **sign of job-creation** but economists have rightly called them out as

About National Statistical Commission:

- The Government of India through a resolution dated **1st June, 2005** set up the **National Statistical Commission (NSC)**.
- The setting up of the NSC followed the decision of the Cabinet to accept the **recommendations of the Rangarajan Commission**, which reviewed the Indian Statistical System in 2001.
- NSC is the **apex advisory body** on statistical matters.
- The NSC was constituted with a mandate to **evolve policies, priorities and standards in statistical matters**. The NSC has four Members besides a Chairperson, each having specialization and experience in specified statistical fields.
- It is supposed to act as a **nodal and empowered body** for all core statistical activities of the country. It will also **ensure statistical coordination** among the different agencies involved.

Conclusion:

- The present NSC has got **chairperson and four members** and all became vacant with the resignation of Shri P. C. Mohanan and Dr. J. V. Meenakshi.
- CEO, **NITIAayog**, Amitabh Kant is the Ex-officio Member and **Chief Statistician of India and Secretary MOSPI** is Secretary to the National Statistical Commission.
- In response to concerns raised over the **delayed release** of the **NSSO labour force survey**, the Ministry of Statistics and Program Implementation noted that the NSSO was still "**processing the quarterly data**" and that the report would be released thereafter.
- **Surveys by the NSSO** have always been considered the benchmark by which the **employment situation** in the country can be gauged, definitely not the number of subscriptions to provident funds.
- So why is the government focussing on these figures instead of **coming up with ways to deal with the job's crisis?**
- There is a need of much immediate steps have to be taken to ensure that **Independence of the NSC** should be maintained. It is supposed to be **impartial**.

6. A NATIONAL REGISTER OF EXCLUSION

Introduction:

- The **National Register of Citizens** exercise is among the most ambitious experiments the Indian state has undertaken.
- The **census** is, of course, conducted **every decade**, on a national level and gives the state a window into the size and nature of Indian population.

- But the **NRC is a unique exercise** for the onus to prove citizenship lies with the citizens. They have to, through **tedious documentary evidence**, show how they have come to be citizens of India living in Assam.

Distressing and Frightening cycle to residing people:

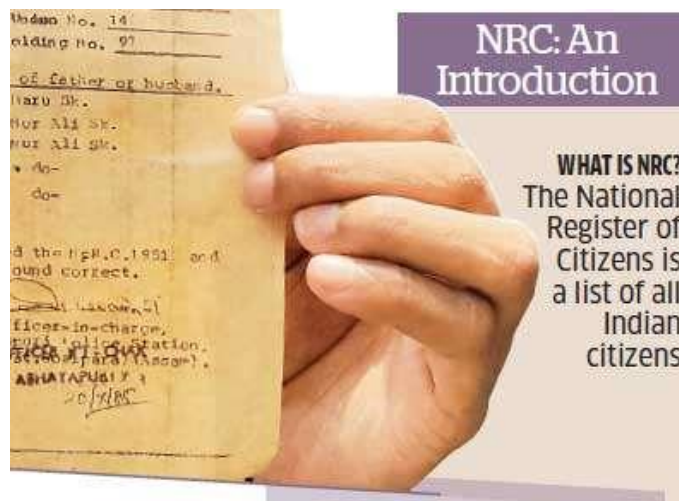
- The official presumption that people residing in Assam areas are foreigners has reduced several million of these **highly impoverished, mostly rural, powerless and poorly lettered residents** to a situation of helplessness and extreme poverty, destitution, hardship.
- It has also caused them **abiding anxiety and uncertainty** about their futures. They are required to convince a variety of usually hostile officials that they are citizens, **based on vintage documents** which even urban, educated, middle-class citizens would find hard to muster.
- And even when one set of officials is finally satisfied, another set can question them. And sometimes the same official is free again to send them a notice, **starting the frightening cycle afresh**.

Much Tougher on women:

- Women are especially in **danger of exclusion** from the citizenship register. Typically, they have **no birth certificates**, are not sent to school, and are **married before they become adults**.
- Therefore, by the time their names **first appear in voters lists**, these are in the villages where they live after marriage, which are different from those of their parents.
- They are told that they have **no documents to prove** that they are indeed the children of the people they claim are their parents. There were cases of being **excluded from citizenship** on this ground alone.

Migrant workers to other districts can be named as an illegal immigrants:

- Impoverished migrant workers often travel to other districts of Assam in **search of work**, as construction workers, road-builders and coal-miners.
- In the districts to which they migrate, the **local**



NRC: An Introduction

WHAT IS NRC?
The National Register of Citizens is a list of all Indian citizens

IS THIS THE FIRST SUCH REGISTER?

No, there was an NRC across the country in 1951, but that was based on the Census of that year, and this is the first time it is being revised and only in Assam, and it is not based on the Census

WHAT IS THE NEED FOR THIS?

Assam has been wrecked by violent protests since the 1970s over the issue of illegal migrants, mostly from Bangladesh. The NRC is to be updated to comply with the demands in the Assam Accord, signed in 1985 by Rajiv Gandhi and leaders of the Assam Movement

WHEN WILL THE CURRENT NRC BE COMPLETED?

By Jan 2016. The process is being monitored by the Supreme Court

WHO WILL BE CONSIDERED INDIAN CITIZEN

Those whose names were in the 1951 NRC or in any of the electoral rolls up to the midnight of March 24, 1971, and their descendants

ARE THESE THE ONLY ADMISSIBLE DOCUMENTS?

No, any of 12 other documents including land records, citizenship certificate, refugee registration certificate, birth certificate and educational certificate

WHAT HAPPENS TO THOSE WHO CAME FROM NEIGHBOURING COUNTRIES AFTER MARCH 24, 1971?

While the demand has been that such people be sent back to the countries they came from, India needs to sign repatriation treaties with Bangladesh and Nepal for the same

“D-voters” also debarred them from being included in the draft NRC:

- Another process began in the mid-1990s when the then Chief Election Commissioner T.N. Seshan, as a one-time measure, **directed officials to identify “doubtful voters”** by marking a “D” against their names **on the voters’ list**.
- This would temporarily **bar them from voting** or standing for elections, until an inquiry was completed.
- But this temporary measure became **permanent**. The power was vested permanently with junior officials who could doubt the citizenship of any person at any time without assigning any reason.
- Those with the **dreaded “D”** beside their names had **no recourse for appeal** under the rules, with years passing without any inquiry.

police frequently record their names as ***illegal immigrants from Bangladesh.***

- The police then **mark them out as illegal immigrants.** They receive notices from foreigner's tribunals located in districts where they might have worked years earlier, **far away from their home districts** they have to travel to for every hearing, adding further to their costs.

Who will be challenged before which institution to prove that they are Indian citizens?

- No person in any one of the testimonies that we heard was **given legal aid by the state**, which is bound to **deploy lawyers** paid by the state to fight their cases in the Foreigner's Tribunals (FTs) and higher courts.
- People instead spoke of **panic spending**, of enormous amounts of money to pay lawyers, as well as for costs of **travel of witnesses** who they bring with them to testify in their favour. For this, they have had to **sell all their assets or borrow from private moneylenders.**
- Even if a person finds her name in the NRC, the **police can still refer her case to an FT** as an election official can even deem her to be a "D"-voter.
- **Article 20 of the Constitution** includes as a **fundamental right** that "no person shall be prosecuted and punished for the same offence more than once".
- But this principle has been **waived for FTs.** We found that even after an FT had confirmed a person to be an Indian citizen, **another FT** and often the same FT can **again issue notice** to the same person **to prove her legitimate citizenship once more.**
- A person is never be **allowed to feel secure** that the state has finally accepted that she is an Indian citizen.

National Register of Citizens (NRC) of Assam:

- The **National Register of Citizens (NRC)** is the **list of Indian citizens of Assam.** It was prepared in **1951**, following the **census of 1951.**
- For a person's name to be included in the updated NRC list of 2018, he/ she will have to furnish:
- Existence of name in the legacy data: The legacy data is the collective list of the NRC data of 1951 and the electoral rolls up to midnight of **24 March 1971.**
- Proving linkage with the person whose name appears in the legacy data.
- The process of NRC update was taken up in Assam as per a **Supreme Court order in 2013.** In order to wean out cases of **illegal migration** from Bangladesh and other adjoining areas, NRC updation was carried out under **The Citizenship Act, 1955**, and according to rules framed in the **Assam Accord.**
- All cases referred by the police are heard by **Foreigner's Tribunals (FTs).** Earlier, retired judges were appointed to these tribunals.

Conclusion:

- Now people have to bear the entire burden of **proving citizenship** on their shoulders and the **arbitrary and opaque multiple forums** to which they are summoned.
- The large majority of them are **poorly educated** and **very impoverished**, doing low-paid work such as drawing rickshaws, or working as domestic work or farm labour.
- People deprived of **both education and resources** are caught in a complex, bizarre, complicated, frightening **bureaucratic maze** from which they find it hard to emerge.
- Trapped at the crossroads of history, people destinies depend on **institutions and government officials** that treat them with **undisguised hostility and bias.**
- There are indeed few parallels anywhere in the world of the state itself producing **statelessness on the scale and in the manner** that it is doing in Assam.

7. WRONG ON THE ROHINGYA

Context:

- The **UN High Commissioner for Refugees (UNHCR)** called for a report from India **on the deportation** of a group of **Rohingya refugees to Myanmar** in October 2018.
- India's process of sending back of the refugees offend against the prohibition or order of **international principles on refugee law** as well as **domestic constitutional rights.**
- According to a BBC report, The Rohingya are "among the **world's least wanted and most persecuted people**".
- In Myanmar, they are **denied citizenship**, the **right to own land and travel**, or to even marry without permission, says the report.
- According to the UN, the Rohingya issue is one of systematic and widespread **ethnic cleansing** by Myanmar.

About Rohingyas:

- The Rohingya are **Burma's Muslim minority** who reside in the **northern parts** of the **Rakhine region**, a geographically isolated area in western Myanmar, bordering Bangladesh.
- The Rohingyas are **ethnically, linguistically, and religiously** different from **Myanmar's dominant Buddhist community**.
- About **1.1 million Rohingyas** are said to live in Myanmar's Rakhine region, which is **Myanmar's least developed region**, with more than **78 per cent** of households living below the poverty line.

Global framework of Refugee law:

- In order to address the **problem of mass inter-state influx of refugees**, UN adopted the Convention Relating to the **Status of Refugees in 1951**.
- This was followed by the **Protocol Relating to the Status of Refugees in 1967**.

**Most significant features of the Convention: Principle of non-refoulement:**

- The Principle of non-refoulement norm requires that “no contracting State shall expel or return a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be threatened on account of *his race, religion, nationality, membership of a particular social group or political opinion*.”
- This idea of prohibition of expulsion lies at the heart of refugee protection in international law.

Argument of India has not violated international obligations:

- It is often argued that the principle does not bind India since it is a party to **neither the 1951 Convention nor the Protocol**.

- However, the prohibition of non-refoulement of refugees constitutes a norm of customary international law, which binds even non-parties to the Convention.
- According to the Extraterritorial Application of Non-Refoulement Obligations, UNHCR, 2007, the **principle “is binding on all States**, including those which have ***not yet become party to the 1951 Convention or its 1967 Protocol.*”**

Argument that the India has not violated international obligations is a mistaken one:

- **Article 14 of the Universal Declaration of Human Rights** provides that everyone has the **right to seek and enjoy in other countries asylum from persecution.**
- **Article 51** of the Constitution imposes an **obligation on the state** to endeavour to **promote international peace and security.**
- **Article 51(c)** talks about promotion of **respect for international law and treaty obligations.**
- The **chapter on fundamental rights** in the Constitution differentiates citizens from persons.
- While all rights are available to citizens, persons including foreign citizens are entitled to the ***right to equality and the right to life, among others.***
- The Rohingya refugees, while under the jurisdiction of the national government, **cannot be deprived of the right to life and personal liberty.**
- Therefore, the Constitution conceives of **incorporation of international law into the domestic realm.**

India may have to play to nurture a long-term solution to the problem:

- **Refugee law** is a part of international human rights law.
- On the reported **presence of 40,000 Rohingya** in India, view is that this is a **complex problem.**
- It is difficult to envisage, given the present circumstances, use of **force to send the unfortunate and suffering people** back as neither Myanmar nor Bangladesh.
- At the same time, we obviously cannot send a message that India is willing to receive a huge number of displaced people from Myanmar.

Conclusion:

- India’s actions make it clear that it would not compromise with the **security concerns** of the country while dealing with Rohingya issue.
- But simultaneously, India have to take measures to **ensure safety of Rohingyas** on morality grounds with proper monitoring and supervision that **not to divert to unlawful activities.**
- India was able to **nurture good relations** with the military government while **maintaining a cordial relationship** with the pro-democracy movement.
- The world expects India to contribute to a **lasting solution to this problem.** This is our region. **Our Act East policy** demands it. We should take an **apolitical, pragmatic position** that is free from ideological inclinations.
- The American philosopher **Ronald Dworkin** argues that if we **claim international law to be law**, we must understand it as **part of the greater morality.** In such a conception, the deportation of refugees by India is ***not only unlawful but breaches a significant moral obligation.***

8. TIMELY REVIEW: ON START-UP TAX

Context:

- Centre decides to set up a **five-member working committee** to look into the **angel tax issue** and come up with guidelines.
- Start-ups have come under the **scrutiny of tax officials** for having raised capital above the fair value of their shares. **At least 80 start-ups** have received notices to pay angel tax since last year.
- So, by recommendations of this committee, Start-ups troubled by the so-called **angel tax** may soon receive **some concession** from the government.

What is ‘Angel Tax’?

- The ‘angel tax’ is the **tax on share premium** paid to **acquire new shares** in a company that the tax authorities regard as excessive.
- The Angel tax, which was **first introduced in 2012** to **curb money-laundering** through the sale of shares of **private unlisted companies** at bloated prices, has caused a lot of anguish among start-up investors in the country.

- It is a **30% tax** that is levied on the funding received by start-ups from an **external investor**. However, this 30% tax is levied when start-ups receive angel funding at a **valuation higher than its 'fair market value'**. It is counted as income to the company and is taxed.
- Funds contributed **by Angel Investors** are known as Angel Funds. **Angel Funds in India, are regulated by SEBI.**

Costly Advice

GENESIS OF ANGEL TAX

Tax department claims any investment over and above 'fair market value' is income for the startup and not capital



What does this mean?
Start-ups will have to cough up 30% tax on the premiums paid by investors

Why valuation experts?
The high valuations of start-ups were backed by experts' reports based on projected growth

Questioning valuation experts could be used to strengthen tax department's case against startups



Issues with Angel Tax:

- Start-up owners have complained that income tax officials have asked many start-ups to cough up money when they **try to attract capital into their entities** by **issuing new shares**.
- On the other side, the IT department fears that start-ups may be used as **convenient tools** to launder **illegally acquired money**, so a tax on investments beyond a certain **threshold is necessary** to deter such shady operations.
- But while the intent of such an angel tax may be justifiable, the **arbitrary nature of it** means the cost of **unintended consequences** could be larger than the supposed benefits.

Indian Income Tax Act, 1961:

- In trying to **curb money-laundering**, **Section 56(2)(viib)** of the **Indian Income Tax Act, 1961** gives income tax officials a **free hand** to harass even **genuine start-ups** looking to raise investments for their growth.
- Under the Act, the IT department is **free to arbitrarily decide the fair value** of a company's share and tax start-ups if the price at which their new shares are sold to investors is higher than the fair value of these shares.
- The broad-brush tax on all investments means an unnecessary cost is imposed on the wider start-up community simply because of the **lack of better means at the government's disposal to tackle black money.**

How Angel Tax Affects Start-ups and Angels investors:

- Many unlisted and early-stage start-ups **rely heavily on funding**, the taxation will **limit investors** from putting their money and **trust on fledgling** and early-stage start-ups, which in effect stifles more people to come forward and start their own.
- **Angels investors** have also received **multiple notices** asking them to furnish details on their source of income, their bank account statements and other financial data.
- Income-tax officers claim that the scrutiny on start-ups is mainly due to **concerns over money laundering**

Clarification from CBDT:

- CBDT clarifies that, it recognizes that start-ups are going to bring a lot of **innovation** to the country and, therefore, have to be supported in every possible manner.
- The government had earlier **eased the tax provision** by building safeguards, although it could not ease the pain entirely.

- The relaxations include **exemption from share premium tax** to start-ups notified by the government as well as to investments received **from venture capital funds**.
- Therefore, recently, **CBDT clarified** that it is committed to **promoting start-ups** in the country.
- Government has been **promoting innovation and entrepreneurship** under the Start-up India mission as these new-age companies have the potential to create jobs.

Conclusion:

- The committee set up by the government will consider **raising the threshold** beyond which **new investments into start-ups** will be taxed.
- It is expected that start-ups with **aggregate paid-up share capital and share premium of less than ₹25 crore**, against the previous threshold of **only ₹10 crore**, will not be taxed while attracting new investment.
- This would definitely make life easier to a certain extent for angel investors and start-ups. But it will **not address the real problem** with the angel tax, which has to do with the **unbridled power** that it vests in the hands of the **income tax authorities**. It risks killing the **nascent start-up ecosystem** in the country.
- Investors, foreign or domestic, may become wary of investing in new ideas when they are taxed while risking money on untested ventures.
- So, the government should look to **withdraw the angel tax** and focus instead on building the capability to better **identify and rein in illegal wealth**.

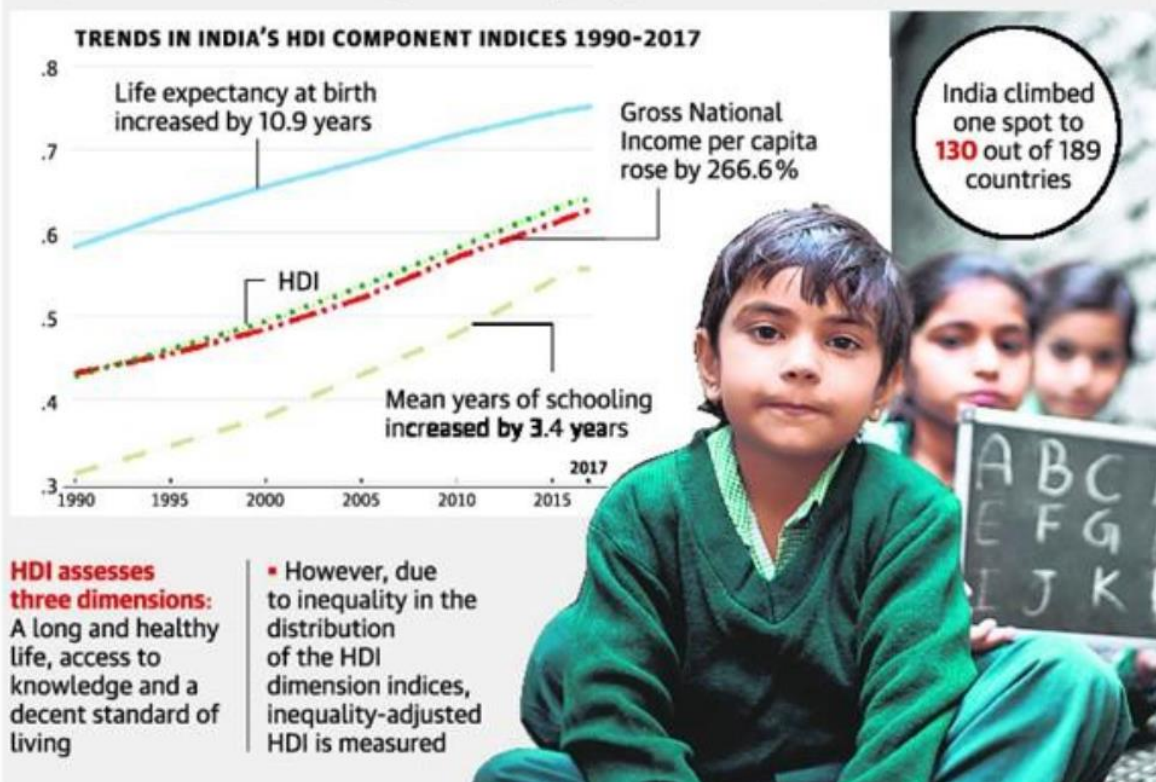
9. GOVERNING INDIA'S MANY SPACES

Introduction:

- There are three important Indices which needs to be analysed and interlinked with each other as well. They are of the **'Ease of Doing Business' (EDB), 'Human Development' (HDI) and 'Environmental Performance' (EPI)**.
- Published by **separate international bodies**, they are used to rank the world's countries according to their performance in the related sphere.
- Rankings by themselves do not reveal the **level of attainment** but they do convey how far a country is from the global frontier.

Progress amid inequality

India's Human Development Index value for 2017 is 0.640 - a 49.8% rise from the 1990 figure. But, as inequality in a country increases, the loss in human development also increases. Thus, when India's HDI value is adjusted for inequality, it falls to 0.468 (IHDI) - a loss of 26.8%



Source: United Nations Development Programme, 2018 Statistical Update

India in Ease of Doing Business rankings:

- The present government has set much at stake by **India's improved ranking** in terms of the **Ease of Doing Business index**.
- Actually, the improvement is considerable. From a **rank of 134 in 2014**, India's rank **improved to 77 in 2018**. As 190 countries were ranked in 2018, **India was in the top 50%**. The position is not spectacular but the improvement is noteworthy.
- The **Ease of Doing Business**, an indicator **put out by the World Bank**, is meant mainly as an index of the effect of **government regulations on running a business**.
- It is also meant to reflect the **extent of property rights** in a society.

A country's ranking is based on the extent to which **government regulations facilitate the following: 10 Parameters:**

- starting a business, obtaining construction permits, getting an electricity connection, registering property, accessing credit, protection of investors, paying taxes, trading across borders, enforcement of contracts and resolving insolvency.
- Ease of Doing Business ratings are based on the **responses are taken from** government officials, lawyers, business consultants, accountants and other professionals involved in providing advice on legal and regulatory compliance.

Neglecting area in Ease of Doing Business:

- A bigger problem with the EDB is that it **measures the effect of government regulations alone**.
- But it is important to take that, in any situation the ease of doing business is **dependent upon other factors too**.
- One of these is the **availability of 'producer services', with electricity, water supply and waste management**. There is little reason to believe that this **infrastructure** has improved in India in the last five years.
- The **Planning Commission** used to release **data on infrastructural investment**, but we have had none since its demise.
- Despite all these shortcomings, it is yet important to be concerned with the ease of doing business in India, to note that the EDB ranking for the country shows significant improvement since 2014.

Human Development Index (HDI): A true measure:

- Human Development Index is the result of a rare **India-Pakistan collaboration** in the **global discourse on public policy**, having been **devised by Amartya Sen and Mahbub ul Haq** for the **United Nations Development Programme**.
- The **HDI** is a combination of **indicators of income, health and education** in a country.
- In HDI, we find that **India's ranking has not altered since 2014**. India was ranked **130 in 2014**, and has remained in the **same place** out of 185 countries **in 2018**.
- India's HDI ranking has **not improved** despite it being the **world's fastest growing major economy** in recent years, as the government often points out in its assessments.

But its **conceptual basis** has been **critiqued**:

- First, it has been pointed out that the index combines incommensurate categories, as income, health and education are **not substitutes**.
- Second, while it does go beyond **purely economic measures of progress**, in that it looks at the health and education achievements in a population, it can say little **about the 'quality' of development**.

As pointed out by **Selim Jahan of the UNDP**, data can tell us **only a part of the story about people's lives**.

- For instance, it is increasingly clear that it is not enough simply to count how many children are in school: we need also to know **whether they are learning anything**.

This despite income being a component of the index. What this reveals is that an economy can grow fast **without much progress in human development**.

Environmental Performance Index measures the Environmental costs:

- The **Environmental Performance Index (EPI)** is produced jointly by Yale and Columbia Universities in collaboration with the World Economic Forum.
- The index ranks countries **on 24 performance indicators** across several 'issue categories', each of which fit under one of **two overarching objectives**:
 1. Environmental health and
 2. Eco-system vitality.
- The issue categories are air quality, water and sanitation, water resources, agriculture, forests, fisheries, biodiversity and habitat, and climate and energy.
- These metrics are meant to serve as a gauge at a national level of how close countries are to accepted environmental policy goals.
- India's recent record on the **Environmental Performance Index** is that In 2018 **India ranked 177 out of 180 countries**, having slipped from an already very low rank of **155 in 2014**.
- The country is today among the **worst performing on the environmental front** and its ranking has worsened over the past five years.

Conclusion:

Quote: **"Ill fares the land where wealth accumulates, but the social and natural environment suffer."**

- The government has **marginally lowered health and education expenditure** as a share of national income and distinctly **lowered environmental standards**.
- An instance would be the **Coastal Regulation Zone Notification of 2018** which **allows construction and tourism development** on land earlier considered inviolable due to its ecological value. This de-regulation is a setback for India.
- It is only one instance of the failure to recognise the **plunder of India's natural capital taking place at an accelerated pace**.
- We now have indicators of the progress India has made in the past five years in the **three crucial spheres of business, human development and the natural environment**.
- The government has aggressively pursued an **improvement in the business environment**. This appears to have yielded fruit in terms of an improvement in the EDB index.
- However, at a time when it has been the fastest growing economy in the world, **India's rank on human development** has remained unchanged and on **environmental performance** has slipped close to the last place.
- Therefore, there is a definite need to improve the indicators other than the EoDB, particularly when it comes to the **Quality of Human Development** as well as the **Environmental Performance**.

10. WE NEED A LEAP IN HEALTHCARE SPENDING

Introduction:

- At present, **health spending** is only **1.15-1.5% of GDP**. In the Interim Budget 2019-20, **10.6%** of the total amount is **allocated to defence**, while only **2.2% is allocated to healthcare**.
- **India's per capita expenditure on health** remains among the lowest in the world.
- The presented Interim Budget is responsive to the **needs of farmers** and the **middle class**, it does not adequately respond to the **needs of the health sector**.
- The total allocation to **healthcare is Rs. 61,398 crores**. While this is an increase of Rs. 7,000 crores from the previous Budget, there is no net increase since the total amount is **2.2% of the Budget**, the same as the previous Budget.

India's Per capita spending on health: Comparison with US and OECD countries:

- **Per capita spending on health** in the Budget in India is **Rs.458** (Rs.61,398 crore/ 134 crore, which is the population).
- The **U.S. spends \$10,224 per capita** on healthcare per year (2017 data).
- A comparison between two large democracies is telling **the U.S.'s health expenditure is 18% of GDP, while India's is still under 1.5%**.
- US Budget spending **per capita on health** in the U.S. is therefore **\$3,150** (\$1.04 trillion/ 330 million, the population). Adjusting for purchasing power parity, this is about \$30, one-hundredth of the U.S.
- Yet, the **\$4,000-\$5,000 per capita spending in other OECD countries** is not comparable with India's dismal per capita health expenditure.

- The rate of growth in U.S. expenditure has slowed in the last decade, in line with other comparable nations.

India's National Health Profile 2018 Highlights:

- According to the National Health Profile of 2018, public per capita expenditure on health increased from ₹621 in 2009-10 to **₹1,112 in 2015-16**.
- These are the latest official numbers available, although in 2018 the amount may have **risen to about ₹1,500**.
- With the government sparing **just 1.3 per cent of the GDP** for **public healthcare** for many years, way less than the **global average of 6 per cent**, there remains a **severe scarcity of doctors** in the country and people continue to incur heavy medical expenditure across rural and urban hospitals.
- These are among the grim facts recorded in **the National Health Profile 2018**, an annual report released recently **by the Central Bureau of Health Intelligence (CBHI)**.

The report covers **major health sector-related indicators**, namely demographic, socio-economic, health status, health finance, health infrastructure and human resources:

One doctor serves a population of 11,000

- government doctor in India, on an average, attends to a population of 11,082, which is 10 times more than the WHO recommended a doctor-population ratio of 1:1,000

Rs. 3 per day is spent on an average Indian's healthcare


- The NHP report reflects the consistent indifferent approach of the government in terms of public health spending.

Infant and maternal mortality






- The infant mortality rate at the national level stands at its lowest i.e. 34 per 1,000 live births, however, the gap between rural (38) and urban (23) mortality rate is still high.

Rabies remains most lethal communicable disease

- With rabies having a 100 per cent fatality rate amongst 97 cases reported in the year, it remained one of the most lethal communicable diseases in the country for the year.
- According to the report, the cases of **Influenza A H1N1 (Swine flu)** witnessed a 21-time increase, as 38,811 number of cases were reported leading to a casualty of 2,266 in comparison with 1,786 that were reported in 2016.



MASSIVE SCALE UP OF HEALTHCARE

-  **World's largest healthcare programme **Ayushman Bharat** launched**
-  **Has benefitted almost 10 lakh patients already**
-  **Medicines at affordable prices made available through **Pradhan Mantri Jan Aushadhi Kendras****
-  **Prices of essential medicines, cardiac stents and knee implants reduced**
-  **21 AIIMS operating/already established - 14 announced since 2014; 22nd AIIMS to be set up in Haryana**

[/PIB_India](#) [/PIBHindi](#) [/pibindia](#) [/pibindia](#) [/pibindia.wordpress.com](#) [/pibindia](#) [pib.gov.in](#)

Ayushman Bharath Achieved in 2018:

- Through the **world's largest healthcare programme, Ayushman Bharat**, to provide medical treatment to **nearly 50 crore people** in the country, around **10 lakh patients** have already benefited through free treatment for medical treatment which would have otherwise cost them **Rs. 3,000 crore**.
- Lakhs of poor and middle-class people are also benefiting from reduction in the prices of essential medicines, cardiac stents and knee implants, and availability of medicines at affordable prices through **Pradhan Mantri Jan Aushadhi Kendras**.
- It was announced that **nearly 1.5 lakh health and wellness centres** would be set up under **Ayushman Bharat**.
- The mandate of these centres is **preventive health, screening, and community-based management of basic health problems**.
- The mandate should include health education and holistic wellness integrating modern medicine with traditional Indian medicine.
- Both communicable disease containment as well as non-communicable disease programmes should be included.
- Finance Minister announced setting up of a new – the **22nd AIIMS in Haryana**.

Preventive Health care measures and its link to GDP:

- Increase of GDP alone does not guarantee health, since there is no direct correlation between GDP and health outcomes. However, **improvement in health does relate positively to GDP**, since a healthy workforce contributes to productivity.
- For various diseases, allocation should be realigned for disease management over a defined time period, not merely for episodes of care.
- NITI Aayog has proposed **higher taxes on tobacco, alcohol and unhealthy food** in order to **revamp the public and preventive health system**.
- A focused approach in **adding tax on tobacco and alcohol**, to fund non-communicable disease **prevention strategies** at health and wellness centres, should be considered.
- **Cancer screening and prevention** are not covered. There is no resource allocation for preventive oncology, diabetes and hypertension. Prevention of chronic kidney disease, which **affects 15-17%** of the population, is not appropriately addressed.
- The standard health insurance policies cover cancer but only part of the treatment cost. As a consequence, either out-of-pocket expenditure goes up or patients drop out of treatment.
- The 1,354 packages for various procedures in PMJAY must be **linked to quality**.

Conclusion:

- The Central and State governments have introduced **several innovations** in the healthcare sector in recent times, in line with **India's relentless pursuit of reforms**.
- However, while the **government's goal is to increase public health spending to 2.5% of GDP**, health spending is only 1.15-1.5% of GDP.
- Since a major innovation in universal healthcare, **Ayushman Bharat**, is being rolled out, it must be **matched with a quantum leap in funding**. Only if we invest more for the **long-term health of the nation** will there be a **similar rise in GDP**.
- To reach its target, the government should **increase funding for health by 20-25% every year for the next five years or more**.

11. NO ZERO-SUM GAMES: ON INDIA-U.S. TRADE HOSTILITIES**Context:**

- There are alarm bells in India over a possible decision by the **U.S. Trade Representative** to **withdraw** the Generalised System of Preferences status.
- In March 2018, the U.S. began **imposing tariffs** on several Indian products, and in April, the USTR began a **review of India's GSP status**, based on complaints of **trade barriers from India** it had received from the dairy industry and manufacturers of medical devices. In November the U.S. withdrew GSP status on **at least 50 Indian products**.
- Bilateral trade in goods and services for India is **about 2% of U.S. world trade**, but **tripled in value** between 2005 and 2017, reaching \$126 billion

What is the Generalized System of Preferences (GSP)?

- The Generalized System of Preferences (GSP) is a **U.S. trade program** designed to promote **economic growth** in the **developing world** by providing preferential **duty-free entry for up to 4,800 products** from 129 designated beneficiary countries and territories.
- GSP was instituted on January 1, 1976, **by the Trade Act of 1974**. The GSP program has effective dates which are specified in relevant legislation, thereby requiring periodical reauthorization in order to remain in effect.
- It involves **reduced MFN Tariffs or duty-free entry** of eligible products exported by beneficiary countries to the markets of donor countries.

Core concerns

- India has a trade surplus of \$23 billion with America
- The U.S. is seeking to wipe out the surplus by forcing more imports by New Delhi
- A draft agreement in the U.S. last month committed additional imports by India in civilian aircraft and natural gas
- India's core concerns are steel and aluminium tariffs levied by the U.S., and a U.S. proposal to review the Generalised System of Preferences (GSP) status. GSP is a preferential tariff system that India enjoys

Benefits of Generalized System of Preferences (GSP):

- **Indian exporters benefit indirectly** – through the benefit that accrues to the importer by way of reduced tariff or duty free entry of eligible Indian products.
- **Reduction or removal of import duty** on an Indian product makes it more competitive to the importer – other things (e.g. quality) being equal.
- This tariff preference **helps new exporters** to penetrate a market and established exporters to **increase their market share** and to improve upon the profit margins, in the donor country.

Benefits of GSP to India Exporters:

- Under GSP, India is able to **export about 2,000 product lines** to the U.S. under **zero tariff**.
- The GSP was **first extended to India in 1976** as part of a global concession by the U.S. to **help developing countries** build their economies,
- The revocation of the GSP will be a **blow to Indian exporters**, and the biggest in a series of measures taken by the Trump administration against India **to reduce its trade deficit**.

US Concern regarding GSP Continuation to developing countries:

- Bilateral trade frictions exist on numerous fronts, but many observers believe **bilateral commercial ties** could be more extensive if trade and investment barriers were addressed.
- President Donald Trump's case on what he calls "**unequal tariffs**" from India rests on the trade relationship in favour of India: **Indian exports to the U.S. in 2017-18 stood at \$47.9 billion, while imports were \$26.7 billion**.
- Trump Administration has **criticized India** for a range of **unfair trading practices**.
- India rests on the trade relationship **in favour of India**: Indian exports to the U.S. in 2017-18 stood at **\$47.9 billion**, while imports were \$26.7 billion. India favours taking a broader view of their trade ties beyond the trade balance.
- S. officials say the **decision on data localisation for all companies** operating in India, and the more recent tightening norms for FDI in e-commerce have aggravated the situation.
- For India, **United States** was its **second largest export market (16% share)** after the European Union (EU, 17%), and **third largest source of imports (6%)** after China (17%) and the EU (10%) in 2017.
- **Sanitary and phytosanitary (SPS) barriers in India** limit U.S. agricultural exports. Recent issue is India's purported compliance with a WTO decision against its ban on U.S. poultry imports and live swine due to **avian influenza** concerns the WTO held that **India's measures violated WTO SPS rules**.

India's retaliation:

- In retaliation, **India proposed tariffs of about \$235 million on 29 American goods**, but has put off implementing these five times in the past year in the hope that a negotiated trade settlement will come through. The latest deadline **expires on March 1**.
- The two sides differ on **how to balance IP protection** to incentivize innovation and support other policy goals, such as access to medicines.
- **India's IP regime** remains a top concern for the United States, which designated India again on its **"Special 301" Priority Watch List** for 2017.

- India has also attempted to **address the trade deficit** with purchase of American **oil, energy and aircraft**.
- There have been dozens of rounds of talks between officials over the past few months, but no breakthrough.
- India has attempted to address the **trade deficit with purchase of American oil, energy and aircraft**.

Conclusion:

- The US and India reportedly are in **intensive negotiations** to address key trade issues, such as on the U.S. steel and aluminium tariffs and India's GSP status.
- As **WTO members**, the United States and India negotiate multilaterally to **liberalize trade**, but unable to reach a conclusion yet.
- Both sides should work towards calling a halt to trade hostilities and **speed up efforts for a comprehensive trade "package"**, rather than try to match each concern product by product.
- India must keep in mind that the **larger, global picture** is about **U.S.-China trade issues**.
- If a trade deal with the U.S. is reached, **India could be the biggest beneficiary of business deals lost by China**.
- The visit of U.S. Commerce Secretary to India this week will be watched not as much for substance, as for signals that **New Delhi and Washington understand the urgency in breaking the deadlock**.

12. THE SOLUTION IS UNIVERSAL

Introduction:

- Rural distress has hit **unprecedented levels**. According to unofficial news reports, unemployment is the **highest in 45 years**.
- To allay some misgivings of the distress, one of the announcements in the Budget speech was that "vulnerable landholding farmer families, having cultivable land **up to 2 hectares**, will be provided **direct income support** at the rate of **Rs. 6,000 per year**".
- This cash transfer scheme has been called **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)**. The Ministry of Agriculture has written to State governments to prepare a **database of all eligible beneficiaries** along with their Aadhaar numbers, and **update land records "expeditiously"**.
- The letter further states that changes in land records after February 1, 2019 shall not be considered for this scheme.

However, lets look at a comparison between MGNREGA and PM-KISAN:

- **PM-KISAN is a targeted cash transfer programme and MGNREGA is a universal programme**.
- While **Rs.75,000 crore** has been earmarked for **PM-KISAN scheme**, the MGNREGA continues to be pushed to a severe crisis.
- The **MGNREGA allocation** for 2019-20 is Rs.60,000 crore, lower than the revised budget of Rs.61,084 crore in 2018-19.
- In the **last four years**, on an average, around **20% of the Budget allocation** has been **unpaid pending payments** from previous years.

Thus, subtracting the pending liabilities, in real terms, the Budget allocation has been lower than 2010-11.

- Undoubtedly, **farmers' distress** needs urgent attention but let's see if the PM-KISAN is a reasonable solution.
- Let us first compare some basic numbers with the Mahatma Gandhi National Rural Employment Guarantee Act (**MGNREGA**).
- A month of **MGNREGA earnings** for a household is **more than a year's income** support through **PM-KISAN** anywhere in the country.
- For example, if two members of a household in Jharkhand work under **MGNREGA for 30 days**, they would **earn Rs.10,080** and a household of two in **Haryana** would **earn Rs.16,860 in 30 days**.
- **Jharkhand has the lowest daily MGNREGA wage rate, and Haryana the highest**.
- Any rural household willing to do manual work is eligible under the Act. According to the **2011 Socio-Economic and Caste Census**, around 40% of rural households are landless and depend on manual labour.
- The landless can earn through the MGNREGA but are **not eligible for the PM-KISAN scheme**. Notwithstanding the meagre amount, the PM-KISAN might be pitting the landless against a small farmer.
- Further, it is unclear how tenant farmers, those without titles, and women farmers would be within the ambit of the scheme.

Improvement in Implementation of MGNREGS will be the need of the hour:

There are important lessons to be learned from the MGNREGA implementation.

- In the last four years alone, **more than ₹1,300 crore** of the MGNREGS wage payments have been **rejected** due to **technical errors** such as incorrect account numbers or faulty Aadhaar mapping.
- There have been **no clear national guidelines** to rectify these. There are numerous cases of MGNREGS payments **getting diverted** to Airtel wallets and ICICI bank accounts.
- In a recently concluded **survey on common service centres in Jharkhand for Aadhaar-based payments**, it was found that **42% of the biometric authentications** failed in the first attempt, compelling them to come later.
- Supreme Court orders, the Centre alone has been **causing a delay of more than 50 days** in disbursing wages.
- Several MGNREGA payments have been **rejected, diverted, or frozen** as a fault in their implementation levels.
- This continued **harassment faced by people** would have been a more humane question to address rather than brushing them aside as “teething problems” and build a new scheme on similar shaky platforms.
- It’s creditable that **timely generation of pay-orders** have improved, but contrary to the Centre’s claims, **less than a third of the payments were made on time.**
- MGNREGA funds will be electronically transferred to the **beneficiary’s bank account** by Government of India through **State Notional Account** on a pattern similar to MGNREGS.
- The Centre has frequently **tinkered with the wage payments system** in the MGNREGA.

Way Forward:

- The MGNREGA is neither an income support programme nor just an asset creation programme but it has the **principles of combination of both** to strengthen the rural economy as well as democracy.
- MGNREGA works have demonstrably **strong multiplier effects** are yet another reason to improve its implementation.
- It is a **labour programme** meant to **strengthen participatory democracy through community works**. It is a legislative mechanism to strengthen the constitutional **principle of the right to life**.

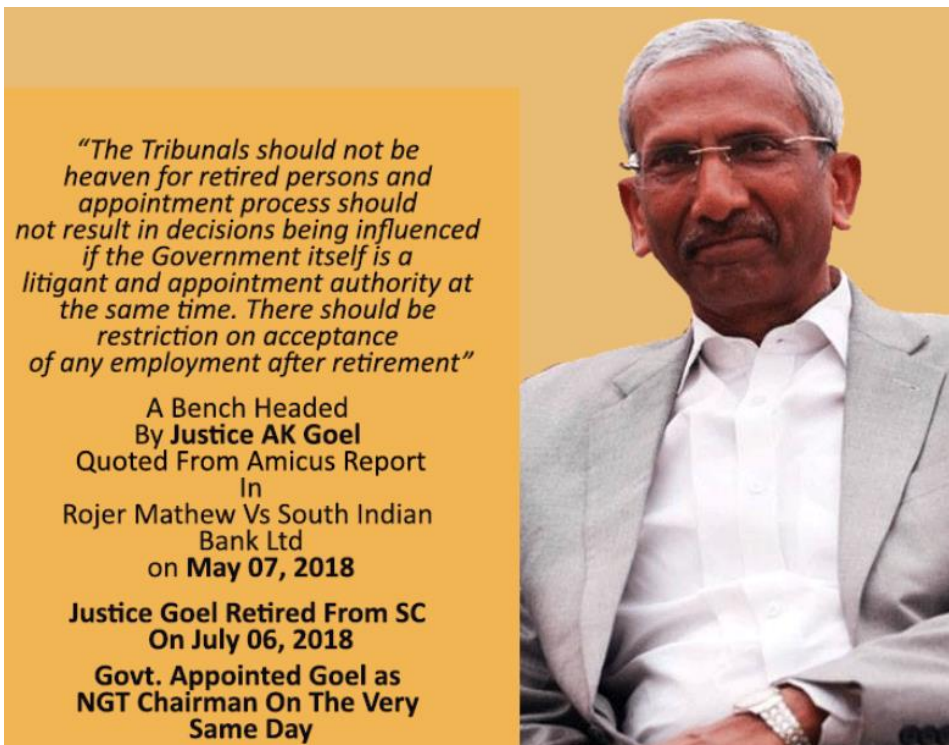
Conclusion:

- The success of the PM-KISAN is contingent on there being **reliable digital land records and reliable rural banking infrastructure** both are questionable at best.
- In an employment programme, **adequacy of fund allocation and respectable wages are crucial**, so meaningless claims of “**highest ever allocation**” and other dubious claims through a management information system are unhealthy for democracy.
- There is also **substantial evidence** to demonstrate that **universal schemes are less prone to corruption than targeted schemes.**
- In targeted programmes, it is very common **to have errors of exclusion**, i.e., genuine beneficiaries get left out. Such errors go unrecorded and people continue to be left out.
- It is in some of these contexts that **strengthening an existing universal programme** such as the MGNREGA would have **been a prudent** move instead of introducing a hasty targeted cash transfer programme.
- At a time of such acute distress, there is a need to the Central government to **improve the existing universal infrastructure** of the MGNREGA before plunging into a programme pretending to augment farmers’ income.

13. TIME TO RAISE THE BAR**Introduction:**

- **Judiciary and Executive** should remain **mutual watchdogs** than mutual admirers, and post-retirement offers can lead to **erosion of judicial independence.**
- It is timely to revisit the debate regarding the propriety of **judges accepting post-retirement jobs** from Government in the light of recent appointments.
- The executive has a major say in **appointments to quasi-judicial bodies.**
- Immediate acceptance of post-retirement assignments certainly **creates a dent on public confidence** in judicial independence.
- As many as **70 out of 100 Supreme Court retired judges** have taken up assignments.

- They are in the **form of assignments** to National Human Rights Commission, National Consumer Disputes Redressal Commission, Armed Forces Tribunal, Law Commission of India, etc.



Recent Appointments have to be analysed carefully:

- In 2018, **Justice A.K Goel** was **appointed** as the **Chairman of National Green Tribunal** on the same day of his **retirement** as Supreme Court judge.
- Justice R.K Agrawal was appointed as the **Chairman of the National Consumer Redressal Commission (NCDRC)** May 2018, within a few weeks after his retirement from Supreme Court.
- Justice Antony Dominic was appointed the **Chairman of the State Human Rights Commission** by the Kerala Government, within a week of his retirement as the Chief Justice of the High Court of Kerala during May 2018.
- However, Former CJI Justice Lodha had stated that he would **not take any post-retirement benefit for a period of two years after retirement.**

Is the Appointments to new posts had decided before or post-retirement?

- These appointments, which took place within a short span of the retirements of the said judges, have raised quite a few eyebrows.
- The **immediate appointments** suggest that decisions regarding their post-retirement assignments were already taken, at least in principle, by the respective governments even **during the tenure of the judges.**
- Even before their retirements, rumours were rife amongst the members of the bar regarding the **finalization of their post-retirement posts.**
- This certainly casts a cloud **over judicial decisions** rendered during their tenure in cases involving stakes of the respective governments.

Situations of conflicts of interest:

- Judges accepting jobs **under the Executive** certainly creates **situations of conflicts of interest.**
- It tends to **undermine public faith** in judicial independence. In the recent '**master of roster case,**' the Supreme Court reiterated that public confidence was the greatest asset of the judiciary.
- **Government sponsored** post-retirement appointments will continue to raise a **cloud of suspicion** over the judgments the best judges delivered while in service.
- This is not to suggest, even remotely, that their judgments are wrong or biased. The **only endeavour** is to underline the fact that **immediate post-retirement appointments** of the said judges create a cloud over the sanctity of those judgments, irrespective of their merits.
- As it is well settled, the actual existence of bias is not required to spoil or impair the quality or efficiency of the sanctity of judicial process; the perception of bias, founded on grounds which are not too far-fetched and hypothetical, **trace of a bad or undesirable substance of judicial process.**

- The significance of the oft-quoted **adage ‘justice should not only be done but also seem to be done’** gets more profound in this context.

Conclusion:

- When a judge is **expecting a post-retirement job** from the government, normally he will be in a position **not to invite displeasure** from the government at least in the year of his retirement.
- There is a common complaint that such judges do **not dare to invite displeasure** from the government by expecting post-retirement jobs
- The **faith of the people** is the **bed-rock** on which the edifice of **judicial review** and efficacy of the **adjudication** are founded.
- **Erosion of credibility of the judiciary**, in the public mind, for whatever reasons, is greatest threat to the independence of the judiciary.

Way Forward:

- Analysts advocated for a **cooling off period for Judges**, saying that “pre-retirement judgments are influenced by a **desire for a post-retirement job**”.
- Better suggestion is that for **two years after retirement**, there should be a gap (before the appointment), because otherwise, the government can directly or indirectly **influence the courts** and the dream to have an **independent, impartial and fair judiciary** in the country would never actualise.
- Regarding a **“cooling off” period** for appointment of retired judges as mooted by former CJIs Justice Kapadia, Justice Lodha and Justice Thakur assumes relevance.
- There should be a **policy decision** to **introduce a cooling-off period** after retirement before taking up new appointments.
- It is time for the Supreme Court to **invoke the methodology to regulate post-retirement appointments for judges**.
- Such a process must sufficiently **insulate the judiciary** from the charge of being a recipient of government largesse.

14. STRESS POINTS OF DEMOCRACY

Introduction:

- According to **M.K.Narayanan** (former National Security Advisor and a former Governor of West Bengal), Across the world, democracy is in **obvious retreat**, with **authoritarian tendencies** on the rising in power and the influence.
- Russia’s Vladimir Putin, China’s Xi Jinping and Turkey’s Recep Tayyip Erdogan are constantly projected as the **faces of authoritarianism**, but many democratic leaders **reveal a similar authoritarian streak**, which adds to **democracy’s woes**.
- It may be too early to predict the demise of democracy, but the reality is that it is not a good time for **democratic institutions**, or for those who see democracy as the **answer to the world’s problems**.
- **Instances showing the rise of authoritarian streak:**
- Several examples exist worldwide on how decisions today are handed down, rather than being the **outcome of discussion and debate**.
- At the same time, there are enough examples of democracy going away from the usual and expected course. Brexit, and the **Brexit debate, in the U.K. and Europe** is a good example.
- Hallowed **international institutions** such as the **World Bank** are facing the heat today for **not conforming** to the **prescriptions** of certain powerful members.

The U.S., which prides itself as a **leading democracy**, is setting a bad example today.

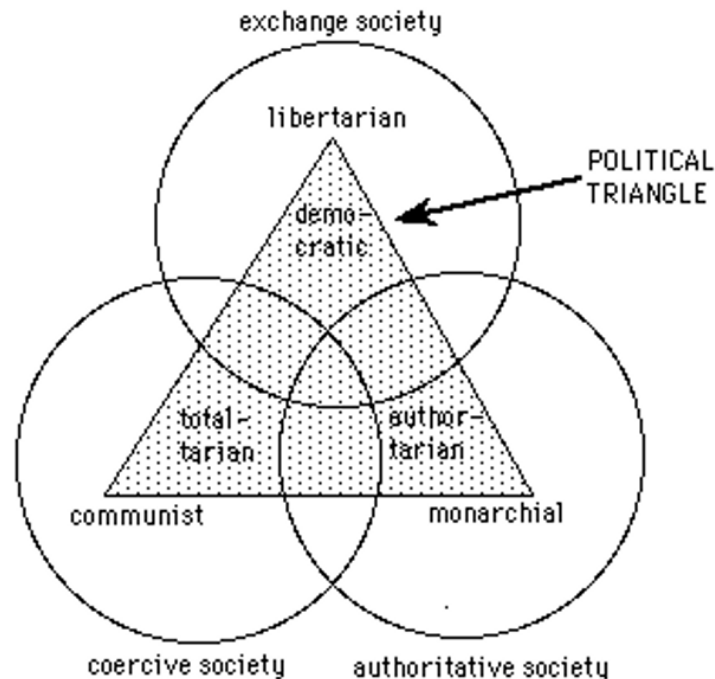
- Under President Donald Trump, **arbitrary decision-making** has replaced informed debate. His diatribe against what he calls a “ridiculous partisan” investigation against him is an indication.
- Another is his determination to **build a wall to keep out Mexican immigrants**, even risking an extended shutdown of the U.S. government.
- The decision of the **S. to withdraw** from the **Intermediate-Range Nuclear Forces Treaty**, a key pact signed in 1987, and hailed as the centrepiece of European security since the Cold War without a detailed internal discussion appears to be **setting the stage for Cold War 2.0**.

About Authoritative societies:

- Two centuries ago almost **all major national societies** were authoritarian in this sense, ruled wholly by **monarchies or dynasties** of one type or another.

- Today we have Turkey, Saudi Arabia, Kuwait, Bahrain, Qatar, and Oman, are among the few remaining examples of such authoritarian regimes and societies.
- Then there are authoritative societies. These are societies that are **structured traditionally**, according to **customary rules and laws**.
- They are **spiritually** rather than sensory oriented and define truth more in terms of core books and the sayings of great men rather than empirical knowledge.

The Political Triagle: Societies and Associated Political Regimes



Critical Review of Author about present ongoing Issues:

Federal Fallout in India: Issues between Centre and States:

- Currently, we are witnessing of characterized by **verbal abuse exchanges** between the Prime Minister and some Chief Ministers which involve accusations such as fomenting riots and running extortion rackets. This **damage the fabric of democracy**.
- **Centre-State relations** are already under strain, and face the threat of still greater disruption.
- **Selective interpretation of information** is a fallout of such situations. Those in authority deem all information not acceptable to them as nothing but **disinformation**.
- Those opposed to the government, on the other hand, insist that the government **suffers from a lack of probity**.
- Current debate on jobs and unemployment and the Central government has **effectively rejected a report** by the well-regarded **National Sample Survey Office** which showed that **unemployment in 2017-18** was at a 45-year high without giving **any valid reason** for doing so.
- The government's only reasoning for rejecting the report is that **it is a 'draft'**, which has only added to existing doubts about its real intentions.
- Similarly, doubts are being raised about the validity of the **government's revised GDP estimates**.

Breaches of democratic conventions is an Authoritative symbol:

- Adherence to **democratic norms** has for long been perceived as crucial to **maintaining the independence of institutions and processes**.
- An impression exists today that attempts are being made to effect changes in the existing system.
- Instances during the past year when the government **breached long-held conventions** have raised questions about the intentions of those in authority.
 - One was the brouhaha concerning the Reserve Bank of India (RBI), and a perceived attempt to **reduce its functional independence**, to compel it to fall in line with the views of the government.

- The second instance relates to the **Interim Budget** in an election year. The Interim Budget announced on the eve of the 2019 general election clearly breaches ***certain long-settled conventions***, by including many **substantial measures** that ordinarily would form part of a regular Budget.
- The intention is plain, build more support for the ruling dispensation in an election year.

Key Institutions are Lifeline for Democracy as well:

Some Critical reviews about **degradation** of Democratic and Independent Institutions:

- Alongside the decline in democratic conventions, another **cause for concern** is the **virtual collapse of key institutions** such as the Central Bureau of Investigation (CBI).
- Touted as **India's premier investigation agency**, its reputation has of late suffered a near mortal blow, mainly on account of internal quarrels, as also external interference in its internal affairs.
- Created out of the **Delhi Special Police Establishment in 1963**, a brainchild of then-Home Minister **Lal Bahadur Shastri**, the agency was earlier headed by persons with **impeccable integrity and ability**.
- It had also adhered previously to the salutary principle of not carrying out arrests, except in the most exceptional of circumstances.
- Over time, the quality of the CBI leadership and the tribe of proven investigators has **witnessed a decline**, which has impacted the **image of the organisation**.
- An agency of the government, part of the **Ministry of Personnel functioning under the Prime Minister**, supervised at one step removed by the Central Vigilance Commission, and constantly under the watch of the Supreme Court, the CBI serves many masters.
- The choice of CBI Director, following the **Vineet Narain case**, by a committee headed by the **Prime Minister, with the Chief Justice of India and the Leader of Opposition** as the other members, has hardly helped the CBI maintain a ***reputation for independence***. The recent unsavoury trauma, reflects the **lack of institutional culture in the organisation**.
- Compounding the situation arising from the **lack of trained and competent investigators** is the fact that **supervisory officers**, who come and go, are most often not in a position to **provide proper guidance** to investigating officers.

Conclusion:

- It is, however, the **ignoring of democratic conventions** nearer home that are **cause for greater concern**.
- In a **pluralistic, multi-party federal system**, disdain for democratic conventions and the violation of well-entrenched behavioural patterns are ***causing irreversible damage to the polity***.
- Democracy was inspired by the **lofty ideals of the French Revolution: liberty, equality, and fraternity**. These ideals led many countries to challenge the absolutist monarchies of the past.
- In Europe, **democratic ideals and values** grew in response to the oppressive rule of absolutist monarchs. In India, the **idea of democracy** came with colonial rule but conferred subjecthood without citizenship on the Indian people.
- Colonial rule kindled the **aspiration of Indians** to become a **nation of free and equal citizens** and led to the formation of the mass movements and agitations to get complete freedom.
- We have seen that democracies not only **do not make war on each other**, but the more democratic two nations the **less likely they will commit violence** against each other.

15. PULWAMA TERROR ATTACK

Recent Terror Attack at Pulwama:

- The recent attack on a convoy of the **Central Reserve Police Force (CRPF)** on the **Jammu-Srinagar Highway** has shaken the country.
- Both public and private spaces can be seen wearing a sense of gloom as the bodies of **40 CRPF jawans** who lost their lives in the attack reach their families.
- According to reports, the **78-vehicle convoy of CRPF** was attacked by an explosive-laden SUV near **Awantipora in Jammu and Kashmir's Pulwama district**.
- The SUV, identified as a Scorpio, was being driven by a **20-year-old suicide bomber** named Adil Ahmad Dar with links to **terror outfit Jaish-e-Mohammed**.

Outrage of Protests in the country:

- Following the attack, the sentiment is running high across the **length and breadth of the country** with citizens demanding that the government deliver a strong response to the forces found reprehensible for the deadly attack.
- However, the centre has urged Indians to **practice restraint** as it takes a call on a befitting course of action.
- The attack in Pulwama has brought back memories of terror attacks on Indian soil in recent years which can help us establish a timeline of terror from above picture.

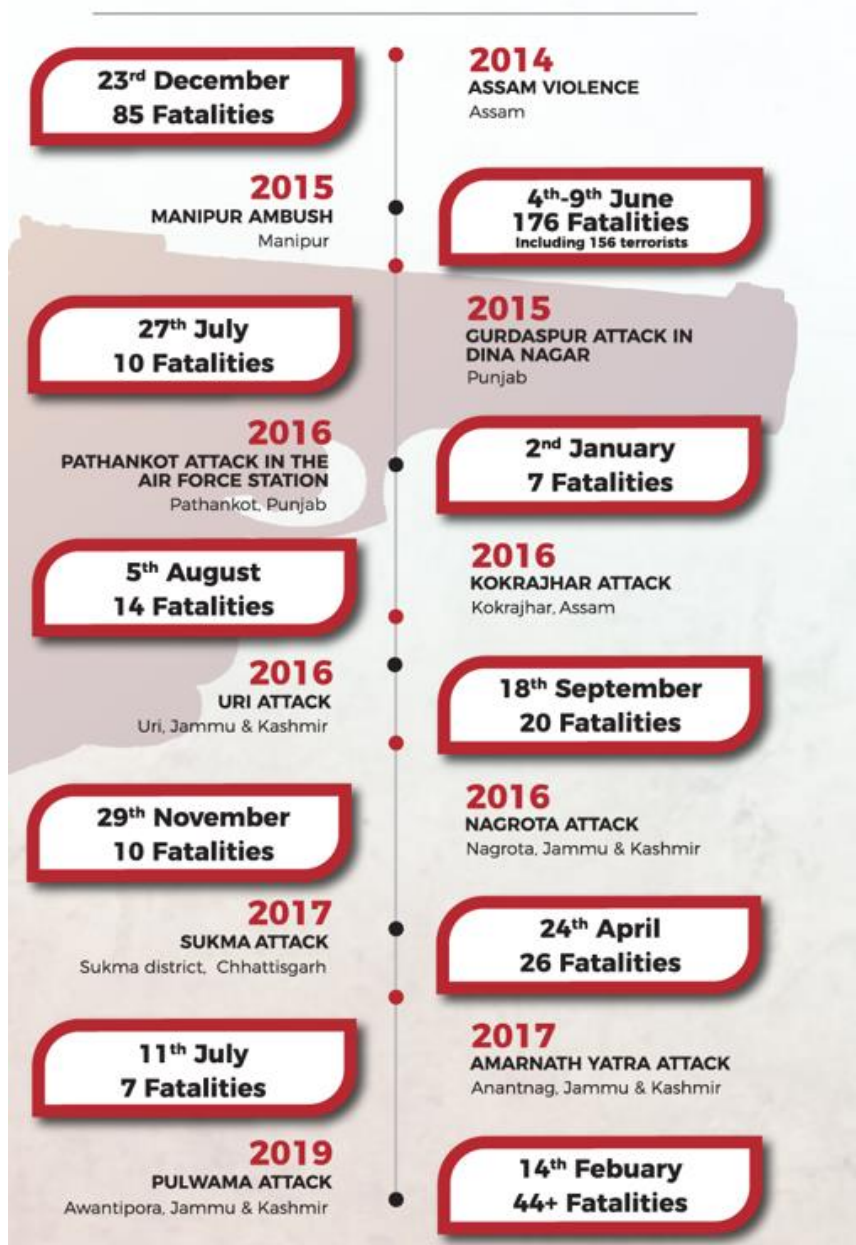
Jaish-e-Mohammed: Pakistan-based terrorist organisation:

- Jaish-e-Muhammad (JEM or Army of Muhammad) is a **Pakistan-based armed group** that aims to undermine and overthrow **Indian control over Indian-administered Kashmir** through attacks on security and government targets.
- The group was founded by **Masood Azhar**, who previously fought under the banner of Harkat-ul-Mujahideen and has been **linked to al-Qaeda**.
- JeM has carried out several high-profile suicide and other attacks against Indian targets since its formation.
- The group is said to have actively supported the **Afghan Taliban's** fight against US-led NATO forces since 2001.

No change in China's stance on Masood Azhar till now:

- India frequently asks its neighbour to **extradite Masood Azhar** reportedly in the eastern Pakistani province of Punjab – but Pakistan refuses, saying there is a lack of proof against him.
- New Delhi has also called on the **UN to list Mr Azhar as a global terrorist**, but Pakistan's close ally China continues to block the move.
- India's foreign ministry demanded that Pakistan to **stop supporting terrorists** and terror groups operating from their territory, and **dismantle the infrastructure** operated by terrorist outfits to launch attacks in other countries.
- But Pakistan has **condemned any suggestion** it is linked to the attack. China's official media described JeM as a Pakistan-based terrorist organization in its reports about the Pulwama attack. But there was **no mention of Azhar**.

TIMELINE OF TERROR



India's response against the attack has been two-pronged so far:

- On the one hand, efforts are on **to isolate Pakistan diplomatically**, on the other, allowances made for Pakistan in terms of trade have been scrapped.
- India has **withdrawn the Most Favoured Nation** or MFN status to Pakistan and **imposed 200 per cent customs duties** on goods from across the border.
- India granted the MFN status to Pakistan **way back in 1996**. Under the MFN pact, a WTO member country is obliged to treat the other trading nation in a **non-discriminatory manner**, especially with regard to customs duty and other levies.
- India's decision would significantly **hit Pakistan's exports to India**, which stood at **\$488.5 million** (around Rs.3,482.3 crore) in 2017-18 as it would drastically increase the prices of its goods.
- The **two main items** imported from Pakistan are **fruits and cement**, on which the current customs duty is 30-50% and 7.5%, respectively.
- **India mainly exports** raw cotton, cotton yarn, chemicals, plastics, man-made yarn and dyes to Pakistan.
- Slapping an **import duty of 200%** effectively means almost banning the imports from Pakistan
- **Over 40 nations have condemned the terror attack** and New Delhi has asked the international community to support naming JeM chief Masood Azhar as a **"UN designated terrorist"**.

How can India move forward to isolate the perpetrators:

- Prime Minister Narendra Modi has already said that **Army will decide** how, when, where and who will punish the killers and their promoters.
- The Centre has given **free hand to the Army for necessary action**. Perpetrators of the cowardly act will get a **befitting reply** that they will never even think of such acts.
- As India already **withdrawn the Most Favoured Nation status** to Pakistan in a signal that it will not wait for preliminaries in the effort **to isolate Pakistan**.
- The government also **withdrew security to separatists** in Jammu and Kashmir, BJP chief Amit Shah promised further action.
- **Coercive diplomacy** is likely to continue, but to be effective the effort needs a wider net, especially at a time when the U.S. is seeking Pakistan's help in firming up a **deal with the Afghan Taliban**.
- **China** must not, and cannot, evade questions about its **previous blocking of action at the UN**, specifically against Azhar.
- Post-Uri, after terrorist attacks the air is always thick with calls for **retributive cross-border strikes**.
- The effort must be **to isolate Pakistan for its support** to the Jaish and seek **substantive action**, to effectively **upgrade intelligence and plug security gaps**, and to win the **confidence of the local population** in the Valley.
- Pulwama's attack was meant to provoke and polarise the country. New Delhi's response must, instead, be to **isolate the perpetrators** and keep the **peace on Indian territory**.

16. NOT WITHOUT AN EXPLANATION: WHEN JUDGES RECUSE THEMSELVES**Introduction:**

- The judiciary is witnessing a spike in judges **choosing not to hear cases** without giving any valid reasons. In some of these cases, the judges had heard the matters for several months.
- In recent years, there have been many instances from high courts where **judges referred cases to the chief justice** for sending them to another bench.
- Now recusals have become **quite mysterious**. Nobody knows whether it's a recusal order. Recusal requests were also never made the way they are being made these days. There is a need that **Judges should disclose reasons**.

Judicial disqualification by Judges themselves:

- Judicial disqualification, referred to as **recusal**, is the **act of abstaining from participation in an official action** such as a legal proceeding due to a conflict of interest of the presiding court official or administrative officer.
- Applicable statutes or canons of ethics may provide standards for recusal in a given proceeding or matter.
- Providing that the judge or presiding officer must be **free from disabling conflicts of interest** makes the fairness of the proceedings less likely to be questioned.

- The judges of higher courts in India are supposed **to dispense justice fairly and fearlessly**, regardless of their prejudices and preferences they inherit from their upbringing and, criticism they may face from losing parties.
- An unfortunate trend has, however, set in recent times when judges prefer to sit out, ***incensed by insinuations or scared of losing their high moral ground.***

Recusal of Judges in Past SC cases:

INSTANCE OF RECUSAL OF SC JUDGES

March 8, 2016: Justice J Chelameswar recused from a case pertaining to Bangalore blasts accused Abdul Nazir Maudany

March 9, 2016: Justice AR Dave's bench said it was unable to hear activist Teesta's anticipatory bail plea and referred it to CJI for listing it before another bench

March 10, 2016: Justice VG Gowda recused from hearing CBI's plea challenging May 2010 Allahabad HC verdict dropping criminal conspiracy charge against BJP leaders LK Advani

in Babri Masjid case

April 28, 2011: Justices DK Jain and HL Dattu recused from hearing then Sikkim HC Chief Justice PD Dinakaran's petition seeking a stay on Rajya Sabha-appointed inquiry panel against him

March 2, 2012: Bench of justices HL Dattu and CK Prasad chose not to hear a petition challenging validity of the USD 8.5 million Cairn Energy-Vedanta deal.

General Grounds for Recusal:

- Motions to recuse or disqualify judges and other adjudicators have been made for all sorts of reasons.
- Most commonly such motions are predicated upon a claim that the judge is **biased in favour of one party, or against another**, or that a reasonable objective observer would think he might be.

But such motions are also made on many other grounds, including the challenged judge's:

- Interest in the subject matter, or relationship with someone who is interested in it.
- Background or experience, such as the judge's prior work as a lawyer.
- Personal knowledge about the parties or the facts of the case.
- Ex parte communications with lawyers or non-lawyers.
- Rulings, comments or conduct.

Recusal Judges must always be conscious of "Oath of their office":

- In taking **oath of office**, judges, both of the Supreme Court and of the high courts, promise to perform their duties, to deliver justice, **"without fear or favour, affection or ill-will"**.
- While **"fear and favour"** are **"enemies of independence**, which is a state of being", affection and ill-will **"undermine impartiality, which is a state of mind"**.
- The purpose of recusal, is to underpin these **twin pillars of independence and impartiality**. A decision, therefore, on a demand for a judge's disqualification is an especially solemn one.
- A gratuitous recusal, much like a failure to recuse when faced with genuine conflicts of interest, traduces the rule of law.
- To withdraw from a case merely because a party suggests that a judge do so **impairs judicial fairness**. It allows parties to cherry-pick a bench of their choice.

But, Same Recusal happening in High Courts also:

- Recently, two judges of the Gujarat High Court withdrew from a set of controversial cases by merely saying, **"not before me."**
- Similar orders were passed by three judges of the Nagpur bench of the Bombay High Court, who refused to hear a plea filed by a lawyer Satish Uke concerning the death of Judge B.H. Loya.
- Unsurprisingly, though, **none of the judges recorded their reasons in writing, allowing, in the process, plenty of scope for conjecture and surmise.**

Formulating rules about “when to take Recusal” is need of the hour:

- No doubt, in some cases, **prejudice is presumed**: for example, where a judge has appeared for one of the litigants at some stage in the same dispute.
- It's also by now an axiomatic rule that **no person should be a judge in her own cause**. But there are cases where somebody else's cause becomes the judge's own.
- In disputes where a judge has a **financial interest in the litigation**, where a judge **owns shares** in a company which is party to the case, the fact of owning shares is, in and of itself, considered a disqualification.
- But in the **absence of a well-defined rule** that helps establish a basic standard, a decision of this kind can prove troubling somewhere down the line.
- Ultimately, a mistaken case of recusal can prove just as **destructive to rule of law** as those cases where a judge refuses a recusal despite the existence of bias.
- We mustn't allow recusals to be **used as a tool to manoeuvre justice**, as a means to **picking benches of a party's choice**, and as an instrument to evade judicial work.

Conclusion:

- **Reasons for recusal** must be assigned, whether they are personal or public, says senior advocate Rajiv Dhavan.
- As the Constitutional Court of South Africa held, in 1999, “the nature of the judicial function involves the **performance of difficult and at times unpleasant tasks**,” and to that end judicial officers “**must resist all manner of pressure**, regardless of where it comes from.
- This is the **constitutional duty common to all judicial officers**. If they deviate, the independence of the judiciary would be undermined, and in turn, the **Constitution itself.**”
- **Justice Kurian Joseph** said in his verdict on the National Judicial Appointments Commission. Being an institution, whose **hallmark is transparency**, it is only proper that the judge discharging high and noble duties, at least broadly indicate the reasons for recusing from the case.
- It needs to be understood that judgements have **no colour** and judges must exhibit a **yogi's detachment**. The seat they occupy gives them zero immunity from recusal, irrespective of price they have to pay.
- It is the **constitutional duty**, as reflected in one's oath, to be **transparent and accountable**, and hence, a judge is required to indicate reasons for his recusal from a particular case.

17. THE CONTRACTUAL FUNCTIONARY

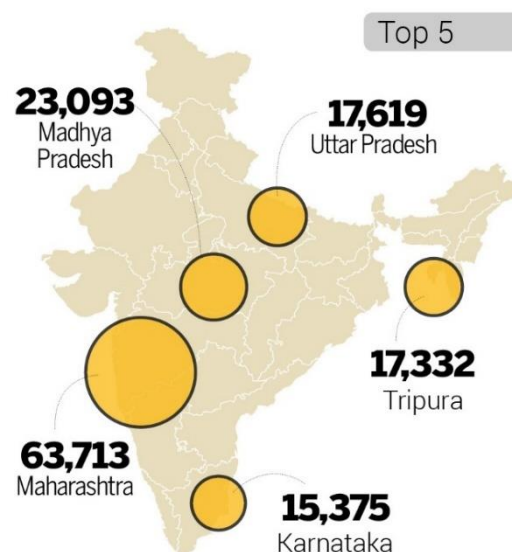
Introduction:

- Despite increasing **focus by the government and programmes** such as the Swachh Bharat Abhiyan, unsafe sanitation work, loosely captured under the catch-all phrase manual scavenging, **still exists in India**.
- There are **five million people employed in sanitation work** of some sort in India with about two million of them working in **'high risk' conditions**.
- Sewage pipes and drains represent the **bleaker side of India's struggle to modernise its cities**. Reports of deaths in inside an **underground drain** in the nation's capital circumstances appear regularly in the local press in different cities. They attract public attention for a day or two, **but fail to sustain it**.

Understanding the Problems of India's Sanitation Workers:

- The last few years have been the **golden age for sanitation in India**.
- What started out as the **Total Sanitation Campaign in the 1990s** morphed into the **Nirmal Bharat Abhiyan** under the UPA Government and then transformed into the **Swachh Bharat Abhiyan** with full gusto driven by the prime minister's special attention.

Households with at least one member working as manual scavenger



- This translated directly into **increased budgets**, a mission-mode implementation across the country and by official estimates, **100 million additional toilets** getting constructed.
- Now, **over 89% of the country's population has access to a household toilet, compared to 40% in 2014.**
- Movie stars such as Akshay Kumar made sanitation a household name and through movies such as **Toilet Ek Prem Katha**, sanitation crossed over into the mainstream.
- A special focus on financing and participation **by the private sector** followed, with several prominent companies announcing large initiatives and several banks committing to financing sanitation.

Condition of Contract Sanitation Workers:

- The case of sanitation workers on **contract is worse**. They work for small-time contractors who have absolutely **no idea of the role of a sanitation worker**.
- The contractor feels **free to exploit the worker**, conveniently hopping over whatever barriers and checks, including digital devices, that the government attempts to use for providing financial security to the worker.
- The government in the case of sanitation, it is often the municipality shows little sustained interest in **imposing stringent norms** for provision of equipment, including those for **safety, necessary for sewer cleaning**.
- As for training, no one seems to believe that **sanitation involves complex work**, requiring both knowledge and training.
- Such a thought is fully precluded by the **strong and enduring bond that exists between caste and sanitation**.
- Sanitation campaigns do not articulate an acknowledgement of the relationship **between the caste system and cleaning jobs**. An ideological barrier prevents such articulation.
- The media too does **not highlight the connection between caste and cleaning**. That is why whenever sanitation workers die in underground drains, the news simply passes into unsorted history.

Still a long way to go for sanitation workers:

- While no one can argue that this is the right direction for India to be moving towards, all is not well.
- The reason is that contractual functionaries see **no definite prospect of a career or future** in the same profession.
- Also, their **wage is much too small to sustain** the growth of substantial professional commitment.
- Glaring in its omission in **formal planning** is any **meaningful focus** on the harsh realities of the **millions of sanitation workers** who work across the sanitation value chain in urban and rural India, and are key to making the programme a success.
- This **problem of "manual scavenging"** as it is commonly called, is not new and is **deeply rooted in India's caste system**, which assigns duties such as the cleaning of human faecal waste to people born in **the lowest sub-castes of the Dalit community**.

Conclusion:

- With **October 2019** fast approaching, there has been a **very real shift in the dialogue** within the government and the **entire sanitation ecosystem**.
- This has led to an **increasing focus on business models** and tenders focused on **decentralised waste treatment** with several states issuing tenders for faecal sludge and septage management.
- The vocabulary is also shifting from **open-defecation free to ODFS/ODF+**, which are frameworks that measure the safe disposal of waste.

Way Forward:

➤ A range of **interventions and innovations** are needed to address this challenge and our series will describe these in detail.

However, at the highest level, they fall in four different buckets.

- Solutions focused on **entry into sanitation work**: These solutions include having formal ID cards, better contract design.
- **Solutions focused "on the job"** that make the work safer, more dignified and more rewarding: These include better safety equipment, mechanisms for redressal of complaints.
- Solutions **focused on "progression from sanitation work"** including creating entrepreneurial opportunities, better access to finance.

- And finally, **cross cutting solutions** that involve easing access to special benefits, regulatory revisions, significantly larger budgets.
- Finally, the roadmap to **improving this situation** for sanitation workers in India will involve a **combination of proactive piloting of solutions** across cities and rural locations and an extensive sharing of lessons between stakeholders.
- It will also require **significant increase in budgets** focused on sanitation worker safety within governments and larger budgets focused on innovation for sanitation worker safety, innovation within donors and philanthropic actors.
- And crucially, it will require **ongoing attention in the public sphere** through media events and civic engagement.

18. HOW THE 16TH LOK SABHA FARED

Introduction:

- The recently concluded **16th Lok Sabha** had its final sitting, marking an end to a disappointing five-year period.
- The 16th Lok Sabha was **unique** in the sense that for the first time in three decades, the **number of first-time MPs** outnumbered those who had walked into the floor of the House earlier. Of the 543 MPs, 314 were first-timers, accounting for **58 per cent of the strength of the House**.
- But the concerning point is this Lok Sabha was surpassed only by the preceding one in terms of the **low number of hours it worked**.
- Lok Sabha met for **1,615 hours, 40% lower than all full-term Parliaments**. This shows a decline in the **number of sitting days** over the decades as well as a significant part of the **scheduled time lost** to disruptions.

16th Lok Sabha saw 20 per cent less work than the earlier one: Report:

- The 16th Lok Sabha passed a **total of 133 Bills**, of which **six per cent** were passed **within 30 minutes**. The number of Bills passed within half an hour in the previous Lok Sabha was 26 per cent.
- This 16th Lok Sabha sat for **331 days** (against a 468-day average for all previous full-term Lok Sabhas), and **lost 16% of its time to disruptions**.
- In terms of referral of Bills to **various committees**, the 16th Lok Sabha referred **only 25 per cent** of the Bills, while the previous House had referred around 70 per cent of the Bills to various panels.

WORKING HOURS

1,615 hours
16th Lok Sabha

1,938 hours
15th Lok Sabha

16th Lok Sabha worked **20%** more than 15th Lok Sabha

The last LS worked **40%** lesser than the average of all full-term Houses

Average of all full-term Houses is **2,689 hours**

HOW THE HOUSE FUNCTIONED

DISRUPTIONS

16%: Amount of time lost by 16th Lok Sabha to disruptions

37%: Amount of time lost to disruptions by 15th Lok Sabha

13%: Time lost to disruptions by 14th Lok Sabha

LEGISLATIVE BUSINESS

32% of the House's time was spent on legislative business

25% is the average time spent by Lok Sabhas on legislative businesses

13%: Time spent on Question Hours

0.7%: Time spent on calling attention motions

NO CONFIDENCE MOTION

27: Number of no-confidence motions introduced in all Lok Sabhas

11 hrs 46 mins: Amount of time no-confidence motion was discussed

SCRUTINY OF BILLS

133: Total number of Bills passed

6%: Number of Bills passed within 30 minutes in 16th Lok Sabha

26%: Number of Bills passed within 30 minutes in 15th Lok Sabha

25%: Number of Bills referred to committees in 16th Lok Sabha

71%: Number of Bills referred to panels in the 15th Lok Sabha

Glitches in the Temple of our Democracy:

- A big casualty was **Question Hour**: the Lok Sabha **lost a third of this time** and the Rajya Sabha 60%, consequently, **just 18% of the starred questions** in each House **got an oral reply**.

- Another notable event was the Speaker blaming **unruly behaviour** for her inability to count the required number of MPs **demanding a no-confidence motion** but allowing the Union Budget to be passed in the interim.

What type of Bills are Money Bills?

- The Constitution defines a **Bill as a Money Bill** if it contains provisions that exclusively **relate to taxes or government spending**.
- This brings us to **the manner** in which some Bills were passed. The Aadhaar Act was passed **as a Money Bill** and upheld by the Supreme Court.
- Importantly, such Bills need **majority support only in the Lok Sabha**, with the Rajya Sabha having just a recommendatory role.
- The Finance Bill is traditionally introduced with the Budget, and contains all the legislative changes to tax laws. Therefore, it is usually a Money Bill.

However, Finance Bills, have included items which have **no relation to taxes or to expenditure of the government**.

- **The Finance Bill, 2015** included provisions to **merge the regulator** of commodity exchanges with the Securities and Exchange Board of India.
- **The Finance Bill, 2016** included amendments to the Foreign Contribution (Regulation) Act which relate to **donations to non-profits**.
- **The Finance Bill, 2017** went further and changed the **compositions of 19 quasi-judicial bodies** such as the Securities Appellate Tribunal, the National Green Tribunal and the Telecom Disputes Settlement and Appellate Tribunal (TDSAT), and **repealed seven other bodies** including the Competition Appellate Tribunal.

Key legislation happened in 16th Lok Sabha:

Parliament made some important laws. There was some effort to address the issues of corruption, black money and leakages.

- **The Goods and Services Tax** was implemented and **the bankruptcy code** was enacted.
- The **IIM Act** gave premier **management educational institutions** a level of autonomy not available to other public educational institutions.
- **The Juvenile Justice Act** allowed children (between 16 and 18 years) accused of committing heinous crimes to be prosecuted as adults.
- New Acts were passed: for **treatment of mental health patients**, and those with **HIV/AIDS**. Another Act was passed to ensure the rights of persons with disabilities.
- **The Prevention of Corruption Act** was amended to make **bribe-giving an offence**.
- Laws were made requiring a **declaration of assets held outside India**, and to declare as **fugitives** those economic offenders who had fled the country. The **Aadhaar Act** was passed to create a **biometric-based identity system**.

Twenty two bills set to lapse with dissolution of 16th Lok Sabha:

- Twenty two out of the 55 government bills pending consideration of the Rajya Sabha, the upper house of Parliament, are set to lapse with the dissolution of the 16th Lok Sabha.
- There were also **eight sessions** where **all MPs were present** in the House. These included the eventful impeachment motion during the last Monsoon Session that went on for a **record 11 hours**.

Review the anti-defection law is the Need of the Hour:

Parliament plays the **central role in our democracy** by holding the government to account and **scrutinising** proposed laws and financial priorities.

- With the end of the 16th Lok Sabha, it is time to ponder on **how to make this institution more effective**. An important step will be by **reviewing the anti-defection law** that has hollowed out the institution.
- Anti-defection law It affects the **independence of MPs/ MLAs**. No incentive for MPs/MLAs to research and understand on policies.
- Constitution drafters **didn't intend to give the control of members** to political parties. Interestingly, it's only in the **10th schedule**, which was **included in 1985** that political parties are mentioned in constitution.
- Many members **speak up their mind and conviction** –more discussion and thus better debates and solutions in parliament. Anti-defection law is against this.

- Nowadays, **no real democratic discussions** happen inside political parties about major issues affecting the country.

Some Recommendations already provided are:

- Therefore, Anti-defection law should be **applied only to confidence and no-confidence motions** (Dinesh Goswami Committee on electoral reforms, 1990) or only when the **government is in danger** (Law Commission 170th report, 1999).
- Instead of making Speaker the authority for disqualification, the decision should be made by the **president or the governor on the advice of the Election Commission.**
- This would make the process similar to the disqualification procedure as given in **Representation of Peoples Act (RPA).**
- Individual MPs and MLAs need to be **empowered to think independently.**
- In a diverse country like India, members also **represent their constituencies.** Hence, every member **needs to be given voice** to give voice to all regions and sections of the population.

19. THE SAUDI-INDIA-PAKISTAN TRIANGLE

India and Saudi Arabia:

- India and Saudi Arabia enjoy **cordial and friendly relations** reflecting the centuries old economic and socio-cultural ties.
- Close geographical proximity, civilizational links, cultural affinity, natural synergies, vibrant people to people contacts.
- Common challenges and opportunities have added momentum to this robust engagement.
- The two sides re-affirmed their deep commitment to strengthen the '**strategic partnership**' envisaged in the '**Riyadh Declaration**' of February 2010
- **Saudi Arabia is India's fourth largest trading partner** and India has long played an important role in our economy.

Visit of Crown Prince of Saudi Arabia to India:

- Crown Prince **Mohammed bin Salman**, or MBS, will lead to further strengthening of **Saudi Arabia-Indian ties**, a process that had begun with Prime Minister Narendra Modi's visit to Riyadh in 2016.
- Saudi interest in **expanding trade and investment in India** and collaboration in the energy sector.
- Saudi Arabia is already one of the **three largest suppliers of oil to India.**
- Saudi Arabia said, it would **share intelligence with India** and other countries, that were willing to **fight terrorism.**
- Joint Statement urged for the **early adoption of UN Comprehensive Convention on International Terrorism**
- Both the sides resolved to **create comprehensive security dialogue** consisting of National Security Advisors. There would a Joint Working Group on counter terrorism.
- Both the sides launched **Strategic Partnership Council** that is led by the Prime Minister and the Crown Prince. **Saudi Arabia joined the International Solar Alliance.**
- Both the sides agreed to expedite the work for **\$ 44 billion West Coast Refinery and Petrochemical Complex.**
- Saudi Aramco is interested in partnering with the Abu Dhabi National Oil Company in developing an integrated refinery and petrochemicals complex at **Ratnagiri in Maharashtra, a \$44 billion joint venture** with Indian public sector involvement.

India and Saudi Arabia relations reflects Economic but with Pakistan shows Strategic:

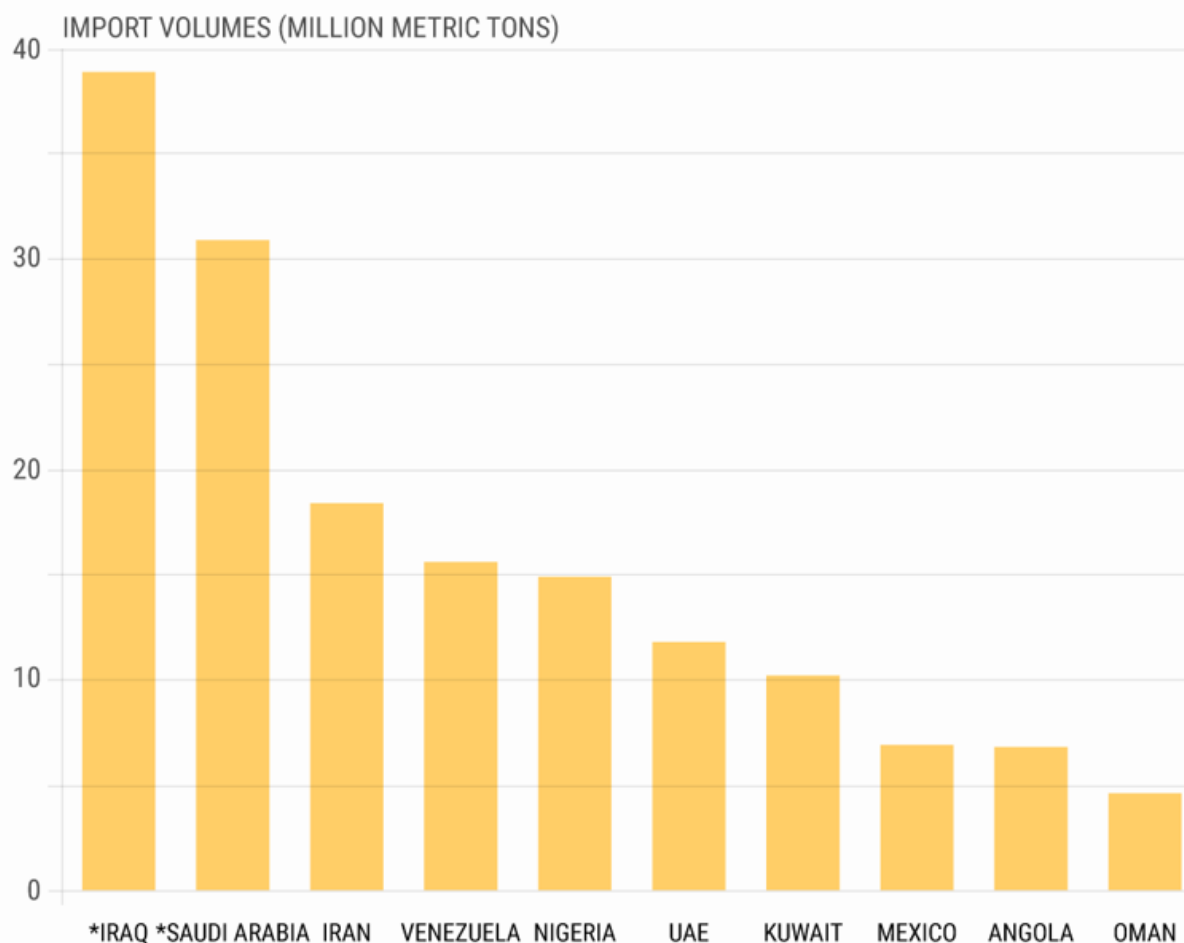
First, Pakistan is far too important to Saudi Arabia **for internal security reasons** for Riyadh to sacrifice its stake in Islamabad in order to appease New Delhi.

- The Pakistan Army has more than once **acted as the Saudi ruler's praetorian (security body guards) guard** and given the uncertain hold of MBS on his country, and also MBS may need the services of Pakistani mercenaries in the near future.
- Pakistan on its part perceives MBS as a **valuable interlocutor on its behalf with the U.S.** because of his excellent rapport with U.S. President Donald Trump.
- Islamabad deems this essential in light of the recent strains in U.S.-Pakistani relations over Pakistan's support to terrorist groups.

- **Saudi economic largesse** matters greatly to Pakistan, which is in dire economic straits and has been forced to turn to the **International Monetary Fund (IMF)** for loans that are bound to **come with strict conditionalities**.
- Over and above the **\$6 billion already promised by Saudi Arabia**, MBS has promised a further **\$20 billion in Saudi investment in Pakistan**.
- A large part is earmarked for investment in the construction of an **oil refinery in Gwadar on the Makran coast**, which is being developed as a **strategic port** by China and features prominently in the **China-Pakistan Economic Corridor (CPEC) plan**.

India's Top 10 Crude Suppliers

April 2017 - January 2018



*In the previous fiscal year, Saudi Arabia was the top crude supplier with 39.5 million mt, followed by Iraq with 37.5 million mt and Iran with 27.2 million

To Dealing with Afghanistan Taliban:

- Second, **Afghanistan** has been **a point of strategic convergence** for Pakistan and Saudi Arabia going back to the 1980s when the **Saudis used Pakistan as a conduit for material assistance to the Islamist forces** fighting the Soviet Union and its proxy government in Kabul.
- With **U.S. withdrawal from Afghanistan** and the consequent expansion of Taliban influence very much on the cards, **Pakistan's strategic value as the Taliban's patron** has **grown exponentially**.
- Saudi Arabia is interested in **curbing Iranian influence in Afghanistan** and needs **Pakistan to contain Tehran's ability** to influence events in that country after the American withdrawal through its Tajik and Hazara allies.

Iran Angle for Saudi Arabia:

- The **Saudi-Iranian rivalry** is being **played out across the region**, from Syria to Yemen.
- Riyadh perceives **Pakistan as a major asset** it can use to check the spread of Iranian influence. It sees Pakistan Prime Minister Imran Khan and Pakistan Army chief General Qamar Javed Bajwa as more amenable to Saudi persuasion.
- As Pakistan's relations with Iran deteriorate, it is likely to **move further into the Saudi orbit**.

Conclusion:

- ✓ In the context of this **strategic and economic nexus** between Saudi Arabia and Pakistan, it will be unwise for New Delhi to seriously believe that it will be able to **wean Saudi Arabia away from Pakistan**.
- ✓ However, India should take advantage of any benefit that accrues from **India's economic relations with Saudi Arabia** but should not pin much hope on Riyadh in the political-strategic sphere.
- ✓ Saudi Arabia is transforming and that the opportunities for partnership and growth are unlimited. **Saudi Arabia is a G-20 economy** that is opening up to foreign investors at an unprecedented rate.
- ✓ **Vision 2030 of Saudi Arabia** has created a **roadmap for social and economic transformation** and enabling the private sector is at the heart of it.
- ✓ From the discussions at the **Saudi-India Forum in Delhi**, it is very clear that the **economic partnerships** between Saudi Arabia and India are moving from strength to strength as our nations undergo significant periods of positive change in order to **realize the ambitious goals of Saudi Vision 2030 and New India @75**.

20. INTERIM BAILOUT: RBI SURPLUS TO GOVT**Context:**

- Recently **Reserve Bank of India** announced that it would **transfer Rs.28,000 crore to the Centre** as **interim surplus** for the half-year ended December 2018.
- This is **second consecutive year** that the central bank has transferred interim surplus to the government.
- This will take the Centre's total receipts from the RBI as surplus transfer in 2018-19 to **Rs.68,000 crore**.
- The central bank had **earlier paid ₹40,000 crore** to the government as its final share of surplus for 2017-18.
- The interim surplus transferred by the RBI now is crucial to the Centre's ability to meet the **revised fiscal deficit target of 3.4% for this fiscal**.

Dividend Trail

This is the second year running that **RBI has given interim dividend** to govt

It will help govt **meet some of the shortfall** in GST revenues in current fiscal

**SURPLUS TRANSFERRED** In ₹ crore

Year of Receipt	Amount received	Surplus for the financial year of RBI	Profit retained by RBI towards risks & reserves
2016-17	65,876	2015-16	1,000
2017-18	40,659*	2016-17	13,190
2018-19	40,000	2017-18	14,190

*Includes ₹10,000 cr interim dividend

Source: Rajya Sabha

Income Sources of RBI:

The RBI was founded in 1934 and has been operating according to the **Reserve Bank of India Act of 1934, Chapter 4, section 47 of the Act**, titled "Allocation of Surplus funds" mandates for **any profits made by the RBI** from its operations to be **sent to the Centre**.

- Till 2014, a certain amount used to be allocated for the **Contingency Reserve (CR)** and the **Asset Development Reserve (ADR)**.
- However, a **committee chaired by YH Malegam in 2013-14** found the balances to be in excess of the required buffer. It recommended the RBI to discontinue the transfer of funds to the CR and the ADR.
- The majority of the income comes from the returns it **earns on its foreign currency assets**, which are either in the form of bonds and treasury bills of other Central Banks like Federal Reserve of USA.
- The **Foreign Exchange Reserves** are around **\$ 400 bn** and majority of them are in Foreign Currency Assets.
- The RBI also invests in **top-rated securities across the World**. It also earns money by lending to banks for very short tenures, such as overnight repo.
- It also claims a **Management Commission** on handling the borrowings of State Governments and the Central Government. It also earns money through **Open Market Operations**, which it undertakes **regularly to manage liquidity**.

RBI's income and surplus growth cannot be measured in commercial terms:

- The RBI's income and surplus growth cannot be measured in commercial terms since a large part of it comes **from statutory functions** it has to perform as a **regulator**.
- The central bank is not **like a corporate enterprise**, nor can the government compare itself with a company shareholder.
- Though there is nothing wrong in a shareholder **demanding an interim dividend** pay-out, the fact is that the **Centre is advancing a receipt** from the next fiscal to bail itself out in the current one.
- Should the RBI decide not to repeat this practice, the government's revenues will suffer because as much as Rs.82,911 crore has been budgeted on this count for the next fiscal.

RBI change stance as new Governor takes guard:

- The RBI under Mr.Urjit Patel had **declined requests** from the central government for an additional payment after the dividend pay-out dropped to a five-year low in 2017-2018.
- The pay-out had dropped from Rs 65,896 crore in FY 2015-16 to Rs 30,659 crore in FY 2016-17, however, this was due to the costs that the RBI had borne during demonetisation.
- In December 2018, the clash over the government wanting to also dip into the **central bank's contingency reserves** resulted in a compromise: an **expert committee** headed by former RBI governor **Bimal Jalan** was set up to "propose a **suitable profits distribution policy** taking into account all the likely situations of the RBI.

Public Standoff on contentious issues:

- The demand on the RBI for more dividends and to part with a greater share of its capital has been a **contentious issue** between the central bank and the government.
- It resulted in a public standoff last year and is seen as one of the reasons for the abrupt exit of then Governor Urjit Patel.
- The finance ministry has asked the central bank to transfer about Rs. 27,000 crore of surplus capital withheld by it in the previous two financial years.
- Separately, finance ministry officials estimate the RBI has at least **Rs. 3.6 lakh crore more capital than it needs**, which they say can be used to help bolster weak banks.
- However, a recent study by the **Centre for Advanced Financial Research and Learning**, a Mumbai-based think tank, showed the central bank has insufficient capital, and much less a surplus to hand over to the government.

Conclusion:

- ✓ The government had been putting pressure on the central bank to transfer more funds from the **contingency reserves**.
- ✓ Over time, many technical committees have examined the question of **how much reserves the RBI ideally needs**.

- ✓ **A panel, headed by former RBI Governor Bimal Jalan**, had been formed **to review the economic capital framework** of the bank.
- ✓ There is a much need to protect the **RBI's autonomy** in the setting of interest rates or in the **regulation of banks** or in other operational spheres.
- ✓ There should be **institutionalization of the system** for the sharing of RBI's surpluses. They should **not depend on the individuals**, institutions should function with **institutional framework**.
- ✓ The government, when it exercises its right as sovereign, whether to set an inflation target or to demonetise high-value currency, is acting well within the **norms of the law and the spirit of democracy**.

21. AFTER THE TERRORIST STRIKE IN PULWAMA, IS WAR EVEN AN OPTION?

Terror Attack in Pulwama:

- The attack came in a crucial time of **political uncertainty in J&K**, the forthcoming **general elections** in India, and the meetings planned in connection with the **opening of Kartarpur corridor** for the facilitation of pilgrims with the **550th birth anniversary of Guru Nanak**.
- The attack was claimed by the **Pakistan-based Jaish-e-Mohammad (JeM)**, which unleashed similar terror campaigns before in several places like Uri, and is believed to have been an associate of the Indian Parliament attack in 2001.
- As India ratchets up its **diplomatic offensive** to globally **isolate Pakistan**, withdrawing the **Most Favoured Nation status** and building up a case for a **Financial Action Task Force (FATF) blacklist**, which would make it increasingly difficult for **Pakistan's struggling economy** to raise loans, it is also preparing for a military option.
- Army officials said that **Retribution for the attack is only a matter of time**. There are several reasons to suggest that this may be so.

OPTION	WHY IT WAS DISCARDED
 <p>STRIKING LeT AND JUD LEADERSHIP IN MURIDKE</p>	No covert assets in Pakistan. Risk of attack force being captured if sent from India.
 <p>LIMITED AIRSTRIKES AGAINST TERRORIST TRAINING CAMPS IN PoK</p>	Lacked precise locations of terrorist training camps. Possibility of civilian collateral damage.
 <p>AIRSTRIKES BY IAF</p>	Lacked precise locations of terrorist training camps. Possibility of civilian collateral damage.
 <p>HELICOPTER GUNSHIP RAID BY INDIAN ARMY SPECIAL FORCES ON CAMPS AND LAUNCH PADS</p>	Did not know precise location of terrorist training camps. Possibility of civilian collateral.
 <p>LIMITED WAR CONFINED TO J&K, BACKED BY FULL MOBILISATION OF ARMY</p>	Army lacked the conventional superiority to prevent conflict from escalating.

Proportionate reaction: War as a reaction:

The response should be part of a **comprehensive long-term, national-level strategy** to counter Pakistan's proxy war.

- The aim should be to **raise the cost for Pakistan's deep state** of the army and the Inter-Services Intelligence (ISI) for waging its proxy war, with a view to eventually making the cost prohibitive.
- The response should be **proportionate and multidisciplinary in approach**, comprising diplomatic, economic and military measures. It should include overt and covert actions.
- However, **India's conventional deterrence** has failed to deter Pakistan's proxy war and state-sponsored terrorism and it is now necessary to initiate strong military measures to **prevent future terrorist strikes** being launched from Pakistani soil.
- These measures should be carefully calculated to minimise the risk of escalation and must avoid collateral damage to the extent possible.
- The military's aim should be to **inflict punishment on the Pakistan army deployed on the LoC** and **terrorist training camps** and related infrastructure in Pakistan-occupied Kashmir (PoK).
- For each new act of state-sponsored terrorism, the scale and the intensity of the punishment inflicted should be increased by an order of magnitude.
- As long as the international boundary in **Punjab, Rajasthan and Gujarat** is not crossed by **Indian Air Force aircraft**, escalation by Pakistan is unlikely.

How far does coercion work?

- India has been at this juncture several times in the past, and over the last 18 years, **short of an all-out war**, has tried just about **every kind of coercive mechanism** in its efforts to **induce behaviour change in Pakistan**.

But the changes, if at all, have been temporary:

- In 2001-2002, after **Jaish's attack on Parliament**, India mobilised **half a million troops** to its western border, the largest such build-up since 1971.
- India seriously considered an **air-strike on Pakistan-occupied Kashmir**, but then Prime Minister Atal Bihari Vajpayee was persuaded to call it off by the US in light of a speech on January 12, 2002, by the then military ruler General Pervez Musharraf, in which he **called the attack on Parliament a terrorist act** and **promised to dismantle the terrorist infrastructure in Pakistan**.
- According to media reports in 2017, at the end of July 2002 India had also launched **air-strikes against Pakistani bunkers at the LoC** in the Kel area of Kupwara, the first such operation by the Air Force after the Kargil war.
- At the end of December 2001, India had **withdrawn its High Commissioner to Pakistan**, and asked the Pakistan High Commission in Delhi to cut down the number of officials and staff at the mission by 50%, and **banned Pakistan International Airlines** from Indian airspace.
- Pakistan responded by cutting the Indian diplomatic presence in Islamabad by half, and banning Indian flights from Pakistani airspace.

Other side of the coin: Issues to consider:

Basic issues have to be taken into account for taking a decision.

- First and foremost, **what is the desired end state**: destruction of the Pakistan army, which wields real power, or an action that buys a greater duration of peace?
- Second, if war is the solution, what would be the **economic and social impact on India?**
- Third, India has international support now, but **would that be the case in a long-drawn-out affair?**
- ✓ **China will never dump Pakistan** due to its large economic and geopolitical stakes in Islamabad.
- ✓ The U.S., though it has professed its strategic partnership with India, has made its **exit from Afghanistan its first priority**. It needs Pakistan in its talks with the Taliban and hence there are limits to its support.
- ✓ Russia, too, has its own interests in Kabul, especially after the American exit, and hence requires Pakistan as an intermediary. Thus, **geopolitically, Pakistan has the upper hand in pulling the power strings**.
- If escalation occurs through kinetic action, there would obviously be a **loss of human lives** and India needs to be prepared for that.
- Here, the **red herring of the nuclear factor** needs to be removed. In terms of economic costs, the **1999 Kargil conflict** made India poorer by many tens of thousands of crores (no official data are available and estimates vary greatly).

- More importantly, we **lost 527 brave Indians** trying to re-take those hills. Diversion of Wealth reckoned in terms of money **towards fighting efforts** would denude finance required for **addressing the economic and social realities of India**.

Conclusion:

- India also considered **withdrawing the MFN** (most favoured nation) status which is the step it has taken now and **abrogating the Indus Waters Treaty**, deciding against both as unsound, and in the **long run bad for India's interests** as these could become **precedent-setters** and **used against India internationally**.
- However, the latest terror episode shows that India has not rectified its weak areas after the Kargil war which in fact had called for **multi-level intelligence gathering** and **pre-emptive measures** in respect of the intrusion and operation of non state actors in the Valley.
- Once the government decides to go down the kinetic path, the armed forces are ready. **The 'reformation' of Pakistan** vis-à-vis India is not possible but this may get us **some years of peace**.
- The peace dividend can be elongated by **managing our diplomacy** with other countries so that subsequently their acceptance of India's just position serves as a **deterrent to Pakistan's inimical stance** towards India.
- Since the remaining roots of militancy are now in Pakistan and PoK, and Pakistan is not inclined to bring to justice the leaders of terrorist organisations like the Lashkar-e-Taiba and the Jaish-e-Mohammed, terrorists they call '**strategic assets**', they must be neutralised through **strong deterrent and diplomatic and Isolation operations**.

22. WITHOUT LAND OR RECOURSE

Context:

- A recent Supreme Court order may lead to the **eviction of lakhs of persons** belonging to the Scheduled Tribes (STs) and Other Traditional Forest Dwellers (OTFDs) categories **across 21 States** their claim as forest dwellers have been **rejected under the Forest Rights Act of 2006**.
- A three-judge Bench had **ordered the Chief Secretaries** of many of these States to **evict those whose claims** as forest dwellers have been finally rejected under the law.
- The court directed that the eviction should be **carried out on or before July 24, 2019**.
- The order of the Supreme Court issued with respect to the **claims of forest-dwelling peoples in India** the Scheduled Tribes and Other Traditional Forest Dwellers is a case of the Supreme Court speaking **against itself**.

Brief Background:

- The order in question was issued in the case of **Wildlife First & Ors v. Ministry of Forest and Environment & Ors**.
- The matter relates to the **Constitutional validity of the Forests Rights Act** and also questions pertaining to the **preservation of forests**.
- The details regarding the claims made under the FRA, which were placed before the Court showed that of the **44 lakh claims filed, 20.5 lakh claims (46.5%) were rejected**.
- A claim is made either for individual or community rights by the people/communities covered by the FRA.


Many Faults from Administrative side made Forest people life vulnerable:

According to the **2014 report of the High-Level Committee on Socio-Economic, Health and Educational Status of Tribal Communities in India**, constituted by the Government of India (**Xaxa Committee**):

- **About 60% of the forest area** in the country is **in tribal areas** protected **by Article 19 (5) and Schedules V and VI of the Constitution**.
- But the present Claims from tribal and forest dwellers are being rejected **without assigning reasons** of the Other Traditional Forest Dwellers (OTFD) definition and the '**dependence**' clause, or simply for lack of evidence or '**absence of GPS survey**'.
- The land is **wrongly** considered as '**not forest land**', or because only forest offence receipts are considered as adequate evidence.
- The mere rejection of claims by the state, does not add up to a finding of the **crime of "encroachment"**, the sheer volume of rejections should instead set alarm bells ringing in the court of procedural improprieties.

- The rejections are **not being communicated** to the tribal and forest dwellers, and their right to appeal is not being explained to them nor its exercise facilitated.

MOST AFFECTED

	Claims Rejected	
Madhya Pradesh	3,54,787	
Karnataka	1,76,570	
Odisha	1,48,870	
West Bengal	86,146	
Telangana	82,075	
All India*	11.8 lakh	

*in 16 states

“ In case eviction orders have attained finality, we direct (the states)... to ensure that eviction is carried out on or before the next date of hearing, July 24 **– SC**

Several questions that must be foregrounded for immediate attention:

- The immediate result will be the **forced eviction** of over **one million people** belonging to the Scheduled Tribes and other forest communities.
- Importantly, the area marked for eviction **falls under areas designated** under **Schedule V and Schedule VI of the Constitution** and there is no reference to the implications for governance in the Scheduled Areas.
- Whether the Supreme Court, in fact, **has the authority** to order evictions of Scheduled Tribes from Scheduled Areas?
- In a **democratic country** with citizens and a **written Constitution** which is affirmed by the people who are **sovereign**, how can we countenance the dismantling of an **entire constitutional apparatus** that prescribes the **non-derogable boundaries** to Adivasi homelands and institutional mechanisms that promote **autonomy** and restrain interference in **self-governance**?
- Lacking the skills to survive in a **competitive labour market**, savvy to negotiate their way or the strength of numbers to exercise influence on political processes, the **people of the PVTG** will become **exceedingly vulnerable**.

Sudden Eviction in scheduled Areas is Against the safeguards mentioned in our Constitution:

- At an even more fundamental level, we are speaking of special protections under the Constitution — even more today than ever before.
- The presence of **Article 19(5) in the Fundamental Rights** chapter of the Constitution, which specifically enjoins the state to make laws **“for the protection of the interests of any Scheduled Tribe”, is vital**.
- There is no clarity on whether Supreme Court has the **authority to order evictions** of Schedule Tribes from areas **designated in Schedule V & Schedule VI areas**.
- How has the Supreme Court ordered the **eviction in complete disregard** of this **core and express fundamental right** protection to Adivasis (as distinct from legal/statutory protection), which protects them from a range of state and non-state intrusions in **Scheduled Areas** as well as from the perennial threat of eviction from their homelands.

Conclusion:

- In effect, the court has ordered the **eviction of lakhs of people** whose claims as forest dwellers have been **rejected under** the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, or FRA.
- This order of Supreme Court negates the claims of citizens **under special protection of the Constitution**, viz. the Scheduled Tribes and other vulnerable communities already pushed by gross governmental neglect precariously to the edge, is another matter altogether.

- Finally, in the **recent judgments** of the apex court on the **right to privacy** and **Section 377**, the court highlighted and given importance to **autonomy, liberty, dignity, fraternity and constitutional morality, the pillars of transformative constitutionalism.**
- It is the same court in the same era that has now ordered the **dispossession of entire communities protected under the Constitution.** We, as citizens, have every reason to worry.
- The question before us today centres on the responsibility of the Supreme Court in **upholding constitutional claims and equal citizenship.**

23 INDIA'S POLICY SHIFT IN SHARING INDUS WATERS WITH PAKISTAN

Context:

- Water Resources Minister Nitin Gadkari recently tweeted that the government had decided **to stop India's share of waters in the Indus river system from flowing into Pakistan.**
- Coming amidst noisy calls for a **strong retaliation** against the **Pulwama terror attack**, Water Resources Minister statement seemed to indicate a **new policy direction from the government.**
- The policy direction had, in fact, changed more than two years earlier in the wake of **another terrorist attack, on an Army camp in Uri in September 2016.**

Indian Rights to be utilised fully without violating Indus Water Treaty, 1960:

- Indus Water Treaty is considered to be one of the **most successful water-sharing** endeavours in the world today. For 56 years, both India and Pakistan are peacefully sharing the water of Indus and its tributaries, thanks to The Indus Water Treaty (IWT).
- When India decided to exert much greater control over the **waters of the Indus basin**, while continuing to adhere to the provisions of the **1960 Indus Waters Treaty** that governs the sharing of these waters with Pakistan.
- A **high-level task force** was set up under the stewardship of the **Principal Secretary to the Prime Minister** to ensure that India makes full use of the waters it is entitled to under the Treaty.

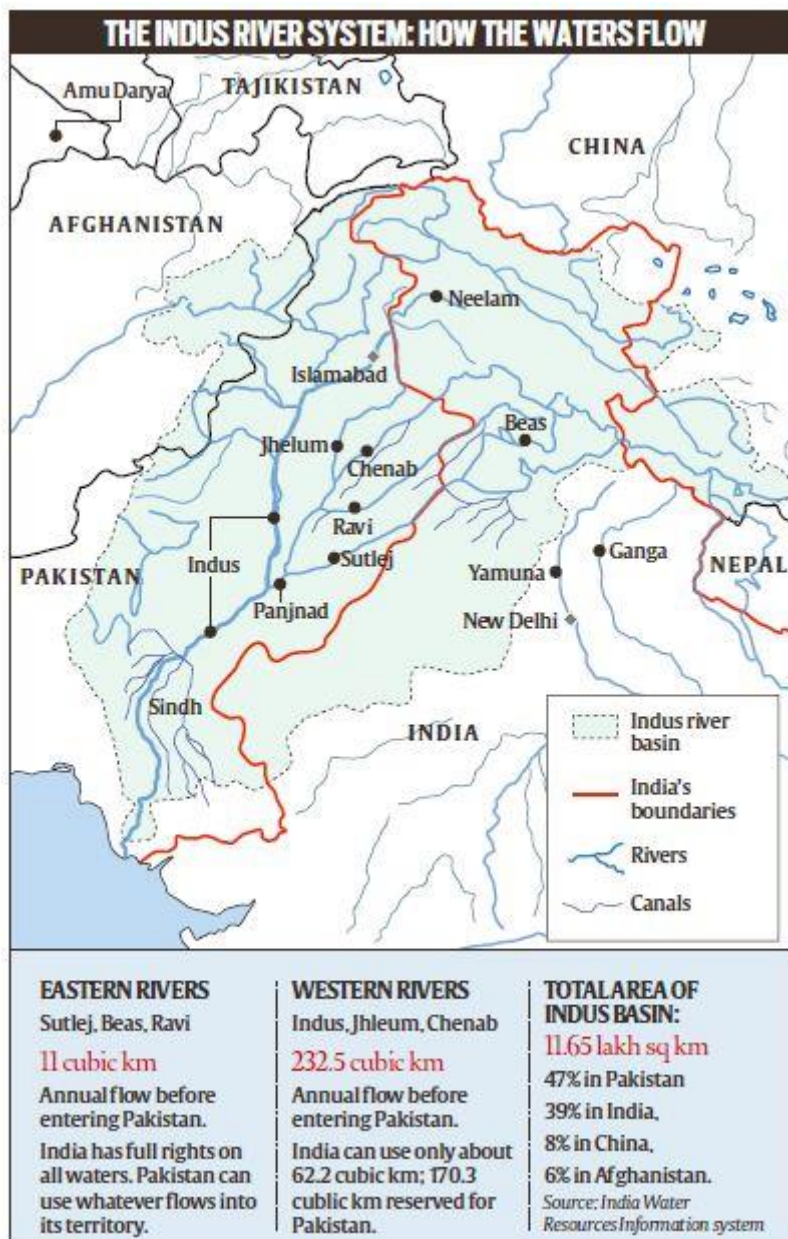
Indus Water Treaty, 1960:

- The Indus Water Treaty (IWT) is a water-distribution treaty between India and Pakistan signed on **September 19, 1960.**
- The treaty was signed by the then Prime Minister Jawaharlal Nehru and Pakistan's President Ayub Khan. It was **brokered by the World Bank** (International Bank for Reconstruction and Development).
- The Indus Waters Treaty (IWT) deals **with river Indus and its five tributaries**, which are classified in 2 categories:
 1. **Eastern rivers: Sutlej, Beas and Ravi.**
 2. **Western rivers: Jhelum, Chenab, Indus**
- According to treaty, all the water of **eastern rivers** shall be available for **unrestricted use in India.** India should let **unrestricted flow** of water **from western rivers to Pakistan.**
- It doesn't mean that India can't use western river's water. The treaty says that India can use the water in western rivers in **"non-consumptive" needs.** Here non-consumptive means we can use it for irrigation, storage and even for electricity production. (But India has not fully utilized this provision so far).
- The treaty **allocates 80% of water from the six-river Indus water system to Pakistan.**
- A **Permanent Indus Commission** was set up as a bilateral commission to implement and manage the Treaty. Though Indus originates from Tibet, China has been kept out of the Treaty.

Status of the Indus river system presently:

- Historically, India has never made full use of its rights, **neither on the Eastern nor on the Western rivers.**
- On the Western rivers specifically, there has been no pressing demand for creation of new infrastructure on the Indus rivers, either for hydroelectricity or irrigation.
- With a large proportion of **farmers in Jammu and Kashmir** having moved to **horticulture from traditional crops**, the demand for irrigation has gone down over the years.
- After the devastating floods of 2014, it was argued that **storage infrastructure** could have been built on these rivers as a **flood-control measure.**

- As a result of **India's under-utilisation of its share of waters**, Pakistan has over the years benefited more than it is entitled to under the Treaty.
- **More than 95% of Pakistan's irrigation infrastructure** is in the **Indus basin** — about **15 million hectares of land**. It has now become the **world's largest contiguous irrigation system**, comprising over 60,000 km of canals.
- **Three of Pakistan's biggest dams**, including Mangla, which is one of the largest in the world, is **built on the Jhelum river**. These dams produce a substantial proportion of **Pakistan's electricity**.



However, claims from Pakistan:

- Even before India's shift in policy, Pakistan had **often complained** that it was being denied its due share of waters, and that India had violated the provisions of the Indus Waters Treaty in the manner it had designed and implemented many of its projects on the Indus rivers.
- The result has been an increasing number of objections being raised by Pakistan on the projects that are coming up in India.
- The two countries have **permanent Indus Water Commissions** that meet regularly not just to **share information and data, but also to resolve disputes**.
- Until a few years ago, most of these disputes would be resolved through this bilateral mechanism. The **dispute over the Baglihar dam** was the first one that **Pakistan referred to the World Bank**, which had brokered the Indus Waters Treaty.
- In the case of the **Kishanganga project**, where the matter was referred to a **Court of Arbitration**, a higher level of conflict resolution under the Treaty, Pakistan managed to get a partially favourable decision.
- Some **disputes over the Kishanganga** have remained unresolved and are currently being addressed.

- In recent years, Pakistan has raised objections on many other projects, including the **Ratle project, the Pakal Dul dam, and Sawalkot**. Officials say the main objective of Pakistan seems to be to **delay these projects**, thereby **forcing a cost escalation** and making them economically unviable.

Can India walk out of the pact unilaterally?

- The treaty has **no provision for either country unilaterally** walking out of the pact.
- **Article XII** of the treaty says “The provisions of this Treaty, or, the provisions of this Treaty as modified under the provisions of Paragraph (3), shall continue in force **until terminated by a duly ratified treaty** concluded for that purpose between the two governments.”
- Still if India wants to go about abrogating it, the country should abide by the **1969 Vienna convention on the law of treaties**.

Conclusion:

- India currently has **no treaty with upstream China** on their shared rivers. How that relationship develops will determine **India’s future water availability** and in turn how India behaves towards downstream Pakistan.
- Similarly, **Pakistan and Afghanistan** have no water sharing agreement for the **Kabul River, an important tributary of the Indus** which supplies up to **17% of Pakistan’s total water**.
- As Afghanistan strives to develop its hydropower, with the help of Indian finance, this could instigate a whole new conflict on the Indus itself.
- India has **never used our rights** on the western rivers. Under the Indus Water Treaty, we can make use of the waters of the **western rivers for storage to an extent**, and even for **producing electricity**, in the manner specified.
- But it is clear that these new challenges require **all countries in the basin** to acknowledge their **dependence on each other** and discuss **joint solutions**.
- Expanding the water sharing agreement to include Afghanistan and China would be a start. Including these two countries, especially China, would also help to address the **power asymmetry** between India and Pakistan and pave the way for a **more holistic sharing agreement** over the Indus waters.
- If we just do what we are entitled to under the Treaty, it would be enough to send jitters through Pakistan. It would be a **strong signal without doing anything drastic**.

RSTV, LSTV, AIR - SYNOPSIS

1. PRODUCTIVITY AND SUSTAINABILITY

(TOPICS COVERED:

PRELIMS: Economic and Social Development – Sustainable Development

MAINS: General Studies III – Economic development, Environment)

- In a **linear process of manufacturing** raw materials in today's world, raw materials are taken from the environment, turned into raw products and disposed after use. But the process will eventually result in **running out of limited raw materials** and also waste accumulated incurs additional cost of **disposal and pollution**.
- But in a **circular economy**, products are designed for **durability, reuse and recyclability**. Product life cycle has to be longer so that there is less disposal by maximizing output and minimizing input. By focussing on being a circular economy, India can build a more resource efficient system as it continues to grow and scale new heights.

Circular Economy = Productivity + Sustainability:

- The **sustainable development** focusses on **improving the environmental performances** of countries, companies and individual processes. This is precisely the aim of circular economy as well.
- Circular economy is in contrast to **traditional linear economy** which is based on a '**take, make, dispose**' model of production.
- A circular economy follows **energy and material loops** to minimize resource input and waste, emission and energy leakage.
- **6 'R' of circular economy are:** Reduce, Reuse, Recycle, Recover, Redesign and Remanufacture.
- The circular economy follows the principle of **preservation and enhancement of natural capital** by controlling finite stocks and balancing renewable resource flows.
- The other principles suggest **optimizing of resource yields** by circulating products, components, and materials at their highest utility at all times, in both technical and biological cycles.
- In a circular economy, all the materials used in making a product shall be **reused in making a new product rather than discarding** it completely. For example, components like Copper, Aluminum, plastic, etc. used in making a mobile phone shall be reused to make a new product after its life ends.
- It thus, works by **extending product life span** through improved design and servicing and relocating waste from the end of the supply chain to the beginning – in effect, **using resources more efficiently** by using them over and over. The challenge lies in building circular economy knowledge and capacity.
- Circular economy has the potential to **increase productivity and create jobs**, whilst **reducing carbon emissions** and **preserving valuable raw materials**.



Actions required to lead the way to transition to circular economy:

- To consider **discarded materials/ products as legitimate raw materials** with circular economy approach.
- **Buildings** can be designed to be adaptable to changing needs and contribute to the **regenerative urban ecosystem**.
- Building **vehicles that rely on zero-emission propulsion technology** could reduce GHG emission, pollution, and dependence on imported fossil fuels.
- Combining **local knowledge and traditional methods** (like working with a large variety of species) with **modern technology** (like precision farming, and digitally enabled asset and knowledge-sharing system).
- Indian businesses can **foster innovation** to address challenges more rapidly by **collaborating with research institutions**.
- **Collaboration among stakeholders** to address key issues to achieve systemic change. For example, inroads to addressing India's solid waste management challenge could be made by connecting all kinds of actors along the value chain.
- Tapping activities of the informal economy (e.g. existing repair and recycling activities for vehicles), in cooperation with the public sector or other organizations.
- **Education** about such processes needs to be provided right from the school level to the corporate level.

Steps taken in India towards being a circular economy:

- India has made a commitment to meet its Nationally Determined Contributions – GHG emissions targets and sustainable development goals by providing **clean energy and clean environment**.
- With mission-oriented policies such as **UDAY, UJWALA, Swachh Bharat, etc** in combination with government initiatives like **Make in India, Digital India, Start-up India campaigns** which aim to enhance competitiveness and create more jobs, India is poised for growth and it is important to disseminate information on sustainability to all stakeholders.
- **MSMEs** utilizing Lean Management cluster Scheme (LMCS), Zero-effect- zero-defect (ZED) scheme and schemes for Energy efficiency provide a comprehensive frame work to attain sustainability using the Circular Economy approach.

Conclusion:

- **India is on the right path** of moving towards a circular economy, but the **process needs to be speeded up**. In India huge wastes in the form of solid wastes, hazardous wastes, bio-medical waste, electronic waste, construction wastes, agriculture biomass, etc is being dumped in the country. But the amount of these wastes is less than 20%. So, the **huge potential of reuse and recycling in the country** needs to be acted upon very fast. This requires a **good policy framework** which will expedite the whole process of circular economy.
- Circular economy is going to be **beneficial to all**– consumers, manufacturers, entrepreneurs, climate and the overall environment.

Link: <https://youtu.be/IM-NTe8Owr4>

2. US VS RUSSIA N-ARMS TREATY & VENEZUELA

(TOPICS COVERED):

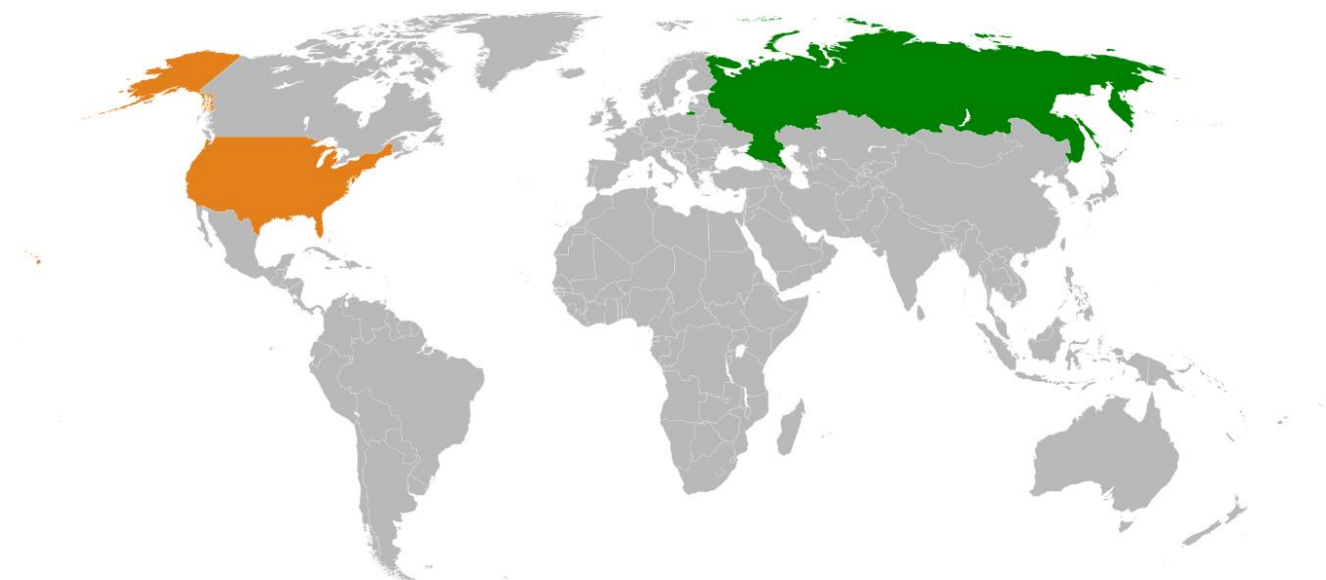
PRELIMS: CURRENT EVENTS OF INTERNATIONAL IMPORTANCE

*MAINS: GENERAL STUDIES II- INTERNATIONAL RELATIONS;
GENERAL STUDIES III – TECHNOLOGY, SECURITY)*

- In an increasing **standoff over nuclear weapons**, **Russia** and the **United States** have **suspended** compliance with the Cold war-era **Intermediate Range Nuclear Forces (INF) Treaty**.
- This has prompted fears of a **new arms race** that analysts and politicians say could push the world “much closer” to a nuclear war.
- **US President Donald Trump** accused Russia of violating the 1987 bilateral treaty with “impunity” formally suspending the treaty on 1 Feb 2019.
- In response, **Russian president Vladimir Putin** did so the very next day on 2 Feb 2019.

Treaties between US and Russia related to “arms reduction” are/were:

Treaty	Signed on date	Remarks	Expiration
Intermediate Range Nuclear Forces (INF) Treaty	8 December 1987	Treaty signed between USA and Soviet Union on the elimination of their Intermediate-range and Shorter-Range missiles	1 Feb 2019 (US) 2 Feb 2019 (Russia)
Anti-Ballistic Missile Treaty (ABMT)	26 May 1972	An arms control treaty between US and Soviet Union on the limitation of Anti-Ballistic missile systems.	June 2002 (US withdrew)
START I (Strategic Arms Reduction Treaty)	31 July 1991	Treaty between US and USSR on the reduction and limitations of strategic offensive arms.	5 December 2009
New START	8 April 2010	Treaty between US and USSR on measures of for further reduction and limitation of strategic offensive arms.	5 Feb 2021

**INTERMEDIATE RANGE NUCLEAR FORCES TREATY:**

- It was a **1987 arms control agreement** between the United States and the Soviet Union.
- The INF treaty **eliminated all land-based ballistic and cruise missiles and launchers** with ranges of **500-1000 km** (short medium range) and **1000-5500 km** (intermediate range).
- Air or sea launched missiles were not covered in the treaty.
- More than 2,500 missiles were eliminated by 1991.
- The missiles, their launcher systems and transporter vehicles **destroyed included:**
 - United States** – BGM-109G, Pershing 1a, Pershing II
 - Russia-** SS-4, SS-5, SS-12, SS-20, SS-23, SSC-X4.

SS 20 ballistic missile that was withdrawn under the INF Treaty

- Due to the expiration of INF treaty, the **START treaties** have also come in a
- China is developing technologies like cruise missiles and so it may be a reason too that USA did not want to restrict itself with a treaty like INF.
- Russia also wants to demonstrate itself as a superpower and so it also left the INF treaty.
- The **Eastwards expansion of NATO** is also a possible factor for USA from INF. NATO has been expanding Eastwards adding 13 more members (10 from Warsaw Pact members) after the end of the Cold War. Montenegro was added latest in 2017. So, to support such expansions, USA would like to develop its military engagements.

- With the expansions of NATO, Russia also develops its military powers. Such security dilemmas create a vicious spiral between USA and Russia.

Expansion of NATO

- But removal of barriers of INF has put regions in **Europe and Asia Pacific directly under a Line of Fire** of Russia.
- The INF Treaty was signed to control the Cold War between USA and Soviet Union. But today the politics is different in USA and Russia. **China is also emerging in picture now** as a powerful nation in Asia-Pacific region.

CONCLUSION:

- **INF treaty** had contributed to the **end of the Cold War** and helped in three decades of strategic stability. Since the signing of ABM treaty in 1972, the world will be left without any limits for two nuclear arsenals as the START treaty also expires in 2021.
- With the expiration of INF treaty, the world may enter a phase of multilateral arms race, and not just two nations (USA and Soviet Union) seen during the Cold War.
- So, **proper arms control agreements may be looked upon involving all the possible actors** to prevent the race and **maintain peace and stability in the world.**

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